

THE PREFERRED INTEGRATED LOGISTICS PARTNER

www.swiftlogistics.com.my



Container Haulage



Land Transportation



Warehousing and Container Depot



Freight Forwarding



Other Services

- Sales, Service and Spare Parts
- Insurance Agency Services
- E-commerce Retailing



Contact Us

(03) 3361 3555 (03) 3361 3522
corporate@swiftlogistics.com.my

Suite 8.02, Level 8, Intan Millennium Square 2
(IMS 2), No. 88, Jalan Batai Laut 4, Taman Intan,
41300 Klang, Selangor Darul Ehsan, Malaysia.

SWIFT HAULAGE BERHAD

PROSPECTUS



SWIFT HAULAGE BERHAD

(Registration No. 200001030627 (533234-V))

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

INITIAL PUBLIC OFFERING ("IPO") OF UP TO 314,142,900 ORDINARY SHARES ("IPO SHARES") IN SWIFT HAULAGE BERHAD ("SWIFT HAULAGE") IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE ENTIRE ORDINARY SHARES IN SWIFT HAULAGE ("SHARES") ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD COMPRISING A PUBLIC ISSUE OF 157,142,900 NEW SHARES ("ISSUE SHARES") AND AN OFFER FOR SALE OF UP TO 157,000,000 EXISTING SHARES ("OFFER SHARES") INVOLVING:

- INSTITUTIONAL OFFERING OF UP TO 275,209,400 IPO SHARES TO INSTITUTIONAL AND SELECTED INVESTORS, INCLUDING BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, MALAYSIA, AT THE INSTITUTIONAL PRICE TO BE DETERMINED BY WAY OF BOOKBUILDING ("INSTITUTIONAL PRICE"); AND
- RETAIL OFFERING OF 38,933,500 ISSUE SHARES TO THE DIRECTORS OF SWIFT HAULAGE, ELIGIBLE EMPLOYEES OF SWIFT HAULAGE AND ITS SUBSIDIARIES AND JOINT VENTURE COMPANY ("GROUP") AND PERSONS WHO HAVE CONTRIBUTED TO THE SUCCESS OF THE GROUP AND THE MALAYSIAN PUBLIC AT THE RETAIL PRICE OF RM1.03 PER ISSUE SHARE ("RETAIL PRICE"), PAYABLE IN FULL UPON APPLICATION AND SUBJECT TO REFUND OF THE DIFFERENCE BETWEEN THE RETAIL PRICE AND THE FINAL RETAIL PRICE (AS DEFINED IN THIS PROSPECTUS) IN THE EVENT THAT THE FINAL RETAIL PRICE IS LESS THAN THE RETAIL PRICE,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS. THE FINAL RETAIL PRICE WILL BE EQUAL TO THE LOWER OF:

- THE RETAIL PRICE OF RM1.03 PER ISSUE SHARE; OR
- THE INSTITUTIONAL PRICE.

Principal Adviser, Joint Lead Bookrunner, Joint Bookrunner, Managing Underwriter and Joint Underwriter



MIDF AMANAH INVESTMENT BANK BERHAD

(Registration No. 197501002077 (23878-X))

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Lead Bookrunner, Joint Bookrunner
and Joint Underwriter

Joint Bookrunners and Joint Underwriters (in alphabetical order)



AmInvestment Bank

AMINVESTMENT BANK BERHAD
(Registration No. 197501002220 (23742-V))
(A Participating Organisation of
Bursa Malaysia Securities Berhad)

kenanga

KENANGA INVESTMENT BANK BERHAD
(Registration No. 197301002193 (15678-H))
(A Participating Organisation of
Bursa Malaysia Securities Berhad)

UOB KayHian

UOB KAY HIAN SECURITIES (M) SDN BHD
(Registration No. 199001003423 (194990-K))
(A Participating Organisation of
Bursa Malaysia Securities Berhad)

NO SECURITIES WILL BE ALLOTTED OR ISSUED BASED ON THIS PROSPECTUS AFTER 6 MONTHS FROM THE DATE OF THIS PROSPECTUS.

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED OUR IPO AND THIS PROSPECTUS HAS BEEN REGISTERED BY THE SC. THE APPROVAL OF OUR IPO, AND REGISTRATION OF THIS PROSPECTUS, SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFERING OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE, OPINION EXPRESSED OR REPORT CONTAINED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF OUR SHARES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF THE COMPANY AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, SEE "RISK FACTORS" COMMENCING ON PAGE 308.

This Prospectus is dated 30 November 2021

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information" and "Definitions" commencing on pages viii and x of this Prospectus respectively.

RESPONSIBILITY STATEMENTS

Our Directors, Promoters and the Selling Shareholders have seen and approved this Prospectus. They collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm that there is no false or misleading statement or other facts which if omitted, would make any statement in the Prospectus false or misleading.

MIDF Amanah Investment Bank Berhad, being the Principal Adviser, Managing Underwriter and Joint Underwriter for the Retail Offering, and the Joint Lead Bookrunner and Joint Bookrunner for the Institutional Offering, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts concerning our IPO.

It is to be noted that the role of AmlInvestment Bank Berhad in our IPO is limited to being a Joint Lead Bookrunner and Joint Bookrunner for the Institutional Offering and Joint Underwriter for the Retail Offering.

It is to be noted that the role of Kenanga Investment Bank Berhad and UOB Kay Hian Securities (M) Sdn Bhd in our IPO is limited to being the Joint Bookrunners for the Institutional Offering and Joint Underwriters for the Retail Offering.

STATEMENTS OF DISCLAIMER

Our Company has obtained the approval of Bursa Securities for our Listing. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares.

This Prospectus, together with the Application Form, have also been lodged with the Registrar of Companies, who takes no responsibility for its contents.

OTHER STATEMENTS

You should note that you may seek recourse under Sections 248, 249 and 357 of the *CMSA* for breaches of securities laws including any statement in this Prospectus that is false, misleading, or from which there is a material omission; or for any misleading or deceptive act in relation to our Prospectus or the conduct of any other person in relation to our Company.

Our Shares are offered to the public on the premise of full and accurate disclosure of all material information concerning our IPO, for which any person set out in Section 236 of the *CMSA*, is responsible.

Our Shares are classified as Shariah compliant by the SAC. This classification remains valid from the date of issue of this Prospectus until the next Shariah compliance review undertaken by the SAC. The new status is released in the updated list of Shariah-compliant securities, on the last Friday of May and November.

We will not, prior to acting on any acceptance in respect of our IPO, make or be bound to make any enquiry as to whether you have a registered address in Malaysia and will not accept or be deemed to accept any liability in relation thereto whether or not any enquiry or investigation is made in connection therewith.

This Prospectus has been prepared and published solely for our IPO under the laws of Malaysia. This Prospectus does not comply with the laws of jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or with or by any regulatory authority of any jurisdiction other than Malaysia.

Our Shares being offered in our IPO are offered solely based on the contents of this Prospectus. Our Company, Promoters, the Selling Shareholders, Principal Adviser, Joint Lead Bookrunners, Joint Bookrunners, Managing Underwriter and Joint Underwriters take no responsibility for the distribution of this Prospectus (in preliminary or final form) outside Malaysia. Our Company, Directors, Promoters, the Selling Shareholders, Principal Adviser, Joint Lead Bookrunners, Joint Bookrunners, Managing Underwriter and Joint Underwriters have not authorised anyone to provide you with information which is not contained in this Prospectus.

It shall be your sole responsibility, if you are or may be subject to the laws of any countries or jurisdictions other than Malaysia, to consult your legal and/or professional advisers as to whether your application for our IPO would result in the contravention of any laws of such countries or jurisdictions. Neither we nor our Principal Adviser nor any other advisers in relation to our IPO shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, avoidable or void in any such country or jurisdiction.

Further, it shall be your sole responsibility to ensure that your application for our IPO would be in compliance with the terms of our IPO and would not be in contravention of any laws of countries or jurisdictions other than Malaysia to which you may be subjected to. We will further assume that you had accepted our IPO in Malaysia and will be subject only to the laws of Malaysia in connection therewith.

However, we reserve the right, in our absolute discretion, to treat any acceptances as invalid if we believe that such acceptance may violate any law or applicable legal or regulatory requirements.

ELECTRONIC PROSPECTUS

This Prospectus can also be viewed or downloaded from Bursa Securities' website at www.bursamalaysia.com. The contents of the Electronic Prospectus are as per the contents of this Prospectus registered by the SC.

You are advised that the internet is not a fully secured medium, and that your Internet Share Application may be subject to the risk of problems occurring during data transmission, computer security threats such as viruses, hackers and crackers, faults with computer software and other events beyond the control of the Internet Participating Financial Institutions. These risks cannot be borne by the Internet Participating Financial Institutions.

If you are in doubt as to the validity or integrity of the Electronic Prospectus, you should immediately request from us or the Issuing House, a paper / printed copy of this Prospectus.

If there is any discrepancies arising between the contents of the Electronic Prospectus and the paper / printed copy of this Prospectus for any reason whatsoever, the contents of the paper / printed copy of this Prospectus, which is identical to this Prospectus registered by the SC, shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**Third Party Internet Sites**"), whether by way of hyperlinks or by way of description of the Third Party Internet Sites, you acknowledge and agree that:

- (i) we and our Principal Adviser do not endorse and are not affiliated in any way with the Third Party Internet Sites and are not responsible for the availability of, or the contents or any data, information, files or other material provided on the Third Party Internet Sites. You shall bear all risks associated with the access to or use of the Third Party Internet Sites;
- (ii) we and our Principal Adviser are not responsible for the quality of products or services in the Third Party Internet Sites, for fulfilling any of the terms of your agreements with the Third-Party Internet Sites. We and our Principal Adviser are also not responsible for any loss, damage or cost that you may suffer or incur in connection with or as a result of dealing with the Third-Party Internet Sites or the use of or reliance on any data, information, files or other material provided by such parties; and

- (iii) any data, information, files or other material downloaded from the Third Party Internet Sites is done at your own discretion and risk. We and our Principal Adviser are not responsible, liable or under obligation for any damage to your computer system or loss of data resulting from the downloading of any such data, information, files or other material.

Where an Electronic Prospectus is hosted on the website of the Internet Participating Financial Institutions, you are advised that:

- (i) the Internet Participating Financial Institutions are liable in respect of the integrity of the contents of an Electronic Prospectus, to the extent of the contents of the electronic Prospectus situated on the web server of the Internet Participating Financial Institutions which may be viewed via your web browser or other relevant software. The Internet Participating Financial Institutions shall not be responsible in any way for the integrity of the contents of an Electronic Prospectus which has been downloaded or otherwise obtained from the web server of the Internet Participating Financial Institutions and thereafter communicated or disseminated in any manner to you or other parties;
- (ii) while all reasonable measures have been taken to ensure the accuracy and reliability of the information provided in an Electronic Prospectus, the accuracy and reliability of an Electronic Prospectus cannot be guaranteed as the internet is not a fully secured medium; and
- (iii) the Internet Participating Financial Institutions shall not be liable (whether in tort or contract or otherwise) for any loss, damage or cost, you or any other person may suffer or incur due to, as a consequence of or in connection with any inaccuracies, changes, alterations, deletions or omissions in respect of the information provided in an Electronic Prospectus which may arise in connection with or as a result of any fault or faults with web browsers or other relevant software, any fault or faults on your or any third party's personal computer, operating system or other software, viruses or other security threats, unauthorised access to information or systems in relation to the website of the Internet Participating Financial Institutions, and/or problems occurring during data transmission, which may result in inaccurate or incomplete copies of information being downloaded or displayed on your personal computer.

(The rest of this page has been intentionally left blank)

INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:

Events	Tentative Dates
Opening of the Institutional Offering	30 November 2021
Issuance of Prospectus / Opening of the Retail Offering	30 November 2021
Closing of the Retail Offering	7 December 2021
Closing of the Institutional Offering	7 December 2021
Price Determination Date	8 December 2021
Balloting of applications for our IPO Shares under the Retail Offering	9 December 2021
Allotment / Transfer of our IPO Shares to successful Applicants	17 December 2021
Listing on the Main Market of Bursa Securities	21 December 2021

In the event there is any change to the indicative timetable above, we will advertise the notice of the changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia.

(The rest of this page has been intentionally left blank)

TABLE OF CONTENTS

	PAGE
PRESENTATION OF FINANCIAL AND OTHER INFORMATION	viii
FORWARD-LOOKING STATEMENTS	ix
DEFINITIONS	x
GLOSSARY OF TECHNICAL TERMS	xix
1. CORPORATE DIRECTORY	1
2. INTRODUCTION	
2.1 APPROVALS AND CONDITIONS	9
2.2 MORATORIUM ON OUR SHARES	11
3. PROSPECTUS SUMMARY	
3.1 PRINCIPAL DETAILS OF OUR IPO	12
3.2 BACKGROUND AND OVERVIEW	12
3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS	14
3.4 IMPACT OF COVID-19 ON OUR BUSINESS	15
3.5 FUTURE PLANS AND STRATEGIES	16
3.6 RISK FACTORS	17
3.7 DIRECTORS AND KEY SENIOR MANAGEMENT	19
3.8 DIVIDEND POLICY	19
3.9 USE OF PROCEEDS FROM OUR IPO	20
3.10 FINANCIAL HIGHLIGHTS	20
3.11 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS	21
4. PARTICULARS OF OUR IPO	
4.1 INDICATIVE TIMETABLE	22
4.2 DETAILS OF OUR IPO	22
4.3 SELLING SHAREHOLDERS	30
4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM	31
4.5 DILUTION	33
4.6 USE OF PROCEEDS FROM OUR IPO	35
4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE	39
4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS	40
4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET	45
5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT	
5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS	46
5.2 DIRECTORS AND KEY SENIOR MANAGEMENT	55
5.3 BOARD PRACTICES	87
5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT	90
5.5 MANAGEMENT REPORTING STRUCTURE	93
5.6 DECLARATIONS BY EACH PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT	94
5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS	94
5.8 SERVICE AGREEMENTS	94
5.9 MANAGEMENT SUCCESSION PLAN	95

TABLE OF CONTENTS (Cont'd)

6.	INFORMATION ON OUR GROUP	
6.1	INFORMATION ON OUR GROUP	96
6.2	INFORMATION ON OUR SUBSIDIARIES, JOINT VENTURE COMPANY AND ASSOCIATED COMPANIES	110
6.3	CAPITAL EXPENDITURE AND MATERIAL INVESTMENTS AND DIVESTITURES	143
6.4	BUSINESS OVERVIEW	146
6.5	OUR BUSINESS ACTIVITIES	154
6.6	COMMERCIAL VEHICLES AND TRANSPORTATION EQUIPMENT	179
6.7	SUMMARY OF BUSINESS ACTIVITIES OF THE SUBSIDIARY COMPANIES WITHIN OUR GROUP	180
6.8	TYPES AND SOURCES OF MATERIALS, CONSUMABLES AND SERVICES	181
6.9	CAPACITY AND UTILISATION	186
6.10	PROCESS FLOW	193
6.11	MARKETING ACTIVITIES	198
6.12	RESEARCH AND DEVELOPMENT	199
6.13	SCHEDULED WASTE	200
6.14	MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED	201
6.15	INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND REGISTRATIONS	236
6.16	MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS / AGREEMENTS / INTELLECTUAL PROPERTY RIGHTS / LICENCES OR PERMITS / BUSINESS PROCESSES	239
6.17	EMPLOYEES	239
6.18	MAJOR CUSTOMERS	240
6.19	MAJOR SUPPLIERS	250
6.20	PROPERTIES, PLANT AND EQUIPMENT	255
6.21	BUSINESS STRATEGIES AND PLANS	284
6.22	GOVERNING LAWS AND REGULATIONS	291
6.23	MATERIAL INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS	292
6.24	SEASONALITY	296
7.	INDUSTRY OVERVIEW	297
8.	RISK FACTORS	
8.1	RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP	308
8.2	RISKS RELATING TO OUR INDUSTRY	316
8.3	RISKS RELATING TO INVESTMENT IN OUR SHARES	318
9.	RELATED PARTY TRANSACTIONS	
9.1	RELATED PARTY TRANSACTIONS	321
9.2	MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST	328
10.	CONFLICT OF INTEREST	
10.1	CONFLICT OF INTEREST	329
10.2	DECLARATION BY ADVISERS ON CONFLICT OF INTEREST	329

TABLE OF CONTENTS (Cont'd)

11. FINANCIAL INFORMATION

11.1	HISTORICAL FINANCIAL INFORMATION	332
11.2	CAPITALISATION AND INDEBTEDNESS	336
11.3	MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	338
11.4	LIQUIDITY AND CAPITAL RESOURCES	399
11.5	ORDER BOOK	419
11.6	TREND INFORMATION	419
11.7	SIGNIFICANT CHANGES	419
11.8	DIVIDEND POLICY	419
11.9	REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION	420

12. ACCOUNTANTS' REPORT 434
13. ADDITIONAL INFORMATION

13.1	EXTRACT OF OUR CONSTITUTION	610
13.2	SHARE CAPITAL	616
13.3	LIMITATION ON THE RIGHT TO OWN SECURITIES	616
13.4	PUBLIC TAKE-OVERS	617
13.5	EXCHANGE CONTROLS	617
13.6	MATERIAL LITIGATION, CLAIMS AND ARBITRATION	618
13.7	MATERIAL CONTRACTS	618
13.8	CONSENTS	622
13.9	RESPONSIBILITY STATEMENTS	622
13.10	DOCUMENTS FOR INSPECTION	623

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

14.1	OPENING AND CLOSING OF APPLICATIONS	624
14.2	METHODS OF APPLICATIONS	624
14.3	ELIGIBILITY	625
14.4	PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS	626
14.5	PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS	627
14.6	PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS	627
14.7	AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE	627
14.8	OVER / UNDER-SUBSCRIPTION	628
14.9	UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS	628
14.10	SUCCESSFUL APPLICANTS	630
14.11	ENQUIRIES	630

(The rest of this page has been intentionally left blank)

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” or “Swift Haulage” in this Prospectus are to Swift Haulage. All references to “our Group” are to our Company, our subsidiaries and our joint venture company taken as a whole. References to “we”, “us”, “our” and “ourselves” are to our Company or our Group or any member of our Group, as the context requires.

Unless the context otherwise requires, references to “Management” are to our Directors and our key senior management personnel as disclosed in this Prospectus and statements as to our beliefs, expectations, estimates and opinions are those of our Management.

Certain abbreviations, acronyms and technical terms used are defined in the “Definitions” and “Glossary of Technical Terms” sections of this Prospectus. Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. References to persons shall include companies and corporations, unless otherwise specified.

In this Prospectus, references to the “Government” are to the Government of Malaysia; and references to “RM” and “sen” are to the lawful currency of Malaysia. The word “approximately” used in this Prospectus is to indicate that a number is not an exact one, but that number is usually rounded off to the nearest hundredth or 2 decimal places. Any discrepancies in the tables included in this Prospectus between the amounts listed and the total thereof are due to rounding.

Unless otherwise stated, any reference to dates and times in this Prospectus shall be a reference to dates and times in Malaysia.

Any reference to any enactment in this Prospectus shall be a reference to that enactment as for the time being or amended or re-enacted.

Certain amounts and percentage figures included in this Prospectus have been subject to rounding adjustments. As a result, any discrepancies in the tables or charts between the amounts listed and the totals in this Prospectus are due to rounding. Where information is presented in thousands or millions of units, amounts may have been rounded up or down.

This Prospectus includes statistical data provided by our Management and various third parties and cites third party projections regarding growth and performance of the market and industry in which our Group operates or is exposed to. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus. Where no source is stated, it can be assumed that the information originates from our Management.

In particular, certain information in this Prospectus is extracted or derived from the Industry Overview prepared by Vital Factor, an independent business and market research consulting company. We have appointed Vital Factor to provide an independent market and industry review. In compiling their data for the review, Vital Factor had relied on research methodology, industry sources, published materials, their own private databases and direct contacts within the industry. We believe that the information on the industry and the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the industry in which we operate.

The information on our website, or any website directly and indirectly linked to such website does not form part of this Prospectus and should not be relied upon.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements, which include all statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, prospects, plans and objectives of our Management for future operations. Some of these statements can be identified by words that have a bias towards or are forward-looking such as “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “estimate”, “aim”, “plan”, “forecast”, “project” or similar expressions. Such forward-looking statements involve known and unknown risks, uncertainties, contingencies and other important factors beyond our Group’s control that could cause our actual results, performances or achievements to be materially different from future results, performances or achievements expressed or implied by such forward-looking statements. Such forward-looking statements include, without limitation, statements relating to:

- (i) demand of our services;
- (ii) our business strategies;
- (iii) our plans and objectives for future operations;
- (iv) our future financial position, earnings, cash flows and liquidity; and
- (v) our ability to pay future dividends.

Our actual results may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- (i) the ongoing COVID-19 pandemic and possible similar future outbreak;
- (ii) the economic, political and investment environment in Malaysia; and
- (iii) government policy, legislation or regulation.

Such forward-looking statements are based on numerous assumptions regarding our Group’s present and future business strategies and the environment in which we operate. Additional factors that could cause our actual results, performances or achievements to differ materially include, but are not limited to those discussed in Section 8 – Risk Factors and Section 11.3 – Management’s Discussion and Analysis of Financial Condition and Results of Operations of this Prospectus. We cannot assure you that the forward-looking statements in this Prospectus will be realised.

These forward-looking statements are based on information available to us as at the LPD and are made available only as at the LPD. Should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of registration of this Prospectus but before the date of allotment of the Issue Shares / transfer of the Offer Shares, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provision of Section 238(1) of the CMA and Paragraph 1.02, Chapter 1 of Part II (Division 6) of the Prospectus Guidelines (Supplementary and Replacement Prospectus).

DEFINITIONS

The following definitions shall apply throughout this Prospectus unless the definitions are defined otherwise or the context requires otherwise:

GENERAL

Act	:	Companies Act 2016
AGM	:	Annual General Meeting
AmlInvestment Bank	:	AmlInvestment Bank Berhad (197501002220 (23742-V))
Angka Dayamas	:	Angka Dayamas Sdn Bhd (201701027533 (1241699-W))
APAD	:	Land Public Transport Agency
Applicants	:	Applicants for the subscription of our IPO Shares by way of Application Forms or by way of Electronic Share Application or by way of Internet Share Application
Application	:	The applications for the Issue Shares by way of Application Form, Electronic Share Application and/or Internet Share Application
Application Form	:	The printed application forms for the application of the Issue Shares accompanying this Prospectus
ATM	:	Automated Teller Machine
Bandar Sultan Sulaiman Land	:	A piece of land at Lebuhr Sultan Mohammed Satu at Bandar Sultan Sulaiman in Port Klang area, Selangor
Bluefin	:	Bluefin Bidco Ltd (MC-314805)
Board	:	Board of Directors of Swift Haulage
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (198701006854 (165570-W))
Bursa Securities	:	Bursa Malaysia Securities Berhad (200301033577 (635998-W))
CAGR	:	Compound annual growth rate
CCM	:	Companies Commission of Malaysia
CDS	:	Central Depository System
CDS Account	:	Accounts established for a Depositor by Bursa Depository for the recording of deposits or withdrawals of securities and for dealings in such securities by the Depositor
CMSA	:	Capital Markets and Services Act 2007
Constitution	:	The constitution of Swift Haulage

DEFINITIONS (Cont'd)

Cornerstone Investors	:	HSBC Global Asset Management (Hong Kong) Limited, AIA Bhd., Kenanga Investors Berhad, UOB Asset Management (Malaysia) Berhad, Areca Capital Sdn Bhd as fund manager of Areca Dynamic Growth Fund 10, Nikko Asset Management Asia Limited, Zurich Life Insurance Malaysia Berhad, AmFunds Management Berhad and Amlslamic Funds Management Sdn Bhd, collectively
COVID-19	:	Novel coronavirus disease 2019, an infectious respiratory disease which first broke out in 2019
CPA	:	Certified Practising Accountant
CRLS	:	Convertible redeemable loan stock
Customs	:	Royal Malaysian Customs Department
Depositor	:	A holder of a CDS Account
Director(s)	:	Director(s) of our Company and within the meaning given in Section 2 of the CMSA
EIS	:	Employment Insurance System
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the Internet, and/or an electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)
Electronic Share Application	:	An application for the Issue Shares through Participating Financial Institutions' ATM
Eligible Persons	:	Eligible Directors, employees and persons who have contributed to the success of our Group, as further detailed in Section 4.2.2(b) of this Prospectus
EPF	:	Employees Provident Fund
EPS	:	Earnings per share
Equity Guidelines	:	Equity Guidelines issued by the SC
Final Retail Price	:	Final price per IPO Share equivalent to the Retail Price or the Institutional Price, whichever is lower, to be determined on the Price Determination Date
Financial Years Under Review	:	FYE 2018, FYE 2019 and FYE 2020, collectively
FPE	:	Financial period ended 31 May, as the case may be
FYE	:	Financial year ended / ending 31 December, as the case may be
Glory Portfolio	:	Glory Portfolio Sdn Bhd (199701015074 (430571-K))

DEFINITIONS (Cont'd)

GP	:	Gross profit
IFRS	:	International Financial Reporting Standards as issued by the International Accounting Standards Board
Institutional Offering	:	Offering of up to 275,209,400 IPO Shares at the Institutional Price, subject to the clawback and reallocation provisions, to the institutional and selected investors, including Bumiputera investors approved by the MITI
Institutional Price	:	Price per Offer Share and/or Issue Share to be paid by investors pursuant to the Institutional Offering which will be determined on the Price Determination Date by bookbuilding
Internet Participating Financial Institutions	:	Participating financial institutions for the Internet Share Application, as listed in Section 14 of this Prospectus
Internet Share Application	:	Application for the Issue Shares through an online share application service provided by the Internet Participating Financial Institutions
IPO	:	Collectively, Offer for Sale and Public Issue
IPO Shares	:	The Issue Shares and Offer Shares, collectively
Issue Shares	:	New Shares to be issued by our Company under the Public Issue
Issuing House	:	Tricor Investor & Issuing House Services Sdn Bhd (197101000970 (11324-H))
Joint Bookrunners	:	MIDF Investment, AmInvestment Bank, Kenanga IB and UOBKH, collectively
Joint Lead Bookrunners	:	MIDF Investment and AmInvestment Bank, collectively
Joint Underwriters	:	MIDF Investment, AmInvestment Bank, Kenanga IB and UOBKH, collectively
Kaypi Technologies	:	Kaypi Technologies Sdn Bhd (198301011531 (106920-M))
Kenanga IB	:	Kenanga Investment Bank Berhad (197301002193 (15678-H))
Kenanga Private Equity	:	Kenanga Private Equity Sdn Bhd (199701007563 (423059-P))
KWAP	:	Kumpulan Wang Persaraan (Diperbadankan)
KPDNKK	:	Ministry of Domestic Trade and Consumer Affairs
Laserforms	:	Laserforms Sdn Bhd (198801001108 (168465-T))
Listing	:	The admission of Swift Haulage to the Official List and the listing of and quotation for our entire enlarged Shares on the Main Market of Bursa Securities
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Listing Scheme	:	Comprising the Public Issue, Offer for Sale and Listing, collectively

DEFINITIONS (Cont'd)

Lock-up Letters	:	Lock-up letters dated 15 November 2021 issued by our Company and the Promoters to the Joint Lead Bookrunners and Joint Bookrunners in relation to the Placement Agreement
LPD	:	31 October 2021, being the latest practicable date prior to the issuance of this Prospectus
Malaysian Public	:	Citizens of Malaysia and companies, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Days	:	Any days between Monday to Friday (both days inclusive) which is not a public holiday and on which Bursa Securities is open for trading of securities
Master Cornerstone Placement Agreement	:	Master cornerstone placement agreement dated 15 November 2021 entered into between our Company, the Selling Shareholders, the Joint Lead Bookrunners, Joint Bookrunners and the Cornerstone Investors as detailed in Section 4.2.1 of this Prospectus
MCCG	:	Malaysian Code on Corporate Governance which came into effect on 28 April 2021
MCO	:	The nationwide Movement Control Order imposed by the Government of Malaysia under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 as a measure to contain the outbreak of COVID-19 pandemic
MFRS	:	Malaysian Financial Reporting Standards
MIA	:	Malaysian Institution of Accountants
MITI	:	Ministry of International Trade and Industry of Malaysia
MOF	:	Ministry of Finance Malaysia
Moratorium Period	:	Period of 6 months from the date of our Listing
N/A	:	Not applicable
NA	:	Net assets
NBV	:	Net book value
Offer for Sale	:	Offer for sale of up to 157,000,000 Offer Shares by the Selling Shareholders under the Institutional Offering
Offer Shares	:	Existing Shares to be offered by the Selling Shareholders pursuant to the Offer for Sale
Official List	:	A list specifying all securities which have been admitted for listing on the Main Market of Bursa Securities and not removed
Over-allotment Option	:	Over-allotment option granted by the Over-allotment Option Provider to the Stabilising Manager (on behalf of the Joint Lead Bookrunners and Joint Bookrunners)
Over-allotment Option Provider	:	Persada Bina

DEFINITIONS (Cont'd)

Participating Financial Institutions	:	Participating financial institutions for the Electronic Share Application, as listed in Section 14 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
PE Multiple	:	Price earnings multiple
Pelikan Asia	:	Pelikan Asia Sdn Bhd (197501000498 (21852-M))
Pelikan International	:	Pelikan International Corporation Berhad (198001009827 (63611-U))
Persada Bina	:	Persada Bina Sdn Bhd (199301012630 (267368-W))
Pink Form Allocation	:	The allocation of 21,137,300 Issue Shares to the Eligible Persons pursuant to the Public Issue
PKNS	:	Perbadanan Kemajuan Negeri Selangor
PKNS SPA	:	Sale and Purchase Agreement dated 26 August 2021 entered into between Ann Joo Properties and PKNS for the acquisition of the Bandar Sultan Sulaiman Land by Ann Joo Properties from PKNS for a purchase consideration of RM59,371,857.00 to be satisfied in cash
Placement Agreement	:	The placement agreement to be entered into by our Company, the Selling Shareholders, the Joint Lead Bookrunners and the Joint Bookrunners in respect of such number of IPO Shares to be offered under the Institutional Offering
Prescribed Securities	:	Securities of a company that are prescribed by Bursa Securities to be deposited in the CDS subject to the provision of the SICDA and the Rules
Price Determination Date	:	Date on which the Institutional Price and the Final Retail Price will be determined
Principal Adviser or Managing Underwriter or MIDF Investment	:	MIDF Amanah Investment Bank Berhad (197501002077 (23878-X))
Promoters	:	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Loo Yong Hui, Loo Hooi Keat and Persada Bina, collectively
Prospectus	:	This Prospectus dated 30 November 2021 in relation to our IPO
Prospectus Guidelines	:	Prospectus Guidelines issued by the SC
PS	:	Preference shares
Public Issue	:	Public issue of 157,142,900 Issue Shares by our Company
RCPS	:	Redeemable convertible preference shares

DEFINITIONS (Cont'd)

Retail Offering	: Offering of 38,933,500 Issue Shares at the Retail Price, subject to the clawback and reallocation provisions, to be allocated in the following manner:
	(i) 21,137,300 Issue Shares reserved for application by the Eligible Persons; and
	(ii) 17,796,200 Issue Shares for application by the Malaysian Public via balloting
Retail Price	: Initial price of RM1.03 per IPO Share to be fully paid upon application under the Retail Offering, subject to adjustment as detailed in Section 4.2 of this Prospectus
Retail Underwriting Agreement	: The retail underwriting agreement dated 15 November 2021 between our Company, Managing Underwriter and Joint Underwriters for the underwriting of our Issue Shares under the Retail Offering
RM and sen	: Ringgit Malaysia and sen, respectively
RPS	: Redeemable preference shares
Rules	: Rules of Bursa Depository, as may be amended from time to time
SAC	: Shariah Advisory Council of the SC
SC	: Securities Commission Malaysia
Selling Shareholders	: Persada Bina, KWAP, Bluefin and Kenanga Private Equity, collectively
Share Lending Agreement	: The agreement to be entered into by the Over-allotment Option Provider and the Stabilising Manager under which the Over-allotment Option Provider will lend the Shares to the Stabilising Manager to cover over-allotment, if any, under the Over-allotment Option
Share Split	: Subdivision of 122,110,267 Shares into 732,661,602 Shares
SICDA	: Securities Industry (Central Depositories) Act 1991
SOCISO	: Social Security Organisation, Malaysia, also known as PERKESO (Pertubuhan Keselamatan Sosial)
Solicitors	: Chooi & Company + Cheang & Ariff
sq. ft.	: Square feet
sq. m.	: Square metres
Stabilising Manager	: AmInvestment Bank
SWEC	: Standardised Work and Equipment Category
Swift Group or Group	: Swift Haulage and its subsidiaries and joint venture company, collectively

DEFINITIONS (Cont'd)

Swift Haulage or Company	:	Swift Haulage Berhad (200001030627 (533234-V))
Swift Haulage Shares or Shares	:	Ordinary shares in Swift Haulage
UOBKH	:	UOB Kay Hian Securities (M) Sdn Bhd (199001003423 (194990-K))
Vital Factor or IMR	:	Vital Factor Consulting Sdn Bhd (199301012059 (266797-T)), an independent business and market research consulting company

(The rest of this page has been intentionally left blank)

DEFINITIONS (Cont'd)

OUR SUBSIDIARIES

Agenda Wira	:	Agenda Wira Sdn Bhd
Agensi Tanjung Bruas	:	Agensi Tanjung Bruas Sdn Bhd
Ann Joo Properties	:	Ann Joo Properties Sdn Bhd
Container Connections	:	Container Connections (M) Sdn Bhd
Crossland Forwarders	:	Crossland Forwarders Co Ltd
Delta Express	:	Delta Express (M) Sdn Bhd
Earth Move International	:	Earth Move International Sdn Bhd
Fleet Engineering Services	:	Fleet Engineering Services Sdn Bhd
Komunajaya	:	Komunajaya Sdn Bhd
MILS Cold Hub	:	MILS Cold Hub Sdn Bhd
Northern Gateway Depot	:	Northern Gateway Depot Sdn Bhd
Q-Team	:	Q-Team Sdn Bhd
Q-Team Risk Management	:	Q-Team Risk Management Sdn Bhd
Sentiasa Hebat	:	Sentiasa Hebat Sdn Bhd
Sentiasa Hebat (Penang)	:	Sentiasa Hebat (Penang) Sdn Bhd
Swift Commerce	:	Swift Commerce Sdn Bhd
Swift Consolidators	:	Swift Consolidators Sdn Bhd
Swift Crossland Logistics	:	Swift Crossland Logistics Co Ltd
Swift Haulage Services	:	Swift Haulage Services Sdn Bhd
Swift Integrated Logistics	:	Swift Integrated Logistics Sdn Bhd
Swift Logistics TA	:	Swift Logistics TA Sdn Bhd
Tanjong Express	:	Tanjong Express (M) Sdn Bhd
Tanjong Express Logistic	:	Tanjong Express Logistic (M) Sdn Bhd
Top Tyres & Workshop	:	Top Tyres & Workshop Sdn Bhd

OUR JOINT VENTURE COMPANY

Hypercold Logistics	:	Hypercold Logistics Sdn Bhd
----------------------------	---	-----------------------------

OUR ASSOCIATED COMPANIES

BLG Swift	:	BLG Swift Logistics Sdn Bhd
Global Vision Logistics	:	Global Vision Logistics Sdn Bhd
Swift Mega Carriers	:	Swift Mega Carriers Sdn Bhd

DEFINITIONS (Cont'd)

LIST OF WAREHOUSES

Kota Kinabalu Warehouse	:	103,500 sq. ft. warehouse in owned premises along Jalan Tuaran in Kota Kinabalu, Sabah (ceased operation as at the LPD)
Perai Warehouse	:	113,000 sq. ft. warehouse in owned premises at Mak Mandin in Butterworth, Pulau Pinang
Port Klang Warehouse	:	100,000 sq. ft. warehouse in owned premises at Kawasan Perindustrian Bandar Sultan Suleiman in Port Klang, Selangor
SLC Warehouse	:	200,000 sq. ft. warehouse in owned premises at Kawasan Perindustrian Bandar Sultan Sulaiman in Port Klang, Selangor
Tebrau Warehouse	:	107,753 sq. ft. warehouse in owned premises at Kawasan Perindustrian Tebrau II in Johor Bahru, Johor
Westport Warehouse	:	54,300 sq. ft. warehouse in rented premises at Pulau Indah Industrial Park (West Port) in Port Klang, Selangor

LIST OF CONTAINER DEPOTS

NGD Container Depot	:	16.6 acres container depot on land that is owned by us and rented from a third-party at Bandar Sultan Suleiman in Port Klang, Selangor
Northport Container Depot	:	12.0 acres container depot on rented premises at Kawasan Perusahaan Bandar Sultan Sulaiman in Port Klang, Selangor
Westport Container Depot	:	7.6 acres container depot on land that is owned by us at Taman Perindustrian Pulau Indah in Port Klang, Selangor
Westport On-dock Container Depot	:	5.0 acres container depot on rented premises at Pulau Indah in Port Klang, Selangor

(The rest of this page has been intentionally left blank)

GLOSSARY OF TECHNICAL TERMS

Technical terms used in this Prospectus shall have the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

20-foot container	:	A standardised container that is 20 feet in length, 8 feet in width, and usually either 8 feet 6 inches or 9 feet 6 inches in height, mainly used for transporting cargo by sea and land. One 20-foot container is equivalent to one TEU.
20-foot equivalent unit (TEU)	:	The unit of measure based on a 20-foot container used to indicate quantity of containers or its equivalent, and to quantify capacity of space usage such as container depots, open yards, ports and container ships.
40-foot container	:	A standardised container that is 40 feet in length, 8 feet in width, and usually either 8 feet 6 inches or 9 feet 6 inches in height, mainly used for transporting cargo by sea and land. One 40-foot container is equivalent to two TEU.
Air freight forwarding	:	The arrangement for the transportation of cargo that is mainly transported by aircraft. While the cargo may be transported by other modes for part of its journey, for example by road to the airport, the air transportation component predominates in terms of distance covered and/or cost.
Bonded warehouse	:	A warehouse or a designated area within a warehouse that is licensed by the customs authority. Dutiable goods may be stored and handled within the bonded area without having to pay customs duty and sales tax.
Cargo	:	Refers to goods that are transported from one place to another on a vessel or vehicle on a commercial basis. Examples of goods include, among many others, commodities, semi-finished products, finished products, parts and components, letters and parcels. The terms 'cargo', 'goods,' 'freight' and 'shipments' are synonymous and used interchangeably in this Prospectus.
CNG tanker	:	A tanker that is designed to transport compressed natural gas (CNG).
Commercial vehicle	:	A road vehicle that is primarily used to transport cargo on a commercial basis. Examples include prime movers, trailers, trucks and vans.
Consignee	:	The party at the final destination that is responsible for the receipt of a shipment of goods.
Consignor	:	Refer to 'shipper' of the cargo.
Container	:	A standardised reusable shipping container that is designed to be easily used across different modes of transport, for example from ship to truck, or from truck to rail, without having to unload and reload the container's cargo. They can be stacked on top of each other to facilitate transport on ships and storage at depots. The two most common intermodal container sizes used in international trade are the 20-foot container and the 40-foot container.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Container depot	:	An open yard where empty containers are stored between shipments. The empty containers may also be cleaned and repaired, as required, at the container depot.
Container haulage	:	The movement or transportation of containers by road, usually by means of a prime mover towing a laden or unladen container on a trailer.
Container trailer	:	A trailer designed for the carriage of containers.
Containerised cargo	:	Cargo that is packed into a standard container, either a 20-foot or a 40-foot container, for transportation as a single unit.
E-commerce	:	The retailing format where customers purchase goods from retailers through the internet. The retailer will then organise the delivery of the goods to the customer.
E-fulfilment	:	The process of fulfilling an e-commerce purchase. This can involve, among others, storing goods, receiving confirmed orders, picking ordered goods from storage, packing them into parcels, labelling the parcels, and arranging for parcels to be delivered to buyers. E-commerce retailers may carry out e-fulfilment themselves or engage a service provider to do so on their behalf. The e-fulfilment service provider may carry out the final delivery of the goods or engage third-party courier service providers.
Facility	:	A place where activities are carried out and may include a building, structure, built-up area and/or open area.
Freight consolidation	:	Refers to the service of bundling several small shipments (from more than one shipper) that are being forwarded to the same location so that the shipments can be transported together as a single shipment in a single container. The provider of such services is known as a 'freight consolidator'.
Freight forwarding	:	Within the context of this Prospectus, "freight forwarding" refers to the activities where a service provider, known as a 'freight forwarder', organises the shipment of freight from one place to another on behalf of the shipper or consignee, but where the freight forwarder is not the common carrier responsible for transporting the freight. Instead, the freight forwarder contracts one or more external common carriers to transport the freight from its source to destination. Freight forwarding is concerned with domestic and cross-border shipment of freight by land, sea and/or air.

The tasks undertaken by the freight forwarder include, among others, preparing and processing customs and other documentation, engaging and managing carriers and other logistics service providers, and dealing with shippers, consignees, other service providers and government authorities. In some situations, a freight forwarder may use its internal resources to carry out some parts of the process.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Freight forwarding services	:	Within the context of this Prospectus, a subsidiary that is involved in the “freight forwarding services”, principal activity is involved in freight forwarding services but does not hold a Forwarding License and Shipping Agent License (pursuant to Section 90 of the Customs Act 1967).
Freight forwarding agency services	:	Within the context of this Prospectus, a subsidiary that is involved in the “freight forwarding services”, principal activity is involved in freight forwarding services and holds a Forwarding License and/or Shipping Agent License (pursuant to Section 90 of the Customs Act 1967). Please refer to Section 6.14 of this Prospectus for further information relating to our licences.
Goods	:	Refers to ‘cargo’.
ISO tank	:	Refers to a liquid or gas storage tank shaped like a cylinder that fits within a frame built in accordance with the International Organisation for Standardisation (ISO) standard for container dimensions and attachment points. They are designed to be transported in the same manner as a standard container.
Laden container	:	Refers to a container that contains cargo.
Land transportation	:	The transportation of non-containerised cargo by road.
Logistics services	:	Refers to the range of services related to the shipment of goods from one place to another. These include services related to storage (such as warehousing), physical movement of goods (such as transportation of goods via land, water and air), and organising the movement of the goods (such as freight forwarding and consolidation), and regulatory compliance (such as customs documentation and clearance).
Prime mover	:	A commercial vehicle that provides the power to tow a trailer. Prime movers themselves do not carry cargo, but instead use to tow cargo placed on a trailer, either in containers or other formats.
Project logistics	:	Refers to the shipment of cargo that requires specialised handling including specialised vehicles and equipment, and personnel. They may be for heavy and/or oversized items such as engines, equipment and structures, goods requiring security or projects requiring special organisation and coordination.
Sea freight forwarding	:	Refers to freight forwarding where the freight is predominantly shipped by ship. Although other modes of transport may be used for part of the journey, for example by road or rail to the seaport, the sea transportation component predominates in terms of distance covered and/or cost incurred.
Seaport	:	A commercial facility where ships can dock to load and discharge cargo and passengers.
Ship husbandry	:	Ship husbandry involves acting as the agent for ship owners or charterers to clear their ships that call at ports.
Shipment	:	The physical movement of goods from one location to another. The terms ‘shipment’ and ‘transportation’ are synonymous and used interchangeably in this Prospectus.

GLOSSARY OF TECHNICAL TERMS (Cont'd)

Shipper	:	The party that sends the goods, and is usually the point of origin for the goods. Also referred to as the consignor.
Skeletal trailer	:	A basic trailer comprising mainly the chassis, axles and wheels for the main purpose of transporting containers. Also referred to as chassis trailer.
Tipper	:	In the context of a container trailer, it is a trailer with hydraulic system on one end which can be raised to tip the container to discharge its content using gravity.
Trailer	:	An unpowered vehicle that is designed to carry containers or other cargo. Trailers are attached to prime movers.
Transportation	:	Refer to 'shipment'.
Truck	:	A motorised vehicle designed to transport cargo where the cargo compartment may or may not be enclosed. Unlike a prime mover, the cargo is carried on the truck itself.
Unladen container	:	Refers to an empty container.
Warehouse	:	A building that is designed for storing goods. Related activities such as breaking bulk, consolidation, deconsolidation, packing, and e-fulfilment can also be carried out at a warehouse.

(The rest of this page has been intentionally left blank)

1. CORPORATE DIRECTORY

BOARD OF DIRECTORS

<u>Name / (Designation)</u>	<u>Address</u>	<u>Nationality</u>
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor <i>(Independent Non-Executive Chairman)</i>	No. 11, Jalan Athinahapan 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan	Malaysian
Loo Yong Hui <i>(Non-Independent Executive Director / Group Chief Executive Officer)</i>	B2-5-2, Tijani 2 Jalan Langgak Tunku Bukit Tunku 50480 Kuala Lumpur Wilayah Persekutuan	Malaysian
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar <i>(Non-Independent Non-Executive Director)</i>	47, Jalan USJ 9/3E 47620 Subang Jaya Selangor Darul Ehsan	Malaysian
Loo Hooi Keat <i>(Non-Independent Non-Executive Director / Advisor)</i>	14, Jalan SS 19/4E 47500 Subang Jaya Selangor Darul Ehsan	Malaysian
Datuk Noripah Binti Kamso <i>(Independent Non-Executive Director)</i>	90, Jalan TR 8/3 Tropicana Golf and Country Resort 47410 Petaling Jaya Selangor Darul Ehsan	Malaysian
Dato' Gopikrishnan A/L N.S. Menon <i>(Independent Non-Executive Director)</i>	12, Jalan Kiara 13/KS6 Bandar Botanik 41200 Klang Selangor Darul Ehsan	Malaysian
Rozainah Binti Awang <i>(Independent Non-Executive Director)</i>	No.2, Jalan TPJ 1 Taman Permai Jaya, Gombak 53100 Kuala Lumpur Wilayah Persekutuan	Malaysian

1. CORPORATE DIRECTORY (Cont'd)

AUDIT AND RISK MANAGEMENT COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Rozainah Binti Awang	Chairman	Independent Non-Executive Director
Datuk Noripah Binti Kamso	Member	Independent Non-Executive Director
Dato' Gopikrishnan A/L N.S. Menon	Member	Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

<u>Name</u>	<u>Designation</u>	<u>Directorship</u>
Datuk Noripah Binti Kamso	Chairman	Independent Non-Executive Director
Dato' Gopikrishnan A/L N.S. Menon	Member	Independent Non-Executive Director
Loo Hooi Keat	Member	Non-Independent Non-Executive Director

(The rest of this page has been intentionally left blank)

1. CORPORATE DIRECTORY (Cont'd)

COMPANY SECRETARIES : **Chua Siew Chuan**
Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2084 9000
Professional : Chartered Secretary
qualification : Malaysian Institute of Chartered
Secretaries and Administrators ("**MAICSA**")
(Membership No.: MAICSA 0777689)
(SSM PC No.: 201908002648)

Lim Lih Chau
Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2084 9000
Professional : Licensed Secretary
qualification : (Licence No.: LS0010105)
(SSM PC No.:201908001454)

REGISTERED OFFICE : Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2084 9000
Facsimile No. : (03) 2094 9940

1. CORPORATE DIRECTORY (Cont'd)

HEAD OFFICE : Suite 8.02, Level 8
Intan Millennium Square 2 (IMS 2)
No. 88, Jalan Batai Laut 4
Taman Intan
41300 Klang,
Selangor Darul Ehsan
Malaysia
Telephone No. : (03) 3361 3555
Facsimile No. : (03) 3361 3511
Email : corporate@swiftlogistics.com.my
Website : www.swiftlogistics.com.my

SELLING SHAREHOLDERS : **Persada Bina**
Unit No.206, 2nd Floor
Wisma Methodist
Lorong Hang Jebat
50150 Kuala Lumpur
Wilayah Persekutuan
Malaysia

KWAP

Level 36, Integra Tower
The Intermark
348 Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia

Bluefin

Iq Eq Corporate Services (Cayman) Limited
P.O. Box 2251
The Grand Pavilion Commercial Centre
Suite SW6, Alamander Way
802 West Bay Road
Grand Cayman KY1-1107

Kenanga Private Equity

Level 17, Kenanga Tower
237, Jalan Tun Razak
50400 Kuala Lumpur
Wilayah Persekutuan
Malaysia

1. CORPORATE DIRECTORY (Cont'd)

**AUDITORS AND
REPORTING
ACCOUNTANTS**

: BDO PLT
 Level 8, BDO @ Menara CenTARa
 360 Jalan Tuanku Abdul Rahman
 50100 Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Telephone No. : (03) 2616 3055
 Partner-in-charge : Pang Zhi Hao
 Approval No. : 03450/09/2023 J
 Professional qualification : Chartered Accountant,
 Member of MIA
 (MIA Membership No.: 42611)
 Member of CPA, Australia
 (CPA Membership No.: 9454175)

**PRINCIPAL ADVISER AND
MANAGING UNDERWRITER**

: MIDF Amanah Investment Bank Berhad
 Level 21, Menara MIDF
 No. 82, Jalan Raja Chulan
 50200, Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Telephone No. : (03) 2173 8888

**JOINT LEAD
BOOKRUNNERS**

: MIDF Amanah Investment Bank Berhad
 Level 21, Menara MIDF
 No. 82, Jalan Raja Chulan
 50200, Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Telephone No. : (03) 2173 8888

AmlInvestment Bank Berhad

Level 22, Bangunan AmBank Group
 No. 55 Jalan Raja Chulan
 50200 Kuala Lumpur
 Wilayah Persekutuan
 Malaysia
 Telephone No. : (03) 2036 2633

1. CORPORATE DIRECTORY (Cont'd)

JOINT BOOKRUNNERS : MIDF Amanah Investment Bank Berhad

Level 21, Menara MIDF
No. 82, Jalan Raja Chulan
50200, Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2173 8888

AmlInvestment Bank Berhad

Level 22, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2036 2633

Kenanga Investment Bank Berhad

Level 16, Kenanga Tower
237 Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
Telephone No. : (03) 2172 2888

UOB Kay Hian Securities (M) Sdn Bhd

19th Floor
Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Telephone No. : (03) 2147 1888

(The rest of this page has been intentionally left blank)

1. CORPORATE DIRECTORY (Cont'd)

JOINT UNDERWRITERS : MIDF Amanah Investment Bank Berhad

Level 21, Menara MIDF
No. 82, Jalan Raja Chulan
50200, Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2173 8888

AmlInvestment Bank Berhad

Level 22, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2036 2633

Kenanga Investment Bank Berhad

Level 16, Kenanga Tower
237 Jalan Tun Razak
50400 Kuala Lumpur
Malaysia
Telephone No. : (03) 2172 2888

UOB Kay Hian Securities (M) Sdn Bhd

19th Floor
Menara Keck Seng
203, Jalan Bukit Bintang
55100 Kuala Lumpur
Malaysia
Telephone No. : (03) 2147 1888

SOLICITORS FOR OUR IPO : Chooi & Company + Cheang & Ariff

CCA @ Bangsar
Level 5, Menara BRDB
285, Jalan Maarof
Bukit Bandaraya
59000 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2055 3888

1. CORPORATE DIRECTORY (Cont'd)

INDEPENDENT BUSINESS AND MARKET RESEARCH CONSULTANTS : **Vital Factor Consulting Sdn Bhd**
V Square @ PJ City Centre (VSQ)
Block 6, Level 6
Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Telephone No. : (03) 7931 3188
Person-in-charge : Wong Wai Ling
Qualification : Bachelor of Arts from Monash University, Australia;
Graduate Diploma in Management Studies from the University of Melbourne, Australia

(Please refer to Section 7 of this Prospectus for the profile of the firm and signing partner)

SHARE REGISTRAR AND ISSUING HOUSE : **Tricor Investor & Issuing House Services Sdn Bhd**
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Telephone No. : (03) 2783 9299

LISTING SOUGHT : Main Market of Bursa Securities

SHARIAH STATUS : Approved by the SAC

(The rest of this page has been intentionally left blank)

2. INTRODUCTION

2.1 APPROVALS AND CONDITIONS

2.1.1 SC

The SC had, vide its letter dated 11 November 2021, approved our IPO and Listing under Section 214(1) of the CMSA, subject to compliance with the following condition:

No.	Details of condition imposed	Status of compliance
(i)	MIDF Investment and Swift Haulage to fully comply with the requirements of the SC's Equity Guidelines and Prospectus Guidelines pertaining to the implementation of the Listing.	To be complied

The SC had, vide the same letter dated 11 November 2021, approved the resultant equity structure of our Company pursuant to the Listing under the equity requirement for public listed companies. The effects of our Listing on the equity structure of our Company are as follows:

Category of shareholders	As at 30 May 2021		After our Listing			
			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
	No. of Shares	% of issued Shares	No. of Shares	% of enlarged issued Shares	No. of Shares	% of enlarged issued Shares
Bumiputera						
- Bumiputera investors to be approved by MITI	-	-	⁽¹⁾ 111,225,600	12.5	⁽¹⁾ 111,225,600	12.5
- Bumiputera public via balloting	-	-	⁽¹⁾ 8,898,100	1.0	⁽¹⁾ 8,898,100	1.0
- Others ⁽²⁾	102,368,037	83.8	⁽³⁾ 476,808,222	53.6	⁽³⁾ 456,808,222	51.3
Total Bumiputera	102,368,037	83.8	596,931,922	67.1	576,931,922	64.8
Non-Bumiputera	5,112,673	4.2	223,595,238	25.1	243,595,238	27.4
Total Malaysian	107,480,710	88.0	820,527,160	92.2	820,527,160	92.2
Foreigner	14,629,557	12.0	69,277,342	7.8	69,277,342	7.8
Total	122,110,267	100.0	889,804,502	100.0	889,804,502	100.0

Notes:

- (1) Assuming all Shares allocated to Bumiputera investors to be approved by MITI under the Institutional Offering and Bumiputera investors under the Retail Offering via balloting are fully subscribed.
- (2) Bumiputera shareholders, which are not recognised by MITI.
- (3) Assuming our Directors, Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor, Datuk Noripah Binti Kamso and Rozainah Binti Awang subscribe in full for their Shares under the Pink Form Allocation.

2. INTRODUCTION (Cont'd)

The SC has, vide its letter dated 14 September 2021, approved the reliefs sought by us from having to comply with certain requirements under the Equity Guidelines and the Prospectus Guidelines. The details of the reliefs sought are as follows:

Reference	Details of relief granted	Conditions imposed (if any)
Equity Guidelines		
Paragraph 1(f)(i) of Appendix 1, Part IV of the Equity Guidelines	Relief from having to submit to the SC, the ultimate beneficial ownership of Bluefin Bidco Ltd (" Bluefin "), a substantial shareholder of Swift Haulage. The information provided shall only be up to Neoma South-East Asia Fund II L.P. and Neoma South-East Asia Fund II 'A' L.P. (collectively the " Neoma Funds ")	-
Prospectus Guidelines		
Paragraphs 2.09(c) and 4.01(d), Division 1, Part II of the Prospectus Guidelines - Equity	Relief from having to disclose the ultimate beneficial ownership of the shareholders of Bluefin in the Prospectus. The disclosure shall only be up to the Neoma Funds.	-

The SAC had, vide its letter dated 28 July 2021, classified our Shares as Shariah-compliant based on our latest audited financial information for FYE 2020.

2.1.2 Bursa Securities

Bursa Securities had, vide its letter dated 10 November 2021, approved our admission to the Official List and the listing of and quotation for our entire enlarged issued Shares on the Main Market of Bursa Securities. The approval from Bursa Securities is subject to the following conditions:

No.	Details of conditions imposed	Status of compliance
(i)	Swift Haulage and MIDF Investment to make the relevant announcements pursuant to Paragraphs 8.1 and 8.2 of Practice Note 21 of the Listing Requirements; and	To be complied
(ii)	Swift Haulage and MIDF Investment to furnish Bursa Securities on the first day of listing a copy of the schedule of distribution showing compliance to the public share spread requirements based on the entire enlarged issued Shares.	To be complied

2.1.3 MITI

The MITI had, vide its letter dated 6 September 2021, taken note of and has no objection to our Listing.

2. INTRODUCTION (Cont'd)

2.2 MORATORIUM ON OUR SHARES

Pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines, Persada Bina, in its capacity as our controlling shareholder, will not be allowed to sell, transfer or assign any of its holding in our Shares involving 339,208,502 Shares, representing 38.12% of our enlarged issued Shares as at the date of our Listing (assuming the Over-Allotment Option is not exercised) for the Moratorium Period.

The above restriction does not apply:

- (i) In respect of the Shares that may be sold pursuant to the Over-Allotment Option to be granted by Persada Bina to the Stabilising Manager (on behalf of the Joint Lead Bookrunners and Joint Bookrunners); and
- (ii) To the transfer of Shares by Persada Bina as contemplated under the Share Lending Agreement, provided that the restriction will apply to the Shares returned to Persada Bina pursuant to the Share Lending Agreement.

The above moratorium restriction, which is fully acknowledged by Persada Bina and persons connected to it, is specifically endorsed on the share certificates representing the shareholdings which are under moratorium to ensure that our Share Registrar will not register any transfer and sale that are not in compliance with the aforesaid restriction imposed.

Pursuant to Paragraph 5.30, Part II of the Equity Guidelines, the shareholders of Persada Bina namely Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui, have also provided written undertaking letters to the SC that they will not sell, transfer or assign any of their shareholdings in Persada Bina for the Moratorium Period.

(The rest of this page has been intentionally left blank)

3. PROSPECTUS SUMMARY

This Prospectus Summary only highlights the key information from other parts of this Prospectus. It does not contain all the information that may be important to you. You should read and understand the contents of the whole Prospectus prior to deciding on whether to invest in our Shares.

3.1 PRINCIPAL DETAILS OF OUR IPO

3.1.1 Institutional Offering

The Institutional Offering involves the offering of up to 275,209,400 IPO Shares at the Institutional Price, representing approximately 30.93% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Institutional Price in the following manner:

- (i) up to 157,000,000 Offer Shares, representing 17.64% of our enlarged issued Shares will be offered to institutional and selected investors; and
- (ii) up to 118,209,400 Issue Shares, representing 13.29% of our enlarged issued Shares will be offered to institutional and selected investors, including Bumiputera investors approved by MITI.

3.1.2 Retail Offering

Our Company is offering 38,933,500 Issue Shares, representing 4.37% of our enlarged issued Shares, at the Retail Price, to be allocated in the following manner:

(a) Malaysian Public

17,796,200 Issue Shares, representing 2.00% of our enlarged issued Shares, are available for application by the Malaysian Public via balloting, of which at least 8,898,100 Issue Shares, representing 1.00% of our enlarged issued Shares is to be set aside strictly for Bumiputera investors. Any Issue Shares not subscribed for by such Bumiputera investors will be made available for application by other Malaysian investors under the Retail Offering.

(b) Eligible Persons

21,137,300 Issue Shares, representing 2.37% of our enlarged issued Shares have been made available for application by the Eligible Persons.

Our Public Issue and Offer for Sale is expected to raise gross proceeds of RM161.9 million and RM161.7 million, respectively. The gross proceeds from the Offer for Sale will accrue entirely to the Selling Shareholders.

3.1.3 Moratorium on our Shares

Pursuant to Paragraph 5.29(a), Part II of the Equity Guidelines, Persada Bina, in its capacity as our controlling shareholder, will not be allowed to sell, transfer or assign any of its holding in our Shares of 339,208,502 Shares, representing 38.12% of our enlarged issued Shares as at the date of our Listing (assuming the Over-Allotment Option is not exercised), for the Moratorium Period.

Further details on Institutional Offering, Retail Offering and moratorium on our Shares are set out in Sections 4.2.1, 4.2.2 and 2.2 of this Prospectus, respectively.

3.2 BACKGROUND AND OVERVIEW

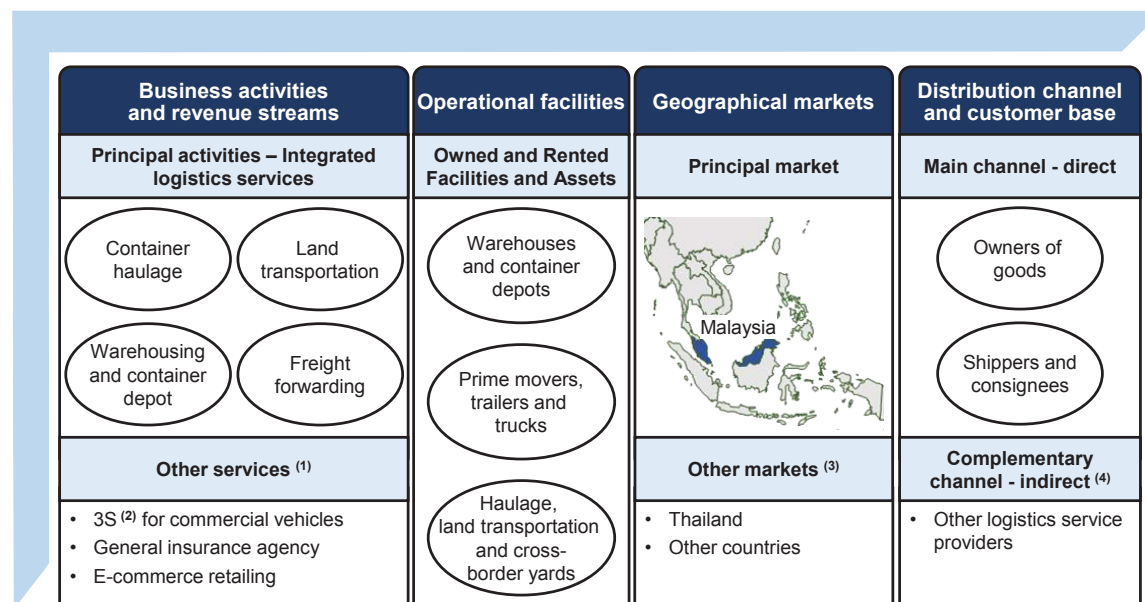
Our Company was incorporated in Malaysia under the Companies Act 1965 on 29 November 2000 and is deemed registered under the Act as a private limited company under the name of Yinson Haulage Sdn Bhd. Our Company changed its name to Swift Haulage Sdn Bhd on 2 November 2012 and subsequently, was converted to a public limited company on 24 June 2021. Our Company is principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services, and investment holding.

Our integrated logistics operations and headquarters are located in Malaysia, while our operations in Thailand are focused on cross-border transportation and freight forwarding.

3. PROSPECTUS SUMMARY (Cont'd)

As at the LPD, our integrated logistics operations are supported by our fleet operations in Malaysia and Thailand including 1,546 prime movers, 5,518 container trailers, 811 box or curtain-sider trailers, 53 trucks and 42 CNG tankers. We operate warehouses with a total storage capacity of 849,371 sq. ft. and container depots with total capacity of 28,500 TEU.

The following is an overview of our Group's business model:



Notes:

- (1) Other services collectively accounted for 0.5%, 0.8%, 0.3% and 0.2% of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.
- (2) 3S = Sales, service and spare parts mainly based on dealership agreements.
- (3) Other markets collectively accounted for 3.5%, 3.8%, 3.2% and 6.2% of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.
- (4) Indirect channel accounted for 26.4%, 28.1%, 27.6% and 31.7% of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

Business Activities

Our business activities comprise the following:

(a) Container Haulage Services

Our container haulage services involve transporting laden containers to and from seaports and other locations within Peninsular Malaysia. Our container haulage services comprise inbound and outbound container movements.

(b) Land Transportation Services

Our land transportation services involve the movement of cargo by road which includes inland transportation and specialised transportation of cargo in Peninsular Malaysia, and cross-border transportation of cargo across international land borders for destinations in Malaysia, Singapore, Thailand, Cambodia, Laos, Myanmar, Vietnam and the southern border of China.

(c) Warehousing and Container Depot Services

Our warehousing services comprise operating and rental of warehouses for the storage of goods, operations and management of customers' warehouses, and e-fulfilment services. Our depot services involve operating container depots for the temporary storage of unladen containers.

3. PROSPECTUS SUMMARY (Cont'd)

(d) Freight Forwarding

Freight forwarding mainly involves organising end-to-end transportation of cargo from one country to another country, or to and from Peninsular and East Malaysia, including customs clearance. We currently carry out sea, air and land freight forwarding, and project logistics under this business activity. In addition, we also provide in-plant logistics and ship husbandry services.

(e) Other Services

We provide other services that complement our integrated logistics services, namely sales, service and spare parts dealerships for commercial vehicles and general insurance agency services. We also carry out e-commerce retailing.

Further details of our business activities are set out in Section 6.4 of this Prospectus.

3.3 COMPETITIVE ADVANTAGES AND KEY STRENGTHS

Our Group's competitive advantages and key strengths are set out below:

(a) We have a comprehensive coverage of the main seaports in Peninsular Malaysia for container haulage

For the Financial Years Under Review, we served the major seaports in Peninsular Malaysia. Our container haulage operations cover the main seaports in Peninsular Malaysia including Northport and Westport in Port Klang, Johor Port and Port of Tanjung Pelepas in Johor, Penang Port in Penang, Kuantan Port in Pahang and Tanjung Bruas Port in Melaka. In FYE 2020, we handled a total of 588,627 TEU for container haulage in Malaysia, where we achieved market shares of 6.5% and 7.2% of the total TEU in Malaysia and Peninsular Malaysia respectively. Our market share of the number of containers that we hauled and the coverage of the major seaports in Peninsular Malaysia will provide us with the platform to sustain and grow our container haulage business.

(b) We are an integrated logistics service provider supported by our warehouses, container depot and other facilities

We are an integrated logistics provider where we provide our customers with a convenient one-stop logistics solution as they only have to deal with us for their end-to-end logistics requirements.

Our one-stop logistics solution supported by our various inhouse services and resources also enable us to have control and management of projects to provide coordinated services to our customers within Malaysia.

(c) We own and operate our fleet of commercial vehicles to support our container haulage and land transportation services

As an integrated logistics service provider, we own and operate our fleet of commercial vehicles to provide container haulage as well as land transportation services. By utilising our in-house vehicle fleet and employees, it enables us to maintain control over service availability, delivery and scheduling. It also facilitates our capability to customise our integrated logistics services to meet individual customers' needs. All of these factors will form the platform to grow our business.

(d) We have cost and service advantages from our inhouse supporting services

As at the LPD, we have dealership agreements with Hap Seng Trucks Distribution Sdn Bhd for the sales, service and spare parts of Mercedes Benz and Mitsubishi FUSO commercial vehicles, and we are also a general insurance agent. We are able to utilise these services for our in-house operations at prices available to us as a dealer. This provides us with a cost advantage compared to using external service providers.

3. PROSPECTUS SUMMARY (Cont'd)

In addition, we have our in-house tyre retreading facility to supply retreaded tyres for our commercial vehicles. Having an in-house vehicle repair and maintenance services are key supporting activities for the operation of our fleet of commercial vehicles.

(e) We have a track record of approximately 10 years in the provision of integrated logistics services to serve as a platform to grow our business

We have built a track record of approximately 10 years as a provider of integrated logistics services, starting as a provider of container haulage and land transportation services in 2011. Our established track record in providing integrated logistics services is supported by our customer base of approximately 1,809 customers as at the LPD which serves as a reference and platform for us to grow our business.

(f) We have direct and indirect distribution channels to grow our business

We utilise both direct and indirect distribution channels as part of our marketing and sales strategy to sustain and grow our business. By dealing directly with our customers, we are better able to fulfil their requirements and build customer loyalty to maintain and grow our existing business relationships, as well as to cross-sell other services to our customers when the opportunity arises. In addition, our indirect distribution channel strategy of serving other logistic service providers allows us to enlarge our customer base.

(g) We have experienced Directors and key senior management team to grow our business

We are led by an experienced key senior management team headed by our Executive Director/Group Chief Executive Officer, Loo Yong Hui, who has approximately 8 years of experience in the logistics industry. He is supported by our key senior management team who brings with them extensive industry experience as well as our Non-Independent Non-Executive Director/Advisor, Loo Hooi Keat who has approximately 24 years of experience in the logistics industry. We believe that our experienced Directors and key senior management team will provide the platform to assist us to capitalise on future growth opportunities.

Further details of our competitive advantages and key strengths are set out in Section 6.1.2 of this Prospectus.

3.4 IMPACT OF COVID-19 ON OUR BUSINESS

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. The Government of Malaysia implemented several periods of MCO commencing from 18 March 2020 to control and reduce COVID-19 transmissions in the country. Measures implemented included, among others, controls on the movement of people within Malaysia and international travel, and restrictions on business, government, educational, cultural, recreational and other activities.

As our businesses were deemed as “essential services” as prescribed by the MITI, none of our operations were halted as a result of the MCO, and we continued to operate during the first MCO period and all subsequent MCO periods.

However, our revenue for the FYE 2020 was still affected by, among others, measures taken by the Government of Malaysia to control COVID-19, lockdowns and tighter border controls imposed by governments, and actions taken by some of our customers, including the following:

- For the FYE 2020, our revenue from container haulage decreased by RM26.1 million, or 9.4%, from RM278.8 million for FYE 2019 to RM252.7 million for FYE 2020. Although our container haulage operations are categorised as an essential service, the decrease in sales volume was mainly due to the decrease in shipment volume by customers that were categorised as non-essential services by the Government of Malaysia, and consequently had to temporarily halt their operations during some portion of the MCO periods.

3. PROSPECTUS SUMMARY (Cont'd)

- For the FYE 2020, revenue from our land transportation business decreased by RM17.2 million, or 8.9%, from RM193.2 million for FYE 2019 to RM176.0 million for FYE 2020. The temporary halt on non-essential services during the first MCO period from 18 March to 3 May 2020 contributed towards the reduction in the number of trips made. While our land transportation services are classified as an essential service, many of our customers are not categorised as essential services and consequently had to stop receiving their cargos during this period. In addition, general reduction in economic activity and consumption reduced demand for inland transportation and cross-border transportation.
- Revenue from our freight forwarding business decreased by RM10.5 million, or 16.2%, from RM64.7 million for FYE 2019 to RM54.2 million for FYE 2020. The number of jobs handled during FYE 2020 decreased, mainly due to the first MCO period from 18 March to 3 May 2020, and lockdowns and tighter border controls imposed by governments, which consequently reduced demand for freight forwarding. In addition, average revenue per job decreased mainly due to fewer add on services provided per job, in view of cost cutting measures undertaken by our customers in response to COVID-19.

Further details of the impact of COVID-19 on our business are set out in Section 6.23.1 of this Prospectus.

3.5 FUTURE PLANS AND STRATEGIES

Our Group's business strategies are summarised as below:

(a) Construction of a new warehouse

We intend to construct a new warehouse on a piece of leasehold land of approximately 300,564 sq. ft. in the Port Klang Free Zone in Selangor. As at the LPD, we have executed the lease agreement. The leasehold land tenure is for a period of 30 years commencing from 31 March 2021. Our plan is to build an ambient temperature warehouse for the storage of general goods with approximately 178,000 sq. ft. of floor storage and racking space. Upon completion of the construction of the warehouse, we will relocate our existing warehousing operations at the Westport Warehouse, which is currently under rented premises, to this new warehouse. The anticipated benefits of the relocation include a larger capacity warehouse which would enable us to serve our existing customers and also allow us to address business opportunities with potential customers as the Westport Warehouse was fully utilised in the FYE 2019, FYE 2020 and FPE 2021.

As at the LPD, the construction of the warehouse has not commenced yet but we have submitted the building plan for approval. However, since the approval for the sub-structural works has been obtained from Majlis Perbandaran Klang, we have commenced the sub-structural works for the construction of the warehouse. Based on the indicative timeline, we expect to complete the construction of the new warehouse with the expected issuance of the CCC by the second quarter of 2022. This timing is on condition that construction works are permitted with the easing of the restrictions and there are no prolonged interruptions from containment measures relating to the COVID-19 pandemic. We intend to commence operations at the new warehouse by the second quarter of 2022. In the event of any extension of the restrictions relating to the COVID-19 pandemic, this could have an impact on the timing of completion of the new warehouse.

(b) Purchase of land

On 28 May 2021, we entered into a share sale agreement to acquire the entire equity interest in Ann Joo Properties, a company involved in investment holding and letting of real property. The acquisition of Ann Joo Properties has been completed on 15 July 2021.

Ann Joo Properties has, among others, leased the Bandar Sultan Sulaiman Land from the developer, PKNS. The Bandar Sultan Sulaiman Land is approximately 1,263,231 sq. ft. in size, and it is a leasehold land with land tenure valid until 30 June 2105. It is currently leased out to 2 external tenants. As part of the lease agreement for the Bandar Sultan Sulaiman Land, Ann Joo Properties has the option to purchase the land from PKNS. On 26 August 2021, Ann Joo Properties has entered into the PKNS SPA for the acquisition of the Bandar Sultan Sulaiman Land from PKNS.

3. PROSPECTUS SUMMARY (Cont'd)

We expect to complete the acquisition of the Bandar Sultan Sulaiman Land by the fourth quarter of 2021, following which we intend to continue leasing the Bandar Sultan Sulaiman Land to the 2 existing tenants. For information, the tenancy agreements with the 2 existing tenants expire on 15 January 2022 and 28 February 2022, respectively. After the expiry of the tenancy agreements, we intend to use the land to expand our existing container haulage, land transportation and/or warehousing and container depot services. However, should our plans be delayed, we propose to extend the tenancy to the 2 existing tenants accordingly.

(c) Acquisition of cold-chain logistics companies

On 16 June 2021, our wholly-owned direct subsidiary, Swift Integrated Logistics had acquired 50.0% equity interest of Hypercold Logistics and 15.0% equity interest of Platinum Coldchain. Hypercold Logistics and Platinum Coldchain are currently involved in providing cold-chain logistics services in Sabah. This is in line with our intention to provide cold chain logistics services in Sabah.

Part of our future plans is to expand on Hypercold Logistics' existing cold-chain facilities by expanding its cold-chain storage capacity warehouse from approximately 3,000 pallets to approximately 4,500 pallets. We expect to commence construction work to expand the Hypercold Logistics' cold-chain warehouse by December 2021, the completion of which is expected in the third quarter of 2022.

(d) Purchase of prime movers

We intend to purchase 30 new prime movers in Malaysia throughout 2022 with the aim of expanding our commercial vehicle fleet. These prime movers are similar to the ones that we currently own and operate to provide our integrated logistics services.

Further details of our business strategies and plans are set out in Section 6.21 of this Prospectus.

3.6 RISK FACTORS

Before investing in our Shares, you should carefully consider, along with other matters in this Prospectus, certain risks and investment considerations (which may occur either individually or in combination, at the same time or around the same time) that may have a significant impact on our future financial performance.

The following are the key risks and investment considerations that we are currently facing or that may develop in the future:

(i) We may not be able to renew or obtain licences and permits required to carry on our business

In providing our services in Malaysia, our Group has obtained various licences, permits and approvals to carry on its business. These licences, and permits are subject to renewal. The revocation or non-renewal of these permits and licences, or the variations, modifications or imposition of additional conditions by the regulatory authorities, may adversely affect our ability to continue operation and hence affect our financial performance.

If additional approvals, licences or permits are required for the operation of any part of our business and we are not able to obtain such approvals, licences, or permits or adjust our business model to comply with such new laws in a timely manner, we could be subject to operational disruption and penalties.

(ii) We are dependent on the experience and expertise of our Executive Director and key senior management for the continued success of our Group

Our Executive Director and key senior management who have on average 24 years of experience in the industry, are key to our continued success as they have extensive industry experience and expertise. The loss of any of our Executive Director or key senior management may adversely affect our future development, business operations and our relationships with our major customers if we are unable to find suitable replacements in a timely manner. In order to ensure smooth succession planning, our Group has put in numerous efforts to train and groom younger members of our management team to gradually take on more responsibilities.

3. PROSPECTUS SUMMARY (Cont'd)

(iii) Our business operations and financial performance may be adversely affected by the COVID-19 pandemic

Although our business operations are deemed as “essential services”, our financial performance was affected by the economic disruptions caused by COVID-19 which were felt across the logistics sector due to the lockdowns and tighter border control imposed by the governments of other countries.

During the MCO, we are allowed to conduct our business operations as normal, subject to compliance with the requirements and implementation of standard operating procedures to minimise the spread of the COVID-19 virus. However, if any of our employees do not comply with our standard operating procedures and are inadvertently infected with the COVID-19 virus, we may be required to temporarily shut down our operations for a period of time as advised by the Ministry of Health, Malaysia before we are allowed to resume our operations. Since the start of 2020 and as at the LPD, 351 of our employees received positive diagnosis for COVID-19, 337 of these employees had recovered, 9 are classified as active cases and 5 are deceased. As at the LPD, 95.4% of our employees have 2 vaccine doses, 3.9% have received their first vaccine dose and 0.7% are pending vaccination.

Please refer to Section 6.23.1 of this Prospectus for further details on the effect of COVID-19 on our business operations, implementation of standard operating procedures by us to reduce the risk of COVID-19 transmission and the steps that we have taken in response to employees who were tested positive for COVID-19.

(iv) We face threat of cargo hijacking and theft incident

Risks of cargo hijacking and theft incidents are inherent to the nature of our business. The potential impact of cargo hijacking or theft includes among others, a reduction in the demand for our services by customers, the loss of traffic thereby affecting revenue, increased security and insurance costs and delays due to tightened security. In such event, the reputation, business and results of our operations may be materially and adversely affected.

(v) We may fail to identify referral shipments which carry goods of dangerous or illicit nature

Containers and cargoes entering Malaysia are generally subject to customs clearance whereby we have no control over, and no actual knowledge of the goods our customers carry other than as declared in relevant declaration forms. It is possible that actual containers and cargo handled by us may differ from that what is described in the declarations. Should there be discrepancies or illegal activities occurring on the part of the customers, the containers and cargoes may end up being impounded by customs, or give rise to any unexpected accidents, and we may be subject to investigations, and exposed to fines by authorities.

(vi) Our Group may face difficulty in implementing its business strategies

The successful implementation of our business strategies and future plans are based on our current circumstances and bases and assumptions that certain circumstances will or will not occur in the future. It is also dependant on a number of factors including the availability of funds, our ability to execute our business strategies well and to retain and recruit competent management and employees. There is no assurance that our business strategies and future plans can be implemented successfully.

Please refer to Section 8 of this Prospectus for further details and the full list of risk factors which should be considered before investing in our Shares.

3. PROSPECTUS SUMMARY (Cont'd)

3.7 DIRECTORS AND KEY SENIOR MANAGEMENT

Our Directors are as follows:

Name	Designation
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	Independent Non-Executive Chairman
Loo Yong Hui	Non-Independent Executive Director / Group Chief Executive Officer
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	Non-Independent Non-Executive Director
Loo Hooi Keat	Non-Independent Non-Executive Director / Advisor
Datuk Noripah Binti Kamso	Independent Non-Executive Director
Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director
Rozainah Binti Awang	Independent Non-Executive Director

Our key senior management is as follows:

Name	Designation
Loo Yong Hui	Non-Independent Executive Director / Group Chief Executive Officer
Stephanie Lim Bee Hong	Managing Director of the Southern Region (for container haulage, warehousing and freight forwarding divisions)
David Poh Tatt Wei	Executive Director of the Central Region (for inland distribution divisions)
Esther Kee Chung Ching	Group Chief Financial Officer
Mazlan Bin Abdul Jalil	Executive Director of the Eastern Region (for container haulage, warehousing, freight forwarding and inland distribution divisions)
Ng Chee Kin	Executive Director of the Central Region (for warehousing, freight forwarding and cross-border transportation divisions)
Tracy Neoh Lay Cheng	Executive Director of the Northern Region (for container haulage division)
Muhammad Roy Nunis Bin Abdullah	Senior General Manager of the Group Human Resource & Administration and Health, Safety, Security, Environment and Quality
Riznida Eliza Binti Hamzah	Senior General Manager of the Group Legal, Corporate Services and Strategic Communications
Thomas Ramadas	Senior General Manager of the Central Region (for container haulage division)

Further details on our Directors and key senior management are disclosed in Section 5 of this Prospectus.

3.8 DIVIDEND POLICY

Our Group did not declare any dividends in FYE 2018, FYE 2019, FYE 2020 and FPE 2021.

It is the intention of our Board to recommend and distribute a dividend of up to 30% of the profit attributable to the owners of the Company. Our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded and excess of funds not required to be retained for working capital of our business, capital expenditure and other investment plans.

Further details on our dividend policy are disclosed in Section 11.8 of this Prospectus.

3. PROSPECTUS SUMMARY (Cont'd)**3.9 USE OF PROCEEDS FROM OUR IPO**

We expect to use the gross proceeds from the Public Issue amounting to RM161.9 million⁽¹⁾ in the following manner:

Purpose	RM'000	%	Estimated time frame for utilisation (from the date of Listing)
Capital expenditure:			
- Construction of a new warehouse	28,565	17.6	Within 18 months
- Purchase of land	41,560	25.7	
- Purchase of prime movers	12,000	7.4	
Repayment of bank borrowings	69,732	43.1	Within 6 months
Estimated listing expenses	10,000	6.2	Within 3 months
Total	161,857	100.0	

Note:

(1) Assuming that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

There is no minimum subscription to be raised from our IPO. Further details on the use of proceeds are set out in Section 4.6 of this Prospectus.

3.10 FINANCIAL HIGHLIGHTS

The key financial highlights based on our historical combined audited financial statements for the Financial Years Under Review and FPE 2021 are set out below:

	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Revenue	496,979	610,201	555,838	248,533
Cost of sales	(319,653)	(400,047)	(370,099)	(168,568)
GP	177,326	210,154	185,739	79,965
PBT	61,729	59,150	53,893	29,235
PAT	41,056	36,973	42,480	22,333
GP Margin ⁽¹⁾ %	35.7	34.4	33.4	32.2
PBT Margin ⁽²⁾ %	12.4	9.7	9.7	11.8
PAT Margin ⁽³⁾ %	8.3	6.1	7.6	9.0
Gearing Ratio ⁽⁴⁾ times	1.8	1.6	1.4	1.4
Net Gearing Ratio ⁽⁵⁾ times	1.7	1.5	1.4	1.4
Current Ratio ⁽⁶⁾ times	0.7	0.7	0.9	0.9

Notes:

- (1) GP margin is calculated based on GP divided by revenue.
- (2) PBT margin is calculated based on PBT divided by revenue.
- (3) PAT margin is calculated based on PAT divided by revenue.
- (4) Gearing ratio represents total debt divided by total capital.
- (5) Net gearing ratio represents total net debt divided by total capital.
- (6) Current assets divided by current liabilities.

Please refer to Section 11 of this Prospectus for detailed financial information relating to our Group.

3. PROSPECTUS SUMMARY (Cont'd)

3.11 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Promoters and substantial shareholders	Nationality / Place of incorporation	Before our IPO			After our IPO- Assuming the Over-allotment Option is not exercised			After our IPO- Assuming the Over-allotment Option is fully exercised			
		Direct		Indirect	Direct		Indirect	Direct		Indirect	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Promoters and substantial shareholders											
Persada Bina	Malaysia	⁽³⁾ 454,208,502	61.99	-	-	⁽⁴⁾ 339,208,502	38.12	-	⁽⁵⁾ 319,208,502	35.87	-
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	Malaysian	-	-	⁽⁷⁾ 454,208,502	61.99	-	-	⁽⁷⁾ 339,208,502	38.12	⁽⁷⁾ 319,208,502	35.87
Loo Yong Hui	Malaysian	-	-	⁽⁷⁾ 454,208,502	61.99	-	-	⁽⁷⁾ 339,208,502	38.12	⁽⁷⁾ 319,208,502	35.87
Loo Hooi Keat	Malaysian	-	-	⁽⁸⁾ 454,208,502	61.99	-	-	⁽⁸⁾ 339,208,502	38.12	⁽⁸⁾ 319,208,502	35.87
Substantial shareholders											
KWAP	Malaysia	99,682,794	13.61	-	-	81,182,794	9.12	-	81,182,794	9.12	-
Bluefin	Cayman Islands	87,777,342	11.98	-	-	69,277,342	7.79	-	69,277,342	7.79	-

Notes:

- (1) Based on our issued Shares of 732,661,602 Shares after Share Split but before our IPO.
- (2) Based on our issued Shares of 889,804,502 Shares after our IPO.
- (3) 360,647,856 Shares are held in the pledged securities accounts for Persada Bina.⁽⁶⁾
- (4) 319,108,502 Shares are held in the pledged securities accounts for Persada Bina.⁽⁶⁾
- (5) 299,108,502 Shares are held in the pledged securities accounts for Persada Bina.⁽⁶⁾
- (6) The purpose of the pledged securities accounts is to secure the loans granted by Kenanga Investment Bank Berhad, United Overseas Bank (Malaysia) Berhad, AmBank (M) Berhad and MIDF Investment to Persada Bina for the subscription and acquisition of Shares. Persada Bina intends to use part of the Offer for Sale proceeds to partially pare down the outstanding amount of the loans and will continue to service the remaining loans according to the repayment terms. These pledged shares are not allowed to be sold, transferred or assigned during the Moratorium Period.
- (7) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding of more than 20.00% in Persada Bina.
- (8) Deemed interested by virtue of Section 59(1)(c) of the Act, through his son, Loo Yong Hui's indirect shareholdings in our Company via Persada Bina.

Further details on our Promoters and substantial shareholders are disclosed in Section 5.1 of this Prospectus.

4. PARTICULARS OF OUR IPO

4.1 INDICATIVE TIMETABLE

The following events are intended to take place on the following tentative dates:

Events	Tentative Dates
Opening of the Institutional Offering	30 November 2021
Issuance of Prospectus / Opening of the Retail Offering	30 November 2021
Closing of the Retail Offering	7 December 2021
Closing of the Institutional Offering	7 December 2021
Price Determination Date	8 December 2021
Balloting of applications for our IPO Shares under the Retail Offering	9 December 2021
Allotment / Transfer of our IPO Shares to successful Applicants	17 December 2021
Listing on the Main Market of Bursa Securities	21 December 2021

In the event there is any change to the indicative timetable above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia.

4.2 DETAILS OF OUR IPO

Our IPO is subject to the terms and conditions of this Prospectus. Upon acceptance, our IPO Shares are expected to be allocated in the manner described below, subject to the clawback and reallocation provisions and the Over-Allotment Option as set out in Sections 4.2.3 and 4.2.6 of this Prospectus, respectively (where applicable).

4.2.1 Institutional Offering

The Institutional Offering involves the offering of up to 275,209,400 IPO Shares at the Institutional Price, representing approximately 30.93% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Institutional Price in the following manner:

- (i) up to 157,000,000 Offer Shares, representing 17.64% of our enlarged issued Shares will be offered to institutional and selected investors; and
- (ii) up to 118,209,400 Issue Shares, representing 13.29% of our enlarged issued Shares will be offered to institutional and selected investors, including Bumiputera investors approved by MITI.

As part of the Institutional Offering, on 15 November 2021, our Company and the Selling Shareholders, entered into a Master Cornerstone Placement Agreement with the Joint Lead Bookrunners, the Joint Bookrunners and the Cornerstone Investors where the Cornerstone Investors have agreed to acquire, subject to the terms of the Master Cornerstone Placement Agreement and the individual cornerstone placement agreements, an aggregate of 96,300,000 IPO Shares, representing approximately 10.8% of our enlarged issued Shares at RM1.03 per IPO Share or the Institutional Price, whichever is lower. None of the Cornerstone Investors will individually acquire or subscribe for 5.0% or more of our Issue Shares under the cornerstone placement agreements.

4. PARTICULARS OF OUR IPO (Cont'd)

The cornerstone placement agreements are conditional upon, among others, the Retail Underwriting Agreement and the Placement Agreement being entered into and not having been terminated pursuant to their respective terms.

4.2.2 Retail Offering

Our Company is offering 38,933,500 Issue Shares, representing 4.37% of our enlarged issued Shares, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, at the Retail Price to be allocated in the following manner:

(a) Malaysian Public

17,796,200 Issue Shares, representing 2.00% of our enlarged issued Shares, are available for application by the Malaysian Public via balloting, of which at least 8,898,100 Issue Shares, representing 1.00% of our enlarged issued Shares is to be set aside strictly for Bumiputera investors. Any Issue Shares not subscribed for by such Bumiputera investors will be made available for application by other Malaysia investors under the Retail Offering.

(b) Eligible Persons

21,137,300 Issue Shares, representing 2.37% of our enlarged issued Shares are reserved for application by the Eligible Persons, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, in the following manner:

Eligibility	No. of persons	Aggregate number of Issue Shares allocated
Our Directors ⁽¹⁾	4	1,600,000
Employees ⁽²⁾	2,937	16,952,000
Persons who have contributed to the success of our Group ⁽³⁾	Up to 50	2,585,300
Total	Up to 2,991	21,137,300

Notes:

- (1) The criteria of allocation to our eligible Directors are based on, among others, their respective roles and responsibilities in our Group.
- (2) The criteria of allocation to the eligible employees of our Group (as approved by our Board) are based on, among others, the following factors:
 - (i) The employee must be a full time employee and on the payroll of our Group; and
 - (ii) The number of Issue Shares allocated to the eligible employees is based on their position, their length of service and their past performance / contribution as well as other factors deemed relevant by our Board.
- (3) The Issue Shares to be allocated to the persons who have contributed to the success of our Group, comprising our business contacts, suppliers and customers, shall be based on their contribution to our Group and as approved by our Board.

4. PARTICULARS OF OUR IPO (Cont'd)

The number of Issue Shares to be allocated to our Directors is as follows:

Name	Designation	Number of Issue Shares allocated
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	Independent Non-Executive Chairman	500,000
Datuk Noripah Binti Kamso	Independent Non-Executive Director	500,000
Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director	500,000
Rozainah Binti Awang	Independent Non-Executive Director	100,000
Total		1,600,000

As at the LPD, save as disclosed in Section 4.2.2(b) of this Prospectus, to the extent known to our Company:

- (a) there are no substantial shareholders, Directors or key senior management of our Company who have indicated to us that they intend to subscribe for our Issue Shares; and
- (b) there are no persons who have indicated to us that they intend to subscribe for 5% or more of our Issue Shares.

(The rest of this page has been intentionally left blank)

4. PARTICULARS OF OUR IPO (Cont'd)

In summary, our IPO Shares will be allocated subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus, in the following manner:

Category	Offer for Sale		Public Issue		Total	
	No. of Shares	% of our enlarged issued Shares	No. of Shares	% of our enlarged issued Shares	No. of Shares	% of our enlarged issued Shares
Retail Offering:						
Eligible Persons:						
-Our Directors	-	-	1,600,000	0.18	1,600,000	0.18
-Employees	-	-	16,952,000	1.90	16,952,000	1.90
-Persons who have contributed to the success of our Group	-	-	2,585,300	0.29	2,585,300	0.29
Malaysian Public (via balloting)						
-Bumiputera	-	-	8,898,100	1.00	8,898,100	1.00
-Non-Bumiputera	-	-	8,898,100	1.00	8,898,100	1.00
Sub-total	-	-	38,933,500	4.37	38,933,500	4.37
Institutional Offering:						
Institutional and selected investors	157,000,000	17.64	6,983,800	0.79	163,983,800	18.43
Bumiputera investors approved by MITI	-	-	111,225,600	12.50	111,225,600	12.50
Sub-total	157,000,000	17.64	118,209,400	13.29	275,209,400	30.93
Total	157,000,000	17.64	157,142,900	17.66	314,142,900	35.30

The completion of the Retail Offering and the Institutional Offering are inter-conditional. Our IPO is also subject to the public shareholding spread requirement, as approved by Bursa Securities as set out in Section 4.2.7 of this Prospectus.

4. PARTICULARS OF OUR IPO (Cont'd)

4.2.3 Clawback and Reallocation

The Institutional Offering and Retail Offering will be subject to the following clawback and reallocation provisions:

- (i) if our IPO Shares allocated to the Eligible Persons are under-subscribed, such IPO Shares may be allocated to the Malaysian Public under the Retail Offering or the institutional and selected investors under the Institutional Offering or a combination of both, at the discretion of the Joint Lead Bookrunners and us;
- (ii) if our IPO Shares allocated to Bumiputera investors approved by MITI ("**MITI Tranche**") are under-subscribed, such IPO Shares may be allocated to other institutional investors under the Institutional Offering;
- (iii) If after the above reallocation, the MITI Tranche is still under-subscribed under the Institutional Offering, and there is a corresponding over-subscription for our Issue Shares by the Malaysian Public under the Retail Offering, our IPO Shares will be clawed back from the MITI Tranche and allocated first, to the Bumiputera public investors under the Retail Offering, and thereafter to the other Malaysian Public under the Retail Offering;
- (iv) subject to items (i), (ii) and (iii) above, if there is an over-subscription in the Retail Offering and there is a corresponding under-subscription in the Institutional Offering, our IPO Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (v) subject to item (i) above, if there is an over-subscription in the Institutional Offering and there is a corresponding under-subscription in the Retail Offering, our Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering.
- (vi) There will be no clawback and reallocation if there is an over-subscription or under-subscription in both the Institutional Offering and the Retail Offering or an under-subscription in either the Institutional Offering and Retail Offering but no over-subscription in the other.
- (vii) Any Issue Shares not taken up by the Eligible Persons ("**Excess Issue Shares**") will be made available for application by the eligible employees of our Group and persons who have contributed to the success of our Group who have applied for excess on top of their pre-determined allocation and allocated on a fair and equitable basis and in the following priority:
 - (a) firstly, allocation on a pro-rata basis to the eligible employees of our Group (including directors of our subsidiaries) who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for;
 - (b) secondly, allocation of any surplus Excess Issue Shares after (a) above on a pro-rata basis to persons who have contributed to the success of our Group who have applied for the Excess Issue Shares based on the number of Excess Issue Shares applied for; and
 - (c) thirdly, to minimise odd lots.

Our Board reserves the right to allot Excess Issue Shares applied in such manner as it may deem fit and expedient in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in items (a) to (c) above is achieved. Our Board also reserves the right to accept or reject any Excess Issue Shares application, in full or in part, without assigning any reason.

4. PARTICULARS OF OUR IPO (Cont'd)

Once completed, the steps involving items (a) and (c) above will not be repeated. Should there be any balance of Excess Issue Shares thereafter, such balance will be made available for clawback and reallocation as described above. Any Issue Shares under the Retail Offering not applied for after being subject to the clawback and reallocation provisions above shall be underwritten by the Joint Underwriters.

4.2.4 Share capital

Upon completion of our IPO, our share capital will be as follows:

	No. of Shares	Share capital (RM'000)
Issued share capital as at the date of this Prospectus	732,661,602	228,042
New Shares to be issued under the Public Issue	157,142,900	⁽¹⁾ 161,857
Total upon Listing	889,804,502	389,899

Note:

- (1) Calculated based on the Retail Price and before adjusting against our share capital, the estimated listing expenses of approximately RM5.5 million assumed to be directly attributable to the Public Issue.

4.2.5 Classes of shares and ranking

As at the date of this Prospectus, we only have one class of shares, being ordinary shares.

Our Issue Shares will, upon allotment and issue, rank equally in all respects with our existing issued Shares including voting rights, and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of allotment of the Issue Shares, subject to any applicable Rules.

The Offer Shares rank equally in all respects with our other existing issued Shares including voting rights and will be entitled to all rights, dividends and other distributions that may be declared subsequent to the date of transfer of the Offer Shares, subject to any applicable Rules.

Subject to any special rights attaching to any Shares we may issue in the future, our shareholders shall, in proportion to the amount paid on our Shares held by them, be entitled to share the profits paid out by us in the form of dividends and other distributions. Similarly, if our Company is liquidated, our shareholders shall be entitled to the surplus (if any), in accordance with our Constitution after the satisfaction of any preferential payments in accordance with the Act and our liabilities.

At every general meeting of our Company, each of our shareholders shall be entitled to vote in person, by proxy or by attorney or by other duly authorised representative. Any resolution set out in the notice of any general meeting or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. On a poll, each shareholder present either in person, by proxy, by attorney or by other duly authorised representative shall have one vote for each Share held or represented. A proxy may but need not be a member of our Company.

4. PARTICULARS OF OUR IPO (Cont'd)

4.2.6 Over-allotment Option and Stabilisation

Persada Bina, as the Over-allotment Option Provider may grant an Over-allotment Option to the Stabilising Manager (on behalf of the Joint Lead Bookrunners and Joint Bookrunners) and may appoint the Stabilising Manager to undertake any price stabilisation actions. The Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may at its absolute discretion, over-allot the Shares (on behalf of the Joint Lead Bookrunners and Joint Bookrunners) and subsequently, effect transactions to stabilise or maintain the market price of the Shares at levels that might not otherwise prevail in the open market. Such transactions consist of bids or purchases to peg, fix or maintain the market price of the Shares. If the Stabilising Manager creates a short position in the Shares in connection with the Institutional Offering, the Stabilising Manager may reduce that short position by purchasing the Shares in the open market. The Stabilising Manager may also elect to reduce any short positions by exercising all or part of the Over-allotment Option. If granted, the Over-allotment Option will be exercisable in whole or in part by the Stabilising Manager, on one or more occasions, by giving written notice to the Over-allotment Option Provider at any time within 30 days from the date of the Listing, to purchase from the Over-allotment Option Provider up to an aggregate of 20,000,000 Shares at the Institutional Price for each IPO Share, representing up to approximately 6.37% of the total number of IPO Shares offered, solely for purposes of covering over-allotments of the Shares (if any).

Subject to there being an over-allotment, the Stabilising Manager will (on behalf of the Joint Lead Bookrunners and Joint Bookrunners) enter into the Share Lending Agreement with the Over-allotment Option Provider to borrow up to 20,000,000 Shares to cover the over-allotments. Any Shares that may be borrowed by the Stabilising Manager under the Share Lending Agreement will be returned by the Stabilising Manager to the Over-allotment Option Provider through the purchase of the Shares in the open market by the Stabilising Manager in the conduct of stabilisation activities or deemed returned through the exercise of the Over-allotment Option by the Stabilising Manager, or a combination of both. The exercise of the Over-allotment Option will not increase the total number of Shares issued and is not intended to constitute an offer for sale of the Shares by the Over-allotment Option Provider under the IPO.

Purchases of a security to stabilise the price or to cover the over-allotment may cause the price of the security to be higher than it might be in the absence of these purchases. Such transactions may be effected on to the Main Market of Bursa Securities and in other jurisdictions where it is permissible to do so, in each case, in compliance with all applicable laws and regulations, including the CMSA and any regulations thereunder. The number of Shares that the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) may buy to undertake stabilising action, shall not exceed an aggregate of 20,000,000 Shares, representing approximately 6.37% of the total number of IPO Shares offered. However, there is no obligation on the Stabilising Manager (or person(s) acting on behalf of the Stabilising Manager) to undertake any commencement of trading of the Shares on the Main Market of Bursa Securities and, if commenced, may be discontinued at any time and cannot be effected after the earlier of (i) the date falling 30 days from the commencement of trading of the Shares on the Main Market of Bursa Securities; or (ii) the date when the Stabilising Manager has bought, on the Main Market of Bursa Securities, an aggregate of 20,000,000 Shares, representing approximately 6.37% of the total number of IPO Shares offered to undertake the stabilising action.

4. PARTICULARS OF OUR IPO (Cont'd)

4.2.7 Minimum subscription level

There is no minimum subscription level in terms of proceeds to be raised under our IPO. However, in order to comply with the public shareholding spread requirement under the Listing Requirements, the minimum subscription level in terms of the number of Shares will be the number of Shares required to be held by the public shareholders of our Company to comply with the minimum public shareholding spread requirement under the Listing Requirements or as approved by Bursa Securities.

Under the Listing Requirements, we are required to have a minimum of 25.00% of our Shares held by at least 1,000 public shareholders, each holding not less than 100 Shares at the point of our Listing.

If the above requirement is not met, we may not be able to proceed with our Listing. Please refer to Section 8.3.6 of this Prospectus for more details in the event there is a delay in or termination of our Listing.

(The rest of this page has been intentionally left blank)

4. PARTICULARS OF OUR IPO (Cont'd)

4.3 SELLING SHAREHOLDERS

The details of our Selling Shareholders and their relationship with our Group are as follows:

Name	Address	Nature of relationship	Before our IPO		Offer for Sale		After our IPO – Assuming the Over-allotment Option is not exercised		After our IPO – Assuming the Over-allotment Option is fully exercised	
			No. of Shares	%*	No. of Shares	%	No. of Shares	%#	No. of Shares	%#
Persada Bina	Unit No.206, 2nd Floor Wisma Methodist Lorong Hang Jebat 50150 Kuala Lumpur Wilayah Persekutuan	Promoter and substantial shareholder	454,208,502	61.99	115,000,000	15.70* / 12.92#	339,208,502	38.12	319,208,502	35.87
KWAP	Level 36, Integra Tower The Intermark 348 Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan	Substantial shareholder	99,682,794	13.61	18,500,000	2.53* / 2.08#	81,182,794	9.12	81,182,794	9.12
Bluefin	P.O. Box 2251 The Grand Pavilion Commercial Centre Suite SW6 Alamander Way 802 West Bay Road Grand Cayman KY1-1107	Substantial shareholder	87,777,342	11.98	18,500,000	2.53* / 2.08#	69,277,342	7.79	69,277,342	7.79
Kenanga Private Equity	Level 17, Kenanga Tower 237 Jalan Tun Razak 50400 Kuala Lumpur Wilayah Persekutuan	Shareholder	30,976,968	4.23	5,000,000	0.68* / 0.56#	25,976,968	2.92	25,976,968	2.92

Notes:

* Based on our issued Shares of 732,661,602 Shares after the Share Split but before our IPO.

Based on our enlarged issued Shares of 889,804,502 Shares after our IPO.

4. PARTICULARS OF OUR IPO (Cont'd)

4.4 BASIS OF ARRIVING AT THE PRICE OF OUR IPO SHARES AND REFUND MECHANISM

4.4.1 Retail Price

Our Directors and the Selling Shareholders in consultation with the Joint Lead Bookrunners, had determined and agreed upon the IPO Price after taking into consideration the following factors:

- (i) our Group's EPS of 5.8 sen (based on the existing number of issued Shares of 732,661,602 Shares) for the FYE 31 December 2020 based on our Group's PAT of RM42.5 million and 4.8 sen (based on the enlarged number of issued Shares of 889,804,502 Shares upon Listing) which translates into PE Multiple of 17.8 times and 21.5 times respectively;
- (ii) our Group's EV/EBITDA multiple of 10.9 times is below the range of average EV/EBITDA multiple of companies which are in business similar to ours listed on Bursa Securities of 11.5 times;
- (iii) our detailed financial performance and operating history are outlined in Sections 11 and 6.1.1 of this Prospectus, respectively;
- (iv) our competitive advantages and key strengths, as outlined in Section 6.1.2 of this Prospectus, which are summarised as follows:
 - (a) our comprehensive coverage of the main seaports in Peninsular Malaysia for container haulage;
 - (b) our business as an integrated logistics service provider which is supported by our warehouses, container depot and other facilities;
 - (c) we own and operate our fleet of commercial vehicles to support our container haulage and land transportation services;
 - (d) cost and service advantages from our in-house supporting services;
 - (e) track record of approximately 10 years in the provision of integrated logistics services to serve as a platform to grow our business;
 - (f) access to direct and indirect distribution channels to grow our business; and
 - (g) our experienced Directors and key senior management team to grow the business;
- (v) our business strategies and plans which includes the expansion of our operational facilities, fleet operations and business activities via acquisitions as outlined in Section 6.21 of this Prospectus;
- (vi) expected growth in Malaysia's external trade activities by 16.8% amidst projected real GDP of 3.0% to 4.0% for Malaysia and 5.9% for the global economy in 2021. Please refer to Section 7 of this Prospectus for more details; and
- (vii) our prevailing market conditions including among others, market performance of key global indices, domestic and foreign exchanges, and investors' sentiments.

4. PARTICULARS OF OUR IPO (Cont'd)

The Final Retail Price will be determined after the Institutional Price is determined on the Price Determination Date and will be the lower of:

- (i) the Retail Price of RM1.03 per IPO Share; or
- (ii) the Institutional Price.

If the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and the Final Retail Price will be refunded to the successful applicants with applicants without any interest thereon. Further details of the refund mechanism are set out in Section 4.4.3 of this Prospectus.

Prospective retail investors should be aware that the Final Retail Price will not, in any event, be higher than the Retail Price of RM1.03 per IPO Share.

The Final Retail Price and the Institutional Price are expected to be announced within 2 Market Days from the Price Determination Date via the Bursa Listing Information Network. In addition, all successful applicants will be given written notice of the Final Retail Price and the Institution Price, together with the notices of allotment for our IPO Shares.

You should note that the market price of our Shares upon and subsequent to our Listing is subject to the vagaries of market forces and other uncertainties, which may affect the trading price of our Shares. You should form your own views on the valuation of our IPO Shares before deciding to invest in our Shares. You are also reminded to carefully consider the risk factors set out in Section 8 of this Prospectus before deciding to invest in our Shares.

4.4.2 Institutional Price

The Institutional Price will be determined by way of a bookbuilding process where prospective institutional and selected investors will be invited to bid for portions of the Institutional Offering by specifying the number of IPO Shares that they would be prepared to acquire and the price that they would be prepared to pay for such IPO Shares. This bookbuilding process will commence on 30 November 2021 and will end on 7 December 2021. Upon the completion of the bookbuilding process, the Institutional Price will be fixed by our Directors and the Selling Shareholders in consultation with the Joint Lead Bookrunners on the Price Determination Date.

4.4.3 Refund Mechanism

In the event that the Final Retail Price is lower than the Retail Price, the difference between the Retail Price and Final Retail Price will be refunded to the successful applicants without any interest thereon in the following manner:

- (i) If you have provided bank account information to Bursa Depository for the purposes of cash dividend/distribution, the above refund will be credited into your bank account;
- (ii) If you have not provided such bank account information to Bursa Depository, the above refund will be despatched to you in the form of cheques and by ordinary post to your address as maintained with Bursa Depository;
- (iii) If you have made your applications via the Electronic Share Application, the above refund will be credited into your account with the Electronic Participating Financial Institutions; or
- (iv) If you have made your applications via the Internet Share Application, the above refund will be credited into your account with the Internet Participating Financial Institutions.

The above refund will be carried out within 10 Market Days from the date of final ballot of application at your own risk. Please refer to Section 14.9 of this Prospectus for further details of the refund mechanism.

4. PARTICULARS OF OUR IPO (Cont'd)**4.4.4 Expected market capitalisation**

Based on the Retail Price, the total market capitalisation of our Company upon our Listing would be approximately RM916.5 million.

4.5 DILUTION

Dilution is the amount by which our pro forma NA per Share after our IPO is less than the price paid by retail/institutional and selected investors for our Shares. Our pro forma NA per Share as at 31 May 2021 after the Share Split and before adjusting for our IPO was RM0.62 based on the issued Shares of 732,661,602 Shares following the Share Split.

After taking into account our enlarged number of issued Shares from the issuance of 157,142,900 Issue Shares and after adjusting for the use of proceeds from the Public Issue, our pro forma NA as at 31 May 2021 would be RM604.3 million. This represents an immediate increase in NA per Share of RM0.06 to our existing shareholders and an immediate dilution in pro forma NA per Share of RM0.35, representing 34.0% of the Retail Price and the Institutional Price (assuming the Final Retail Price and the Institutional Price will equal the Retail Price) to the retail/institutional and selected investors.

The following table illustrates such dilution on a per Share basis assuming the Retail Price is equal to the Final Retail Price and the Institutional Price:

	RM
Final Retail Price/Institutional Price	1.03
Pro forma NA per Share as at 31 May 2021 after the Share Split and before adjusting for our IPO	0.62
Pro forma NA per Share as at 31 May 2021 after the Share Split and adjusting for the use of proceeds from the Public Issue	0.68
Increase in NA per Share to our existing shareholders	0.06
Dilution in pro forma NA per Share to retail/institutional and selected investors	0.35
Dilution in pro forma NA per Share to retail/institutional and selected investors as a percentage of the Retail Price/Institutional Price	34.0%

(The rest of this page has been intentionally left blank)

4. PARTICULARS OF OUR IPO (Cont'd)

Save as disclosed below, none of our substantial shareholders, Directors, key senior management, or persons connected to them had acquired, obtained the right to acquire and/or subscribe for our Shares in the past 3 years up to the LPD:

Date Allotted / Transferred	Name	No. of Shares	Allotted / Transferred	Total Consideration (RM)	Average price per Share⁽¹⁾ (RM)
22 June 2018 ⁽²⁾	Persada Bina	6,327,113	Allotted	16,070,867	0.42
22 June 2018 ⁽²⁾	Bluefin	3,149,606	Allotted	7,999,999	0.42
22 June 2018 ⁽²⁾	KWAP	1,158,764	Allotted	2,943,261	0.42
22 June 2018 ⁽²⁾	Ng Chee Kin	12,124	Allotted	30,795	0.42
23 December 2019 ⁽³⁾	Persada Bina	3,001,522	Transferred	13,500,000	0.75
7 May 2021 ⁽⁴⁾	Persada Bina	7,241,919	Allotted	18,394,474	0.42
10 May 2021 ⁽⁵⁾	Bluefin	42,007,518	Allotted	106,862,925	0.42
10 May 2021 ⁽⁶⁾	Persada Bina	30,527,567	Transferred	159,375,055	0.87

Notes:

- (1) Calculated after taking into account the effect of the Share Split.
- (2) Pursuant to a share issuance and allotment exercise undertaken by our Company.
- (3) Pursuant to the acquisition of Shares by Persada Bina from Laserforms, an existing shareholder of our Company. As at the LPD, Laserforms holds 4.00% equity interest in our Company.
- (4) As a result of the conversion of 18,394,474 RCPS held by Persada Bina.
- (5) As a result of the conversion of 106,862,842 CRLS held by Bluefin.
- (6) Pursuant to the share purchase agreement entered into between Bluefin, Persada Bina and our Company dated 23 April 2021 pertaining to the acquisition of Shares by Persada Bina from Bluefin.

(The rest of this page has been intentionally left blank)

4. PARTICULARS OF OUR IPO (Cont'd)**4.6 USE OF PROCEEDS FROM OUR IPO**

We expect to use the gross proceeds from the Public Issue amounting to RM161.9 million⁽¹⁾ in the following manner:

Purpose	RM'000	%	Estimated time frame for utilisation (from the date of Listing)
Capital expenditure:			
- Construction of a new warehouse	28,565	17.6	} Within 18 months
- Purchase of land	41,560	25.7	
- Purchase of prime movers	12,000	7.4	
Repayment of bank borrowings	69,732	43.1	Within 6 months
Estimated listing expenses	10,000	6.2	Within 3 months
Total	161,857	100.0	

Note:

(1) Assuming that the Institutional Price and the Final Retail Price will be equal to the Retail Price.

Moving forward, our strategic business growth direction is focused on leveraging on our core competencies and strengths in integrated logistics as a platform to address business opportunities and grow our business. From that perspective, our business strategies and plans will be based on strengthening and expanding our operational facilities including warehousing and container depot as well as expanding our fleet operations.

Further details of our Group's business strategies and plans are set out in Section 6.21 of this Prospectus.

To support these strategies, the gross proceeds from the Public Issue of RM161.9 million are expected to be utilised for the following purposes:

4.6.1 Capital expenditure**(a) Construction of a new warehouse**

We intend to construct a new warehouse on a piece of leasehold land of approximately 300,564 sq. ft. in Port Klang Free Zone in Selangor. As at the LPD, we have executed the lease agreement. The leasehold land tenure is for a period of 30 years commencing from 31 March 2021. Our plan is to build an ambient temperature warehouse for the storage of general goods with approximately 178,000 sq. ft. of floor storage and racking space.

4. PARTICULARS OF OUR IPO (Cont'd)

Upon completion of the warehouse construction, we will relocate our existing warehousing operations at the Westport Warehouse, which is currently under rented premises, to this new warehouse. The anticipated benefits of the relocation include the following:

- The new warehouse has a larger capacity with a planned floor space of approximately 178,000 sq. ft. compared to the Westport Warehouse, which has 54,300 sq. ft.;
- The larger capacity would enable us to serve our existing and potential customers as the Westport Warehouse was fully utilised in the FYE 2019, FYE 2020 and FPE 2021; and
- This new warehouse will enable us to address business opportunities in providing warehousing services to potential as well as existing customers within the Port Klang Free Zone.

During the FYE 2020, we also operated approximately 354,300 sq. ft of warehousing space (SLC Warehouse, Port Klang Warehouse and Westport Warehouse) within the vicinity of Port Klang with a utilisation rate of approximately 94%. In light of the rental agreement for the Westport Warehouse expiring at the end of October 2021, we will relocate to the new warehouse in the Port Klang Free Zone.

As at the LPD, the construction of the warehouse has not commenced but we have submitted the building plan for approval. However, since the approval for the sub-structural works has been obtained from Majlis Perbandaran Klang, we have commenced the sub-structural works for the construction of the warehouse. Based on the indicative timeline, we expect to complete the construction of the new warehouse and to commence operations there by the second quarter of 2022. This timing is on condition that construction works are permitted with the easing of the restrictions and there are no prolonged interruptions from containment measures relating to the COVID-19 pandemic. In the event of any extension of the restrictions relating to the COVID-19 pandemic, this could have an impact on the timing of completion of the new warehouse.

Since the rental agreement for the Westport Warehouse has expired on 31 October 2021 and the construction of the new warehouse has yet to commence, we have temporarily rented a warehouse located in Port Klang Free Zone in order to avoid disrupting our warehousing services operations at the Westport Warehouse. We have relocated and commenced our operations at the temporary warehouse on 8 November 2021. Upon the completion of the new warehouse and issuance of the CCC, the operations at the temporary warehouse will be relocated to the new warehouse.

The estimated cost of constructing the new warehouse is estimated at RM28.6 million, which will be funded by our IPO proceeds.

Kindly refer to Section 6.21.2.1 of this Prospectus for further details on the construction of the abovementioned new warehouse.

(b) Purchase of land

On 28 May 2021, we entered into a share sale agreement to acquire the entire equity interest in Ann Joo Properties, a company involved in investment holding and letting of real property, for a total consideration of RM10.0 million. The acquisition of Ann Joo Properties has been completed on 15 July 2021.

Ann Joo Properties has, among others, leased the Bandar Sultan Sulaiman Land from the developer, PKNS. The Bandar Sultan Sulaiman Land is approximately 1,263,231 sq. ft. in size, and it is a leasehold land with land tenure valid until 30 June 2105. It is currently leased out to 2 external tenants.

4. PARTICULARS OF OUR IPO (Cont'd)

As part of the lease agreement for the Bandar Sultan Sulaiman Land, Ann Joo Properties has the option to purchase the Bandar Sultan Sulaiman Land from PKNS (**"Option to Purchase"**).

On 6 July 2021, PKNS issued its offer letter to Ann Joo Properties to purchase the Bandar Sultan Sulaiman Land at a price of approximately RM59.4 million (**"Offer Price"**), which was duly accepted by Ann Joo Properties on 19 July 2021, and is subject to the definitive agreement to be entered into by PKNS and Ann Joo Properties later. Subsequent to the acceptance of the Offer Price, Ann Joo has made the 1st tranche payment to PKNS amounting to RM8.9 million, which is equivalent to 15% of the Offer Price. On 26 August 2021, Ann Joo Properties has entered into the PKNS SPA for the acquisition of the Bandar Sultan Sulaiman Land from PKNS. It should be noted that this Offer Price is separate from the RM10.0 million for the purchase of the entire equity interest in Ann Joo Properties.

We expect to complete the acquisition of the Bandar Sultan Sulaiman Land by the fourth quarter of 2021, following which we intend to continue leasing the Bandar Sultan Sulaiman Land to the 2 existing tenants. For information, the tenancy agreements with the 2 existing tenants expire on 15 January 2022 and 28 February 2022, respectively. After the expiry of the tenancy agreements, we intend to use the land to expand our existing container haulage, land transportation and/or warehousing and container depot services. Part of the Bandar Sultan Sulaiman Land is used as a container depot by one of the current tenants, and consequently we can use it as a container haulage yard, inland yard or container depot without carrying out further development. However, should our plans be delayed, we propose to extend the tenancy to the 2 existing tenants accordingly.

Part of the estimated cost of acquiring the Bandar Sultan Sulaiman Land of RM41.6 million will be funded by our IPO proceeds while the balance will be settled using internally generated funds/bank borrowings. Pending the receipt of our IPO proceeds, we may proceed with the settlement of the final tranche payment for the Bandar Sultan Sulaiman Land by utilising our internally generated funds/banking facilities. Therefore, when the IPO proceeds that we have allocated for this purpose are received, we will use the proceeds allocated to replenish our internally generated funds/repay the banking facilities.

Kindly refer to Section 6.21.2.2 of this Prospectus for further details on the purchase of the land.

(c) Purchase of prime movers

Part of our strategy is to purchase new prime movers for our business operations in Malaysia throughout 2022 with the aim of expanding our commercial vehicle fleet. These prime movers are similar to the ones that we currently own and operate to provide our integrated logistics services.

For the FYE 2020, the average utilisation rate of prime movers for our container haulage operations and inland transportation and distribution operations in Malaysia were 81% and 89% respectively, while the average utilisation rate of prime movers for our cross-border transportation for Malaysia and Thailand were 88% and 86% respectively. In this respect, the acquisition of new prime movers will provide us with the capacity to grow our container haulage, and land transportation business operations.

We intend to purchase 30 new prime movers, which are estimated to cost RM12.0 million, by using our IPO proceeds.

Kindly refer to Section 6.21.4.1 of this Prospectus for further details on the purchase of prime movers.

4. PARTICULARS OF OUR IPO (Cont'd)**4.6.2 Repayment of bank borrowings**

Name of financial institution / Type of facility	Purpose	Interest rate / Maturity date	Outstanding amount as at the LPD RM'000	Proposed repayment RM'000
AmBank Islamic Berhad / Trade financing	Working capital	3.05% / 1 to 3 months	29,453	23,244
OCBC Al-Amin Bank Berhad / Trade financing	Working capital	3.03% / 1 to 3 months	27,250	23,244
United Overseas Bank (Malaysia) Berhad / Trade financing	Working capital	3.02% / 1 to 3 months	55,811	23,244
Total bank borrowings			112,514	69,732

We intend to utilise approximately RM69.7 million of our IPO proceeds to partially repay the abovementioned facilities. Our Group prioritises the repayment of the trade financing facilities as opposed to long term borrowings such as unrated Islamic medium term notes, term loans and finance lease payable facilities in order to improve our Group's current ratio and maintain the cash flow for working capital. The repayment of such bank borrowings in respect of the abovementioned facilities will not result in any penalty/ early repayment cost being incurred by our Group. There are no other covenants attached to the facilities which may have material impact on the repayment of the bank borrowings.

In FYE 2020, our Group had restructured some of our existing term loans from short term borrowings to long term borrowings via the Sukuk Programme, which has improved our current ratio from 0.7 as at FYE 2019 to 0.9 as at FYE 2020, as set out in Section 11.3 of this Prospectus.

The repayment of above short term borrowings will further improve our Group's current ratio and pare down our Group's current liabilities.

Based on the pro forma statements of financial position of our Group (after the Share Split and the IPO) as at 31 May 2021, our net current liabilities position of RM26.1 million is expected to improve to a net current assets position of RM0.4 million, which represents a current ratio of 1.0 times.

Further, the repayment of bank borrowings will result in approximately RM2.1 million in savings in finance cost per annum.

4.6.3 Estimated listing expenses

Our listing expenses are estimated to be approximately RM10.0 million (or 6.2%), details of which are as follows:

	RM'000
Professional fees	4,000
Fees payable to authorities	690
Brokerage, underwriting and placement fees	4,810
Fees and expenses for printing, advertising and roadshow	410
Miscellaneous expenses and contingencies	90
Total	10,000

4. PARTICULARS OF OUR IPO (Cont'd)

If the actual listing expenses are higher than budgeted, the deficit will be funded by internally generated funds. Conversely, if the actual listing expenses are lower than budgeted, the excess will be used for repayment of bank borrowings purposes.

There is no minimum subscription to be raised from the IPO.

Pending the eventual use of proceeds raised from the Public Issue, the proceeds will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions.

Our Company will not receive any proceeds from the Offer for Sale. Based on the IPO Price, the gross proceeds from the Offer for Sale of approximately RM161.7 million will accrue entirely to the Selling Shareholders. The Selling Shareholders shall bear the entire incidental expenses and fees in relation to the Offer for Sale, amounting to RM4.5 million.

The financial impact of the use of proceeds from our Public Issue is illustrated in the Pro Forma Statements of Financial Position as at 31 May 2021 set out in Section 11.9 of this Prospectus.

4.7 BROKERAGE FEE, UNDERWRITING COMMISSION AND PLACEMENT FEE

4.7.1 Brokerage fee

We will pay brokerage in respect of our Issue Shares under the Retail Offering at the rate of 1.0% (exclusive of applicable tax) of the Final Retail Price in respect of all successful applications which bear the stamp of either the participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association and/or the Issuing House.

The Joint Lead Bookrunners and Joint Bookrunners are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For the avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us or the Selling Shareholders.

4.7.2 Underwriting commission

As stipulated in the Retail Underwriting Agreement, the Managing Underwriter and the Joint Underwriters have agreed to underwrite our Issue Shares under the Retail Offering for an underwriting commission of up to 2.5% (exclusive of applicable tax) of the Retail Price multiplied by the total number of Issue Shares underwritten under the Retail Offering in accordance with the terms of the Retail Underwriting Agreement.

4.7.3 Placement fee

The Selling Shareholders for the Offer Shares and us for the Issue Shares will pay the Joint Lead Bookrunners and Joint Bookrunners a placement fee of up to 2.5% (exclusive of applicable tax) of the Institutional Price multiplied by the number of IPO Shares sold to institutional and selected investors in accordance with the terms of the Placement Agreement.

4. PARTICULARS OF OUR IPO (Cont'd)

4.8 DETAILS OF THE UNDERWRITING, PLACEMENT AND LOCK-UP ARRANGEMENTS

4.8.1 Underwriting

We have entered into the Retail Underwriting Agreement with the Managing Underwriter and the Joint Underwriters to jointly underwrite 38,933,500 Issue Shares under the Retail Offering, subject to the clawback and reallocation provisions as set out in Section 4.2.3 of this Prospectus and upon the terms and subject to the conditions of the Retail Underwriting Agreement.

Details of the underwriting commission are set out in Section 4.7.2 of this Prospectus, while the salient terms of the Retail Underwriting Agreement are as follows:

- (i) the obligations of the Managing Underwriter and Joint Underwriters under the Retail Underwriting Agreement are conditional on certain conditions precedent which shall be fulfilled or waived on or before the closing date of the Retail Offering or such later date as may be consented to in writing by the Managing Underwriter;
- (ii) the Managing Underwriter (for and on behalf of the Joint Underwriters) may by notice to our Company given at any time before the date of Listing, terminate, cancel and withdraw the underwriting commitment if:
 - (a) there is a breach by our Company of any of our obligations contained in the Retail Underwriting Agreement which has any change, effect, event or occurrence that, individually or in the aggregate, has had or would reasonably be expected to have a material adverse effect on (aa) the condition (financial or otherwise), general affairs, business, earnings, management, assets, liquidity, liabilities, prospects, properties or results of operations of our Company and/or our Group, and/or our associated companies whether individually or taken as a whole, and whether or not arising in the ordinary course of business; (bb) the ability of our Company and/or the Selling Shareholders to perform in any respect our or their obligations under or with respect to, or to consummate the transactions contemplated by this Prospectus, the Master Cornerstone Placement Agreement, each individual Cornerstone placement agreement, the Placement Agreement or the Retail Underwriting Agreement; (cc) the ability of our Company and/or our Group to conduct its businesses and to own or lease its assets and properties as described in this Prospectus; and/or (dd) the IPO ("**Material Adverse Effect**") or any of the warranties or undertakings under the Retail Underwriting Agreement in any respect;
 - (b) our Company withholds any information from the Managing Underwriter and the Joint Underwriters, which, in the opinion of the Managing Underwriter and Joint Underwriters, would have or is likely to have a Material Adverse Effect;
 - (c) there shall have occurred, happened or come into effect any event or series of events by reason of Force Majeure (as defined herein) which would have or can be expected to have a Material Adverse Effect on the completion of the IPO or which would have or is likely to have the effect of making any material obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms. "**Force Majeure**" means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:
 - (aa) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, national emergency, civil war or commotion, hijacking, terrorism;
 - (bb) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or

4. PARTICULARS OF OUR IPO (Cont'd)

- (cc) natural catastrophe including but not limited to earthquakes, floods, fire, storm, lightning, tempest, explosions, accident, outbreak of disease, epidemics, pandemic, the imposition of lockdowns or similar measures to control the spread of any epidemic or other acts of God;
- (d) there shall have occurred any government requisition or other events whatsoever which would have or is likely to have a Material Adverse Effect;
- (e) there shall have occurred any change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Managing Underwriter would have or is likely to have a Material Adverse Effect (whether in the primary market or in respect of dealings in the secondary market). For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
 - (aa) on or after the date of the Retail Underwriting Agreement; and
 - (bb) on or prior to the closing date of the Retail Offering,

lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Retail Underwriting Agreement and remains at or below that level for at least 3 consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (f) trading of all securities on Bursa Securities has been suspended or other material form of restriction in general trading in securities is imposed for 3 consecutive Market Days or more;
- (g) there shall have announced or carried into force any new law or change in law in any jurisdiction which in the opinion of the Managing Underwriter and the Joint Underwriters may prejudice the completion of the IPO or the Listing or which would have or is reasonably likely to have the effect of making it impracticable to enforce contracts to allot and/or transfer the IPO Shares or making any obligation under the Retail Underwriting Agreement incapable of performance in accordance with its terms;
- (h) the Institutional Offering and/or the Retail Offering is stopped or delayed by our Company or any regulatory authorities for any reason whatsoever (unless such delay has been approved by the Managing Underwriter);
- (i) the closing date of the Retail Offering does not occur by 21 December 2021 or such other extended date as may be agreed in writing by the Managing Underwriter (the agreement of which should not be unreasonably withheld);
- (j) the Listing does not take place by 4 January 2022 or such other extended date as may be agreed in writing by the Managing Underwriter (the agreement of which should not be unreasonably withheld);
- (k) any commencement of legal proceedings or action against any member of our Group or any of their directors which would have or is likely to have a Material Adverse Effect or make it impracticable to enforce contracts to allot and/or transfer the IPO Shares;

4. PARTICULARS OF OUR IPO (Cont'd)

- (l) any one of the Placement Agreement, the Lock-Up Letters, the Master Cornerstone Placement Agreement and each individual cornerstone placement agreements shall have been (i) terminated or rescinded in accordance with its terms, (ii) ceased to have any effect whatsoever, or (iii) varied or supplemented upon terms that would have a Material Adverse Effect;
- (m) any of the resolutions or approvals referred to in Clause 6.1(e) or 6.1(f) of the Retail Underwriting Agreement is revoked, suspended or ceases to have any effect whatsoever, or is varied or supplemented upon terms that would have a Material Adverse Effect;
- (n) in the event the Listing is withdrawn or not procured or procured but subject to conditions not acceptable to the Managing Underwriter (for and on behalf of the Joint Underwriters);
- (o) any material statements contained in this Prospectus and the Application Form has become or been discovered to be untrue, inaccurate or misleading in any respect, or matters have arisen or have been discovered which would, if this Prospectus and the Application Form were to be issued at that time, constitute a material omission therefrom as of the LPD; or
- (p) any other event in which a Material Adverse Effect has occurred or which in the opinion of the Managing Underwriter is reasonably likely to occur.

4.8.2 Placement

We and the Selling Shareholders expect to enter into the Placement Agreement with the Joint Lead Bookrunners and Joint Bookrunners in relation to the placement of up to 275,209,400 IPO Shares under the Institutional Offering, subject to the clawback and reallocation provisions and the Over-Allotment Option as set out in Sections 4.2.3 and 4.2.6 of this Prospectus, respectively. We and the Selling Shareholders will be requested, on a several basis, to give various representations, warranties and undertakings, and to indemnify the Joint Lead Bookrunners and Joint Bookrunners against certain liabilities in connection with our IPO.

(The rest of this page has been intentionally left blank)

4. PARTICULARS OF OUR IPO (Cont'd)

4.8.3 Lock-up arrangement

Lock-up Letter by our Company

In connection with the Placement Agreement, we covenant, agree and undertake that we shall not, without the prior written consent of the Joint Bookrunners, for a period beginning on the date of the lock-up letter and ending on, and including, the date that is 6 months after the date of the Listing, issue, allot, agree to allot, offer or grant rights to subscribe for, directly or indirectly, conditionally or unconditionally, any Shares or any other securities that are substantially similar to our Shares or any securities convertible into or exercisable or exchangeable for our Shares or any warrants or other rights to purchase or subscribe, the foregoing, whether any such transaction is to be settled by delivery of our Shares or such other securities, in cash, in kind or any other method or publicly announce an intention to effect any of the aforementioned transactions, except, in all cases, pursuant to the IPO.

Lock-up Letters by the Promoters

In connection with the Placement Agreement, our Promoter, Persada Bina covenants, agrees and undertakes that it shall not and shall procure that its nominees and/or trustees holding the Shares on trust for Persada Bina or on its behalf shall not, without the prior written consent of the Joint Bookrunners, for a period beginning on the date of the lock-up letter and ending on, and including, the date that is 6 months after the date of the Listing:

- (a) offer, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant or agree to grant any option or right to purchase or create security over, or otherwise transfer or dispose of or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Shares or any other securities that are substantially similar to the Shares or any securities convertible into or exercisable or exchangeable for the Shares or any warrants or other rights to purchase or subscribe, the foregoing, whether any such transaction is to be settled by delivery of the Shares or such other securities, in cash, in kind or any other method;
- (b) enter into any swap, hedge or derivative or other agreement, transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any other securities that are substantially similar to the Shares or any securities convertible into or exercisable or exchangeable for the Shares or any warrants or other rights to purchase or subscribe, the foregoing, whether any such transaction is to be settled by delivery of the Shares or such other securities, in cash, in kind or any other method;
- (c) deposit any Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Shares) in any depository receipt facilities; or
- (d) publicly announce an intention to effect any transaction specified in paragraph (a), (b) or (c) above,

except, in all cases, pursuant to the IPO.

The lock-up arrangement was entered into after the pledge of 75,701,417 Shares (prior to Share Split) by Persada Bina in favour of Kenanga Investment Bank Berhad, United Overseas Bank (Malaysia) Berhad, AmBank (M) Berhad and MIDF Investment as security for the loans granted by the banks. As such the lock-up arrangement would not restrict the ability of Persada Bina to pledge the above shares. However, the restrictions above shall apply to any other offer, sale, pledge, transfer or other disposition of the pledged securities by Persada Bina with effect from 15 November 2021 including by way of enforcement, to the extent such restrictions are permitted under the laws of Malaysia.

4. PARTICULARS OF OUR IPO (Cont'd)

For the avoidance of doubt, the restriction above does not apply to:

- (i) the Shares that may be sold pursuant to the Over-allotment Option granted by Persada Bina to the Stabilising Manager (on behalf of the Joint Lead Bookrunners and Joint Bookrunners); and
- (ii) the Shares transferred by Persada Bina as contemplated under the Share Lending Agreement, provided that the restriction above will apply to the Shares returned to Persada Bina pursuant to the Share Lending Agreement.

Our other Promoters, Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui, the shareholders of Persada Bina, covenant, agree and undertake that each of them shall not and shall procure that their nominees and/or trustees holding the shares of Persada Bina ("**Persada Bina Shares**") on trust for them or on their behalf shall not, without the prior written consent of the Joint Bookrunners, for a period beginning on the date of the lock-up letter and ending on, and including, the date that is 6 months after the date of the Listing:

- (a) offer, sell, offer to sell, contract or agree to sell, hypothecate, pledge, mortgage, charge, assign, grant or agree to grant any option or right to purchase or create security over, or otherwise transfer or dispose of or agree to transfer or dispose of, directly or indirectly, conditionally or unconditionally, any Persada Bina Shares or any other securities that are substantially similar to the Persada Bina Shares or any securities convertible into or exercisable or exchangeable for the Persada Bina Shares or any warrants or other rights to purchase or subscribe, the foregoing, whether any such transaction is to be settled by delivery of the Persada Bina Shares or such other securities, in cash, in kind or any other method;
- (b) enter into any swap, hedge or derivative or other agreement, transaction or arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Persada Bina Shares or any other securities that are substantially similar to the Persada Bina Shares or any securities convertible into or exercisable or exchangeable for the Persada Bina Shares or any warrants or other rights to purchase or subscribe, the foregoing, whether any such transaction is to be settled by delivery of the Persada Bina Shares or such other securities, in cash, in kind or any other method;
- (c) deposit any Persada Bina Shares (or any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase or that represent the right to receive or are substantially similar to, the Persada Bina Shares) in any depository receipt facilities; or
- (d) publicly announce an intention to effect any transaction specified in paragraph (a), (b) or (c) above,

except, in all cases, pursuant to the IPO.

(The rest of this page has been intentionally left blank)

4. PARTICULARS OF OUR IPO (Cont'd)

4.9 TRADING AND SETTLEMENT IN SECONDARY MARKET

Upon our Listing, our Shares will be traded through Bursa Securities and settled by book-entry settlement through the CDS, which is operated by Bursa Depository. This will be effected in accordance with the Rules and the provisions of the SICDA. Accordingly, we will not deliver share certificates to subscribers or purchasers of our IPO Shares.

Beneficial owners of our Shares are required under the Rules to maintain our Shares in CDS accounts, either directly in their names or through authorised nominees. Persons whose names appear in the Record of Depositors maintained by Bursa Depository will be treated as our shareholders in respect of the number of Shares credited to their respective CDS accounts.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's CDS account being debited with the number of Shares sold and the buyer's CDS account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for our Shares that are settled on a book-entry basis, although there is a nominal transfer fee of RM10.00 payable for each transfer not transacted on the market.

Shares held in CDS accounts may not be withdrawn from the CDS except in the following instances:

- (i) to facilitate a share buy-back;
- (ii) to facilitate conversion of debt securities;
- (iii) to facilitate company restructuring process;
- (iv) where a body corporate is removed from the Official List;
- (v) to facilitate a rectification of any error; and
- (vi) in any other circumstances determined by Bursa Depository from time to time, after consultation with the SC.

Trading of shares of companies listed on Bursa Securities is normally done in "board lots" of 100 shares. Investors who desire to trade less than 100 shares are required to trade under the odd lot board. Settlement of trades done on a "ready" basis on Bursa Securities generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the third Market Day following the transaction date.

It is expected that our Shares will commence trading on Bursa Securities approximately 10 Market Days after the close of the Institutional Offering. Subscribers of our Shares will not be able to sell or otherwise deal in our Shares (except by way of book-entry transfer to other CDS accounts in circumstances which do not involve a change in beneficial ownership) prior to the commencement of trading on Bursa Securities.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT

5.1 PROMOTERS AND SUBSTANTIAL SHAREHOLDERS

5.1.1 Promoters' and substantial shareholders' shareholdings

The details of our Promoters and substantial shareholders, and their respective shareholdings in our Company before and after our IPO are as follows:

Promoters and substantial shareholders	Nationality / Place of incorporation	Before our IPO			After our IPO- Assuming the Over-allotment Option is not exercised			After our IPO- Assuming the Over-allotment Option is fully exercised			
		Direct	Indirect		Direct	Indirect		Direct	Indirect		
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
<u>Promoters and substantial shareholders</u>											
Persada Bina	Malaysia	(3)454,208,502	61.99	-	-	(4)339,208,502	38.12	-	(5)319,208,502	35.87	-
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	Malaysian	-	-	(7)454,208,502	61.99	-	-	(7)339,208,502	38.12	(7)319,208,502	35.87
Loo Yong Hui	Malaysian	-	-	(7)454,208,502	61.99	-	-	(7)339,208,502	38.12	(7)319,208,502	35.87
Loo Hooi Keat	Malaysian	-	-	(8)454,208,502	61.99	-	-	(8)339,208,502	38.12	(8)319,208,502	35.87
<u>Substantial shareholders</u>											
KWAP	Malaysia	99,682,794	13.61	-	-	81,182,794	9.12	-	81,182,794	9.12	-
Bluefin	Cayman Islands	87,777,342	11.98	-	-	69,277,342	7.79	-	69,277,342	7.79	-

Notes:

- (1) Based on our issued Shares of 732,661,602 Shares after the Share Split but before our IPO.
- (2) Based on our enlarged issued Shares of 889,804,502 Shares after our IPO.
- (3) 360,647,856 Shares are held in the pledged securities accounts for Persada Bina. ⁽⁶⁾

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (4) 319,108,502 Shares are held in the pledged securities accounts for Persada Bina.⁽⁶⁾
- (5) 299,108,502 Shares are held in the pledged securities accounts for Persada Bina.⁽⁶⁾
- (6) The purpose of the pledged securities accounts is to secure the loans granted by Kenanga Investment Bank Berhad, United Overseas Bank (Malaysia) Berhad, AmBank (M) Berhad and MIDF Investment to Persada Bina for the subscription and acquisition of Shares. Persada Bina intends to use part of the Offer for Sale proceeds to partially pare down the outstanding amount of the loans and will continue to service the remaining loans according to the repayment terms. These pledged shares are not allowed to be sold, transferred or assigned during the Moratorium Period.
- (7) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding of more than 20.00% in Persada Bina.
- (8) Deemed interested by virtue of Section 59(1)(c) of the Act, through his son, Loo Yong Hui's indirect shareholdings in our Company via Persada Bina.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.2 Changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past 3 years

The changes in our Promoters' and substantial shareholders' shareholdings in our Company for the past 3 years and up to the LPD are as follows:

	As at 31 December 2018		As at 31 December 2019		As at 31 December 2020		As at the LPD	
	Direct	Indirect	Direct	Indirect	Direct	Indirect	Direct	Indirect
Promoters and substantial shareholders	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾
<u>Promoters and substantial shareholders</u>								
Persada Bina	⁽³⁾ 34,930,409	47.94	-	-	⁽⁴⁾ 34,930,409	47.94	-	-
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	-	-	⁽⁸⁾ 34,930,409	47.94	-	-	⁽⁸⁾ 37,931,931	52.06
Loo Yong Hui	-	-	⁽⁸⁾ 34,930,409	47.94	-	-	⁽⁸⁾ 37,931,931	52.06
Loo Hooi Keat	-	-	⁽⁹⁾ 34,930,409	47.94	-	-	⁽⁹⁾ 37,931,931	52.06
<u>Substantial shareholders</u>								
KWAP	16,613,799	22.80	-	-	16,613,799	22.80	-	-
Bluefin	3,149,606	4.32	-	-	3,149,606	4.32	-	-

Notes:

- (1) Based on our issued Shares of 72,860,830 Shares as at the respective Financial Years Under Review.
- (2) Based on our issued Shares of 122,110,267 Shares as at the LPD.
- (3) 15,291,780 Shares are held in pledged securities accounts for Persada Bina.⁽⁷⁾
- (4) 29,580,409 Shares are held in pledged securities accounts for Persada Bina.⁽⁷⁾
- (5) 26,080,409 Shares are held in pledged securities accounts for Persada Bina.⁽⁷⁾

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

- (6) After taking into account the conversion of 18,394,474 RCPS held by Persada Bina to 7,241,919 Shares on 7 May 2021 and transfer of 30,527,567 Shares from Bluefin to Persada Bina pursuant to a share sale agreement entered into between Bluefin and Persada Bina which was completed on 10 May 2021. 60,107,976 Shares are held in pledged securities accounts for Persada Bina. ⁽⁷⁾
- (7) The purpose of the pledged securities accounts is to secure the loans granted by Kenanga Investment Bank Berhad, United Overseas Bank (Malaysia) Berhad, AmBank (M) Berhad and MIDF Investment to Persada Bina for the subscription and acquisition of Shares. Persada Bina intends to use part of the Offer for Sale proceeds to partially pare down the outstanding amount of the loans and will continue to service the remaining loans according to the repayment terms. These pledged shares are not allowed to be sold, transferred or assigned during the Moratorium Period.
- (8) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding of more than 20.00% in Persada Bina.
- (9) Deemed interested by virtue of Section 59(1)(c) of the Act, through his son, Loo Yong Hui's indirect shareholdings in our Company via Persada Bina.

As at the LPD, our Promoters and substantial shareholders have the same voting rights with the other shareholders of our Group and there is no arrangement between our Company and our shareholders with any third parties, the operation of which may at a subsequent date result in a change in control of our Company. Save as disclosed above, we are not aware of any persons who are able to, directly or indirectly, jointly or severally, exercise control over our Company.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.3 Profile of Promoters and substantial shareholders

Persada Bina

Promoter and substantial shareholder

Persada Bina was incorporated on 19 June 1993 in Malaysia under the Companies Act 1965 as a private limited company under its present name and is deemed registered under the Act.

The principal activity of Persada Bina is investment holding in shares of subsidiaries principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services, and investment holding, information and communications technology, general trading and property investment. Save for Persada Bina's investment in Swift Haulage, Persada Bina does not hold any other investment in companies involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services.

As at the LPD, the issued share capital of Persada Bina is RM2,266,667 comprising 1,372,549 ordinary shares.

The directors of Persada Bina as at the LPD are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Loo Hooi Keat and Nor Fathiyah Binti Azhar. Save for her directorship in Persada Bina, Nor Fathiyah Binti Azhar is not a person connected to the Promoters, Directors and substantial shareholders of our Group.

The particulars of Persada Bina's shareholders and their respective shareholdings as at the LPD are as follows:

Shareholders	Nationality	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	Malaysian	700,000	51.00	-	-
Loo Yong Hui	Malaysian	672,549	49.00	-	-
Loo Hooi Keat	Malaysian			(1)672,549	49.00

Note:

- (1) Deemed interested by virtue of Section 59(11)(c) of the Act, through his son, Loo Yong Hui's shareholdings in Persada Bina.

Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar

Promoter, substantial shareholder and Non-Independent Non-Executive Director

Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, a Malaysian aged 74, is our Non-Independent Non-Executive Director. He was appointed to our Board on 9 March 2011 and was designated as our Non-Independent Non-Executive Director on 25 June 2021.

He completed his Bachelor of Social Science (Hons.) degree majoring in Political Science from the University of Science Malaysia, Penang in 1978. He was involved in various organisations which includes his role as a trustee of Peyatim Terengganu and is presently a trustee of Yayasan Taat. He has 34 years of experience with the Royal Malaysian Police Force.

In 1969, he joined the Royal Malaysian Police as a Trainee Probationary Inspector and obtained his first posting as a District Special Branch Officer in Besut, Terengganu in 1970 until 1975, where his main responsibilities were maintenance of security and monitoring security intelligence. From 1975 to 1978, he took a study break for 3 years to pursue his Bachelor's degree majoring in Political Science at the University of Science Malaysia. After completing his studies and obtaining his Bachelor's degree, he was posted to the Penang Police Headquarters as a desk officer at the Special Branch Department from 1978 until 1979 where his duties involved collecting intelligence of security interest.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 1979, he was then transferred to the Special Branch Training School at Jalan Gurney, Kuala Lumpur as a Lecturer on subjects of security interest until 1982. After approximately 3 and a half years of lecturing work, he was transferred to Terengganu as the State Head of Special Branch in March 1983 until the end of December 1990 where he was responsible for managing the Special Branch Department and collating intelligence on external and internal security threats to Terengganu, in particular, and the country in general.

In 1990, he was posted to Bukit Aman, Kuala Lumpur in the Special Branch Department as a Special Branch Deputy E2, whose duty includes assessing security threats to the country emanating from both internal and external threats from social, economic and political perspective until 1992. Thereafter in 1992, he was promoted and posted as the Commandant of Special Branch Training Institution at Pusat Latihan Polis Jalan Gurney, Kuala Lumpur until 1995 where his role was to administer training schedules on intelligence for both local and foreign intelligence officers.

After 3 years, he was again transferred to the Penang Police Headquarters as the State Deputy Chief Police Officer and was responsible for managing and supervising all police departments and personnel and ensuring the implementation of law and order from 1995 to 1997. From 1997 to 1999, he was posted to the Pahang Police Headquarters, holding the same designation and responsibilities.

After 2 years of service in Pahang, he was promoted to Chief Police Officer of Terengganu, leading the police department in Terengganu in enhancing law and order from 1999 to 2000. In 2001, he was promoted and appointed as a Commissioner of Police in Sarawak and was responsible to lead the police department in Sarawak in the execution of law and order in the state from 2001 to 2003 when he retired.

After his retirement from the Police Department, he took up a post in the Sarawak Ministry of Social Development and Urbanisation as a Special Advisor to the Chief Minister from 2003 to 2005, where he was responsible in assisting the state government of Sarawak in enhancing social stability and security. He left Sarawak in 2005 to join SM Security (M) Sdn Bhd as the Managing Director. His responsibilities included providing security service to various governmental and private institutions.

In 2005, Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar was appointed as the Independent Non-Executive Director of Berjaya Corporation Berhad till 2018. From 2008 to 2017, he was also the Director of Berjaya Inter-Pacific Securities Sdn Bhd, a subsidiary of Berjaya Corporation Berhad.

Presently, he is the Director of Sunsuria Development Sdn Bhd since 2004, a special advisor to the President of Chinese Chambers of Commerce Malaysia and holds directorships in 10 different companies within our Group.

He was appointed as our Director in March 2011, and subsequently as the director of Swift Logistics TA in October 2013 and Swift Integrated Logistics in October 2016. Following the acquisition of Tanjong Express in 2018, he was appointed as the director of Tanjong Express and its subsidiary, Tanjong Express Logistic. He was also appointed as the director of Komunajaya in the same year. Later in 2019, he was appointed as a director of Agenda Wira and in September 2020, upon the acquisition of Sentiasa Hebat, he became a director of 3 other subsidiaries within our Group namely, Agensi Tanjung Bruas, Sentiasa Hebat and Sentiasa Hebat (Penang).

Further details of his directorships in other private limited companies are as set out in Section 5.2.4 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Loo Yong Hui

Promoter, substantial shareholder and Non-Independent Executive Director

Loo Yong Hui, a Malaysian aged 33, is our Non-Independent Executive Director and Group Chief Executive Officer. He was appointed to our Board on 28 March 2014 and was designated as our Non-Independent Executive Director on 25 June 2021.

He graduated with a Bachelor's degree in Chemical Engineering from the University of Manchester, United Kingdom in 2010.

After his graduation, he began his career with ECM Libra Financial Group Berhad as a Management Associate Trainee from 2011 to 2012. Thereafter, in 2012 he was transferred to Libra Invest Berhad, a buy side fund management company until 2013, as an Analyst where he was responsible to support fund managers of equity stocks, particularly in the oil & gas and transportation sectors.

In 2013, he left Libra Invest Berhad to join our Company as the Manager of Corporate Planning. He was involved in various corporate exercises such as the acquisitions of companies and lands.

In 2014, he was appointed as our Director and was responsible for the container haulage division in the Central region and the Corporate Planning department.

In 2019, he was appointed as our Group Executive Director and assisted the management in overseeing the Group Corporate Planning, Group IT and container depot, cross-border transportation and container haulage divisions for the Central and Northern regions.

He was appointed as our Deputy Group Chief Executive Officer in January 2021 and was promoted to our Group Chief Executive Officer on 1 May 2021. As Group Chief Executive Officer, he is responsible for the Group Finance, Group Human Resource & Administration and Health, Safety, Security, Environment and Quality and Group Legal, Corporate Services and Strategic Communication departments as well as the container haulage, warehousing, freight forwarding, cross-border transportation and inland distribution divisions for the Northern, Southern, Eastern and Central regions.

With more than 8 years of experience in the logistics sector, he presently holds directorships in 16 different companies within our Group. Besides his appointment as Director of our Company, he was also appointed as a director of the following companies within our Group:

- 2015: Container Connections
- 2016: Swift Integrated Logistics, Swift Haulage Services, MILS Cold Hub and Swift Commerce
- 2018: Tanjong Express, and its subsidiary, namely Tanjong Express Logistic and Komunajaya
- 2019: Agenda Wira
- 2020: Agensi Tanjung Bruas, Earth Move International, Northern Gateway Depot, Sentiasa Hebat, Sentiasa Hebat (Penang) and Top Tyres & Workshop
- 2021: Hypercold Logistics and Ann Joo Properties

He is the son of Loo Hooi Keat, our Non-Independent Non-Executive Director.

Further details of his directorships in other private limited companies are as set out in Section 5.2.4 of this Prospectus.

Loo Hooi Keat

Promoter, Substantial Shareholder and Non-Independent Non-Executive Director

Loo Hooi Keat, a Malaysian aged 66, is our Non-Independent Non-Executive Director and Advisor. He was appointed to our Board on 27 March 2018 and was designated as our Non-Independent Non-Executive Director on 25 June 2021.

He completed his Certification of Public Accountant in 1982. He is presently a member of the Malaysian Institute of Certified Public Accountants (MICPA) and has been a member since 1981.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

He started his career at Coopers and Lybrand as an Article Clerk in 1976. He then left in 1981 to join Bata Malaysia as an Accountant, where he was responsible for the company's financial accounts. After a year at Bata Malaysia, he joined Sime Darby group of companies as a Group Accountant from 1982 to 1985, where he was entrusted to manage the Sime Darby Group of Companies' financial accounts. He continued his career as a Group Accountant in Lion Enterprise Sdn Bhd from 1986 to 1989 where he was responsible for the financial accounts of the Lion group of companies.

He then left Lion Group and joined United Engineers (Malaysia) Berhad as a Group General Manager from 1990 to 1992, managing the group's trading unit, transport unit, Corporate and Finance department and Group Human Resources. In 1992, after leaving United Engineers (Malaysia) Berhad, he joined Konsortium Logistik Berhad (currently known as POS Logistic Berhad) as Executive Vice President, managing and overseeing the group's business operations and strategic plans until 2010.

He was appointed as an Executive Director of Pelikan International, a public listed company on the Main Market of Bursa Securities on April 2005 and was thereafter appointed as the Executive Chairman in April 2005. Subsequently, he was re-designated as the President / Chief Executive Officer of Pelikan International in November 2007 until present, where he is responsible for managing the business and all personnel employed under Pelikan International and its subsidiaries.

In 2015, he joined our Group as the Chief Executive Officer and was responsible for our Group's operations. He was then appointed as a Director of our Company on 27 March 2018. Subsequently, on 30 April 2021, he resigned as our Chief Executive Officer but remained as a Director of our Company. In view of his experience of approximately 24 years in the logistics industry, our Group has appointed him as an Advisor from 25 June 2021 onwards to provide strategic guidance on the business direction and development of our Group.

He is also a director of BLG Swift since 2016, Global Vision Logistics since 2017 and Swift Integrated Logistics since 2019 and Swift Mega Carriers since 2020.

Further details of his directorships in other private limited companies are as set out in Section 5.2.4 of this Prospectus.

KWAP

Substantial shareholder

KWAP was established on 1 March 2007 under the Retirement Fund Act 2007 (Act 662) replacing the repealed Pensions Trust Fund Act 1991 (Act 454). With the incorporation of KWAP, all powers, functions, activities, assets and liabilities of the Pension Trust Fund were taken over in totality by KWAP.

The objective of KWAP is to manage the fund established under Section 13 of the Retirement Fund Act 2007 (Act 662) ("**Fund**") towards achieving optimum returns on its investments. The Fund shall be applied towards assisting the Federal Government in financing its pension liability.

The functions of KWAP are as follows: (1) management of contributions from the Federal Government, statutory bodies, local authorities and other agencies; (2) administration, management and investment of the Fund in equity, fixed income securities, money market instruments and other forms of investments as permitted under the Retirement Fund Act 2007 (Act 662); and management and payment of pension.

The board members of KWAP as at the LPD are Dato' Asri bin Hamidon @ Hamidin, Tan Sri Mohd Khairul Adib bin Abdul Rahman, Datuk Dr. Yacob bin Mustafa, Encik Adnan Zaylani bin Mohamad Zahid, Datuk Siti Zainab Binti Omar, Puan Anis Rizana binti Mohd Zainudin @ Mohd Zainuddin, YM Raja Teh Maimunah Raja Abdul Aziz, Dato' Azmi bin Abdullah, Encik Abdul Rahman bin Hj. Mohd Nordin, Dato' Sri Sharifah Sofianny binti Syed Hussain and Puan Nik Amlizan binti Mohamed.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Bluefin

Substantial shareholder

Bluefin was incorporated on 8 September 2016 in Cayman Islands under the Laws of the Cayman Islands as an exempted company under its present name.

The principal activity of Bluefin is an investment holding company.

As at the LPD, the issued share capital of Bluefin is USD 1 comprising 1 ordinary shares.

The director of Bluefin as at the LPD is IQ EQ Corporate Services (Cayman) Limited. The particulars of Bluefin's shareholder and shareholding details as at the LPD are as follows:

Shareholder	Place of Incorporation	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
Landmark Holdco Limited ⁽¹⁾	Cayman Islands	1	100.00	-	-

Note:

- (1) Neoma South-East Asia Fund II L.P. holds 90.94% and Neoma South-East Asia Fund II 'A' L.P. holds 9.06% in Neoma South-East Asia Fund II Singapore Pte Ltd (formerly known as Aureos South-East Asia Fund II Singapore Pte Ltd), respectively. Neoma South-East Asia Fund II Singapore Pte Ltd in turn holds 100% in Landmark Holdco Ltd. As there is no statutory definition of "indirect shareholder" under the laws of Cayman Islands, Neoma South-East Asia Fund II L.P. has not been included as an indirect shareholder of Bluefin.

Bluefin is a special purpose vehicle to hold investments of Neoma South-East Asia Fund II L.P. and Neoma South-East Asia Fund II 'A' L.P. (collectively, "**Neoma Funds**").

As at the LPD, Neoma Funds are made up of 31 partners/shareholders in aggregate predominantly consisting of institutions such as development finance institutions, pension funds, fund of funds, sovereign wealth funds, family offices and other for-profit organisations from North America, Middle East, Europe and Asia with interests ranging from 0.2% to 10.9% in Neoma Funds. Our Company is not able to disclose further details of the partners/shareholders of Neoma Funds in this Prospectus as Bluefin, as an investee company of Neoma Funds, is bound by confidentiality provisions with the partners/shareholders from disclosing such information.

No single partner/shareholder of Neoma Funds has any control or the ability to participate in the management of Neoma Funds or ultimately the Neoma Funds' investee companies, including Bluefin.

Neoma Funds are solely managed by Neoma Manager (Mauritius) Limited ("**Neoma Manager**"), an Actis group entity. Neoma Manager was incorporated under the laws of the Republic of Mauritius as a private company limited by shares and holds a Collective Investment Schemes manager licence granted by the Financial Services Commission of Mauritius. Neoma Manager is responsible for the conduct and affairs of Neoma Funds.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.1.4 Promoters and substantial shareholders' remuneration and benefits

Save for the dividends to be paid or proposed to be paid, if any, to our Promoters and substantial shareholders and the aggregate remuneration and benefits paid or proposed to be paid to our Promoters and substantial shareholders for services rendered to our Group in all capacities for the FYE 2020 and FYE 2021 as set out in Section 5.4 of this Prospectus, there are no other amounts or benefits that have been paid or intended to be paid to our Promoters and substantial shareholders within the 2 years preceding the date of this Prospectus.

5.2 DIRECTORS AND KEY SENIOR MANAGEMENT

5.2.1 Directors

Our Board comprises the following members:

Name	Age	Nationality	Date of appointment	Designation
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor (M)	72	Malaysian	22 June 2021	Independent Non-Executive Chairman
Loo Yong Hui (M)	33	Malaysian	28 March 2014	Non-Independent Executive Director / Group Chief Executive Officer
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar (M)	74	Malaysian	9 March 2011	Non-Independent Non-Executive Director
Loo Hooi Keat (M)	66	Malaysian	27 March 2018	Non-Independent Non-Executive Director / Advisor
Datuk Noripah Binti Kamso (F)	64	Malaysian	22 June 2021	Independent Non- Executive Director
Dato' Gopikrishnan A/L N.S. Menon (M)	60	Malaysian	22 June 2021	Independent Non- Executive Director
Rozainah Binti Awang (F)	53	Malaysian	22 June 2021	Independent Non- Executive Director

Notes:

(M) Male.

(F) Female.

Other than Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat who are the directors of Persada Bina and Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui who are the shareholders of Persada Bina, none of our Directors represent any corporate shareholder on our Board. For details on the association of family relationship between our Promoters, Directors and key senior management, please refer to Section 5.7 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.2 Profile of Directors

The profiles of our Directors are as follows:

Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor
Independent Non-Executive Chairman

Tan Sri Dato Sri Abi Musa Asa'ari bin Mohamed Nor, a Malaysian aged 72, is our Independent Non-Executive Chairman. He was appointed to our Board on 22 June 2021.

He has 33 years of experience in the Malaysian Civil Service. He completed his Master of Business Administration (MBA) from Birmingham University, United Kingdom in 1988. Prior to this, he graduated with a Bachelor's degree in Economics from the University of Malaya in 1973 and a Diploma in Development Administration from Birmingham University, United Kingdom in 1980. He also received an Honorary PhD in Economic Management from Sultan Idris Education University in 2017.

He had served 33 years in the Malaysian Civil Service from 1973 until his retirement in 2006. He started work as an Assistant Director of Establishment in the Public Services Department in 1973 and progressed to become the Deputy Director of Management of The National Bureau of Investigations Malaysia in 1977, a position he held until 1979.

He then moved to serve as the Programme Coordinator of Public Enterprises Training at the National Institute of Public Administration (INTAN) from 1980 to 1985 after post-graduate training in the United Kingdom in 1979. Subsequently, he was appointed as the Deputy Director of Establishment at the Public Services Department in 1988 until 1991 when he moved to become the Deputy Director of the Petroleum Development Unit of the Prime Minister Department from 1991 until 1995.

In 1995, he became the Deputy Director of Budget in the MOF and thereafter moved to the Federal Agricultural Marketing Authority (FAMA) Malaysia as Director General in 1998. In 2001, he was promoted as the Secretary General of the Ministry of Agriculture and Agro-Based Industry and served in that capacity until his retirement in 2006.

On the international stage, from 1991 to 1995, he was the Malaysian Secretary / Coordinator who involved in the negotiations for the formation of the Malaysian Thailand Joint Authority. He had also served as the Chairman of the Association of Food Marketing Agencies of Asia Pacific from 1998 to 2000, and subsequently the Chairman of Tropical Fruits Network of Asia Pacific from 2002 to 2006. During the same period, he was also a Council Member of the Food and Agriculture Organisation (FAO Rome). In 2005, he was elected as the Chairman of the ASEAN Senior Agriculture Officials Meetings for one year.

After his retirement from the Government service in 2006, he served in various companies in both the public and private sectors. Notably, in public companies and government linked agencies, he was the Chairman and a member of the board of directors of the Cocoa Industries Development Board, Malaysia from 2006 to 2012. In 2007, he was appointed as the Chairman and a member of the board of directors of Sultan Idris Education University Malaysia (UPSI) until 2013. During the same period, he was also the Chairman and a member of the board of directors of Tabung Haji Malaysia. Subsequently in 2019, he was appointed as Pro Chancellor of Universiti Malaysia Pahang.

In the private sector, he had served as an Independent Non-Executive Director of Heitech Padu Berhad, a company listed on the Main Market of Bursa Securities from 2006 to 2018. In 2015, he was the Chairman of the Supervisory Board of Pelikan AG, a company listed on the Frankfurt Stock Exchange until 2018. He was also an Independent Non-Executive Chairman of Pelikan International, a company listed on the Main Market of Bursa Securities from 2013 to 2019. He is the Independent Non-Executive Chairman of MCT Berhad and Heitech Padu Berhad, both public listed companies on the Main Market of Bursa Securities since 2015 and 2019 respectively.

Further details of his directorships in other private limited companies in Malaysia are as set out in Section 5.2.4 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Loo Yong Hui

Non-Independent Executive Director / Group Chief Executive Officer

Please refer to Section 5.1.3 of this Prospectus for his profile.

Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar

Non-Independent Non-Executive Director

Please refer to Section 5.1.3 of this Prospectus for his profile.

Loo Hooi Keat

Non-Independent Non-Executive Director / Advisor

Please refer to Section 5.1.3 of this Prospectus for his profile.

Datuk Noripah Binti Kamso

Independent Non-Executive Director

Datuk Noripah Binti Kamso, a Malaysian aged 64, is our Independent Non-Executive Director. She was appointed to our Board on 22 June 2021.

She is a member of the Institute of Corporate Directors Malaysia. She completed her Master of Business Administration from Marshall University, Huntington in West Virginia, United States of America ("USA") in 1981. Prior to this, she graduated with a Bachelor of Science from Northern Illinois University in Dekalb, Illinois, USA in 1980 and a Diploma in Business Studies from Institute Technology Mara, Malaysia in 1978.

She is involved in various associations and was the President of the Malaysian Futures Brokers Association (MFBA) from 2003 to 2004. She was the Co-Chairman of the Finance Industry Council, Malaysia-US Chamber of Commerce (MYUSCHAM) from 2014 to 2021. She is also a Member of Global Advisory Board for Islamic Finance News (IFN), a publisher of thought leadership and news on Islamic finance as well as a member of the Honor Society for International Scholars, PHI BETA DELTA –Zeta Gamma Chapter, Northern Illinois University, USA.

She started her career in 1980 as a Development Officer, Project Division in Urban Development Authority ("UDA") where her responsibility was to oversee the overall implementation of developmental projects comprising apartments, commercial buildings and shop lots in Penang, Kedah, Perak and Kuala Lumpur. In 1983, she left UDA and joined Bank of Commerce (M) Berhad as an Executive to Senior Corporate Banker, Corporate Banking / Corporate Finance department. She was one of the pioneers that established a department called Corporate Banking which lends to high quality emerging companies, under the guidance of Morgan Guarantee Trust of New York.

She then transferred from Bank of Commerce (M) Berhad in 1993 to join Commerce International Merchant Bankers Berhad ("CIMB") as Deputy General Manager, Corporate Banking department and worked her way up to General Manager and Director in a span of 11 years. In CIMB, she was responsible for all the corporate lending businesses including retail business and share margin financing in the stock broking subsidiary of CIMB. She was also a Member of the Credit Committee and Group Risk Committee. While serving at CIMB, she was appointed as the Chief Executive Officer and Executive Director of CIMB Futures Sdn Bhd from 1996 to 2012, where she nurtured the company into becoming one of the three profitable derivatives broking companies in Malaysia.

From 2005 to 2013, she was appointed as the Chief Executive Officer and Executive Director of CIMB Principal Asset Management Berhad. During her tenure, she had evolved the company into a regional asset management house with offices in Malaysia, Indonesia and Singapore. From 2008 to 2012, she was then appointed as Chief Executive Officer and Executive Director of CIMB Principal Islamic Asset Management Berhad from 2007 to 2013, where she was a founding member who established a global platform offering investment capabilities in equities and sukuk for global institutional investors.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2009, she spent five months undergoing a Global Leadership Preparation, an intense (on the job) leadership preparation based on the Global Business Model at Principal Global Investors Europe (PGIE) in London, United Kingdom.

As a banker for 30 years, her role includes being an Advisor for Group Islamic Banking division at CIMB Islamic Bank Berhad for a year in 2013. During this short period of time, she had introduced organisational processes that have improved the speed in delivery and maximised the profitability of the products.

In 2015, she was a Global Practitioner in Residence in the Center for Global Citizenship of Principal Financial Group, USA. In this role, she was attached to Drake University, Des Moines, Iowa, USA and lectured Master of Business Administration (MBA) and undergraduate students in Islamic Capital Market at the School of Business and Public Administration. She was a Visiting Fellow in Islamic Finance at the Oxford Centre for Islamic Studies ("OCIS") for the academic year 2016-2017. During her term there, she pioneered the framework to establish a new Islamic Finance Unit in OCIS, Oxford. Since 2015, she continues to lecture Fundamentals of Islamic Finance Contracts to practicing lawyers who are pursuing Master of Law at St. Joseph University in Beirut, Lebanon. Universiti Utara Malaysia honored her as an Adjunct Professor under their School of Economics, Finance & Banking from 2014 to 2020. She was also an Adjunct Professor for the Faculty of Business Management, Universiti Teknologi MARA (UITM) until July 2021.

Since 1996 up till today, she has been a director of various public and private companies. She was an Independent Non-Executive Director of Malaysian Derivatives Clearing House (MDCH) from 1996 to 1999. Bursa Securities appointed her as a Member of its Market Participants Committee from 2014 to 2015. From 2014 to 2017, she was an Independent Non-Executive Director of Malaysia Debt Ventures Berhad, a Government Linked Agency under the MOF. In 2015, she was appointed by the SC as a Public Interest Director of the Federation of Investment Managers Malaysia, a self-regulatory body that imparts governance of the unit trust industry to protect the interest of investors until 2017. She sat as an Independent Non-Executive Director for BIMB Investment Management Berhad, a subsidiary of Bank Islam from 2015 to 2018. She was also the Chairman of Bank Rakyat since 2018 until 2020. She was also the Board of Trustee of International Council of Islamic Finance Educators (ICIFE) from 2019 to 2020.

Currently, she sits as an Independent Non-Executive Director at Top Glove Corporation Berhad since 2015.

Further details of her directorships in other private limited companies in Malaysia are as set out in Section 5.2.4 of this Prospectus.

Dato' Gopikrishnan A/L N.S. Menon *Independent Non-Executive Director*

Dato Gopikrishnan A/L N.S. Menon, a Malaysian aged 60, is our Independent Non-Executive Director. He was appointed to our Board on 22 June 2021.

He has 33 years of experience with the AmBank Group, Malaysia. He completed his Bachelor of Commerce Degree from the University of New South Wales, Sydney, Australia in 1985 majoring in Accounting, Finance and Systems.

In 1987, he started his career as an Executive Trainee at Arab-Malaysian Merchant Bank Berhad's Johor Bahru branch, handling Corporate Banking & Factoring for mid-tier businesses in the Southern region. In 1992, he was transferred to Arab-Malaysian Merchant Bank Berhad's head office in Kuala Lumpur where he was responsible for selected corporate banking clients whilst handling Arab-Malaysian Merchant Bank Sabah and Sarawak's Branch Supervision.

In 1996, he was seconded to AMMB International (Labuan) Ltd, as a manager where he was responsible for marketing strategies, evaluating and structuring loan / credit applications and achieving projected corporate goals.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2003, he was transferred to the Group Rehabilitation Unit of AmBank Berhad as Vice President where he was promoted to General Manager in 2004. He held this role until his appointment in 2008 as Director of Investment Banking at AmInvestment Bank, where he was then responsible for managing AmBank Group's relationship with their borrowers. He retired from AmInvestment Bank in February 2021.

Further details of his directorships in other private limited companies in Malaysia is as set out in Section 5.2.4 of this Prospectus.

Rozainah Binti Awang

Independent Non-Executive Director

Rozainah Binti Awang, a Malaysian aged 53 is our Independent Non-Executive Director. She was appointed to our Board on 22 June 2021.

She has more than 17 years of experience with MISC Berhad and its group of companies ("**MISC Group**"). She holds a Chartered Institute of Management Accountant (CIMA) qualification in 1991. She is also an Associate Member of CIMA since 1996 and became a fellow of CIMA in 2016.

She started her professional career as a Trainee Accountant at Aluminium Company of Malaysia Berhad in 1992, where she was responsible for product costing, data management, variance analysis and assisted in various product costing improvement activities. She was then promoted as an Assistant Accountant within the same organisation after 6 months. She left Aluminium Co. of Malaysia Berhad in 1994 and in the same year, she expanded her horizon to TIME Telecommunications Sdn Bhd (Timedotcom) as a Demand Analyst / Senior Management Accounting Executive, handling the establishment of selected products costings, analysing market demand, established forecast and responsible for the budget of certain products until 1997. She then joined KUB GAS Sdn Bhd in 1997 until 1998 as the Head of Finance department, responsible for overseeing the finance department and matters relating to procurement and administration and became a Senior Cost Accountant when she joined Colgate Palmolive (M) Sdn Bhd in 1998.

In 2002, Rozainah joined Offshore Business, a newly (then) established division of MISC Berhad as the Manager of Finance and Project Services. She was responsible on the unit's financial accounts and management accounting including project cost control and procurement. In 2006, she was promoted to Senior Manager, Finance of Offshore Business. In 2007, she stepped into MISC Group function as a Senior Manager of Strategic Planning. In the subsequent year, she was promoted as the General Manager of the Strategic Planning division where she was responsible for the annual business plan and budgeting of the MISC Group. She was also responsible for steering the establishment of strategies and initiatives for the MISC Group.

She was entrusted to manage the overall financial and management of 12 assets worth more than USD2.0 billion including the cost management of ongoing projects when she was the General Manager of Finance at the Offshore Business Unit of MISC Berhad in 2011. She was promoted as the Vice President of Finance at MISC Berhad in 2013 until 2019. As the Vice President of Finance, she was responsible for the overall financial management of the MISC Group.

From 2013 to 2019, she was appointed as a director of Labuan Reinsurance (L) Limited and was later appointed as a director of Malaysia Marine and Heavy Engineering Holdings Berhad from 2016 up to 2019. She was one of the committee members of the London P&I Club from 2016 to 2019 and a board member of various subsidiaries of MISC Berhad, including some joint venture subsidiaries during her tenure with the MISC Group.

Further details of her directorships in other private limited companies in Malaysia are as set out in Section 5.2.4 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.3 Directors' shareholdings

The direct and indirect shareholdings of our Directors in our Company before and after our IPO are as follows:

Directors	Before our IPO			After our IPO- Assuming the Over-allotment Option is not exercised ⁽²⁾			After our IPO- Assuming the Over-allotment Option is fully exercised ⁽²⁾		
	Direct		Indirect	Direct		Indirect	Direct		Indirect
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾	No. of Shares
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	-	-	-	-	500,000	0.06	500,000	0.06	-
Loo Yong Hui	-	-	⁽⁴⁾ 454,208,502	61.99	-	-	⁽⁴⁾ 339,208,502	38.12	⁽⁴⁾ 319,208,502
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	-	-	⁽⁴⁾ 454,208,502	61.99	-	-	⁽⁴⁾ 339,208,502	38.12	⁽⁴⁾ 319,208,502
Loo Hooi Keat	-	-	⁽⁵⁾ 454,208,502	61.99	-	-	⁽⁵⁾ 339,208,502	38.12	⁽⁵⁾ 319,208,502
Datuk Noripah Binti Kamsu	-	-	-	-	500,000	0.06	500,000	0.06	-
Dato' Gopikrishnan A/L N.S. Menon	-	-	-	-	500,000	0.06	500,000	0.06	-
Rozainah Binti Awang	-	-	-	-	100,000	0.01	100,000	0.01	-

Notes:

- (1) Based on our issued Shares of 732,661,602 Shares after the Share Split but before our IPO.
- (2) Assuming our Directors will fully subscribe for their respective allocation under the Pink Form Allocation.
- (3) Based on our enlarged issued Shares of 889,804,502 Shares after our IPO.
- (4) Deemed interested by virtue of Section 8(4) of the Act, through his shareholding of more than 20.00% in Persada Bina.
- (5) Deemed interested by virtue of Section 59(11)(c) of the Act, through his son, Loo Yong Hui's indirect shareholdings in our Company via Persada Bina.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.4 Principal business activities and directorships in other corporations outside of our Group for the past 5 years

Save as disclosed below, none of our Directors have any principal business activities and directorships in any other corporations outside of our Group, at the present and within the past 5 years up to the LPD:

(i) **Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor**

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
<u>Present Directorships</u>				
Axile Consulting Sdn Bhd	Director and Shareholder (Direct 30.00%)	5 November 2009	-	Providing general consultancy services for sustainability and community projects
Heitech Next Sdn Bhd	Director	1 November 2018	-	Project management, system integration and software engineering
MCT Berhad ⁽¹⁾	Independent Non-Executive Director and Chairman	1 April 2015	-	Investment holding of shares of subsidiaries principally involved in property development and property investment
Heitech Padu Berhad ⁽¹⁾	Director	17 October 2006	-	To offer and provide total information technology business solutions
Yayasan Heitech	Director	2 December 2011	-	To grant scholarship, contribute or loan to the poor or orphans, student and youths who are unable to go for further studies in or outside the country, and to support, give aid to socio-economic projects for the benefit of Malaysian only, irrespective of race, religion or creed for the promotion of the spirit of self-support by providing opportunities of employment and increasing their standards of living.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
<u>Past Directorships</u>				
PSG Data Sdn Bhd	Director	12 March 2015	31 December 2018	Dormant ⁽²⁾
Integrated Healthcare Solutions Sdn Bhd	Director	12 March 2015	31 December 2018	Patient management software for clinic and hospitals
Platinum Techsolve Sdn Bhd	Director	15 January 2016	12 November 2018	Investment holding of shares of subsidiaries involved in supplying nano materials in lubricants for the upstream activities of the oil and gas sector
Pelikan International	Director	27 July 2012	30 September 2019	Investment holding of shares of subsidiaries principally involved in manufacturing, distribution of writing instruments, art, painting and hobby products, school and office stationery, papeterie products, provision of logistics services and investment holding
Platinum Nanochem Sdn Bhd	Director	7 October 2006	30 June 2016	Investment holding of shares and provision of management services ⁽³⁾
Dapat Vista (M) Sdn Bhd ⁽⁴⁾	Director	1 January 2015	15 June 2018	Provision of mobile value added services
Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad)	Director	14 June 2021	2 August 2021	Investment holding ⁽⁵⁾

Notes:

- (1) A company listed on the Main Market of Bursa Securities.
- (2) There is no immediate plan for this company currently.
- (3) This company has been wound up.
- (4) As at the LPD, Dapat Vista (M) Sdn Bhd is an associated company of Heitech Padu Berhad, a company listed on the Main Market of Bursa Securities.
- (5) Good Logistics Holdings Sdn Bhd has not commenced operations since its incorporation up to the resignation of Tan Sri Dato Sri Abi Musa Asa'ri Bin Mohamed Nor as a director.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(ii) Loo Yong Hui

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
<u>Present Shareholdings</u>				
Persada Bina	Shareholder (Direct 49.00%)	-	-	Investment holding in shares ⁽¹⁾
Bestwell Capital Sdn Bhd	Shareholder (Direct 20.00%)	-	-	Japanese restaurant
<u>Past Directorships</u>				
Gold Cold Integrated Logistics Sdn Bhd	Director	29 December 2016	1 June 2018	Provide cold and chill storage services, cold chain logistics solutions and related services to customer
Roda Warna Sdn Bhd	Director	6 July 2018	30 December 2020	Provide transportation and haulage services
Mekar Canggih Sdn Bhd	Director	6 July 2018	30 December 2020	Providing transportation and related services
Good Logistics Sdn Bhd (formerly known as Swift Logistics Sdn Bhd)	Director	29 August 2014	30 December 2020	Activities of holding companies ⁽²⁾
Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad)	Director	14 June 2021	2 August 2021	Investment holding ⁽³⁾

Notes:

- (1) The principal activity of Persada Bina is investment holding in shares of subsidiaries principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services, and investment holding, information and communications technology, general trading and property investment.
- (2) Good Logistics Sdn Bhd has not commenced operations since its incorporation up to the resignation of Loo Yong Hui as a director.
- (3) Good Logistics Holdings Sdn Bhd has not commenced operations since its incorporation up to the resignation of Loo Yong Hui as a director.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iii) **Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar**

<u>Company</u>	<u>Position held and Direct / Indirect Interest</u>	<u>Date appointed as Director</u>	<u>Date resigned as Director</u>	<u>Principal activities</u>
<u>Present Directorships</u>				
Persada Bina	Director and Shareholder (Direct 51.00%)	16 September 2003	-	Investment holding in shares ⁽¹⁾
Web Bayumas Sdn Bhd	Director and Shareholder (Direct 30.00%)	19 July 2017	-	Investment holding ⁽²⁾
Sunsuria Holdings Sdn Bhd	Director	3 April 2008	-	Investment holding in corporate management services ⁽³⁾
Sunsuria Development Sdn Bhd	Director	26 August 2004	-	Investment holding and provision of management services ⁽⁴⁾
Kaypi Technologies ⁽⁸⁾	Director	19 January 2011	-	Providing ICT maintenance and support services
SM Security (M) Sdn Bhd	Director and Shareholder (Direct 30.00%)	17 November 2004	-	Security services
Yayasan Taat	Director	2 February 2011	-	To raise and provide fund to help the lower income group, orphans and disabled persons in the form of monetary, equipment and temporary shelter; To provide one stop services centre to the target group such as teenagers and widows who need counselling and temporary shelter; to construct a building and to provide education facilities for orphans
Equatorial Palms Sdn Bhd	Director	7 April 2008	-	Property development

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Position held and Direct / Indirect Interest	Date appointed as Director	Date resigned as Director	Principal activities
<u>Past Directorships</u>				
Inter-Pacific Securities Sdn Bhd	Director	12 May 2008	31 May 2017	Stock and share broking
Inter-Pacific Asset Management Sdn Bhd	Director	15 July 2008	31 May 2017	To carry on business as a fund manager and investment advisors and management of unit trust fund
Evergreen Oil Sdn Bhd	Director	9 June 2008	28 October 2016	General trading
Magnificent Emblem Sdn Bhd	Director	28 March 2013	11 January 2016	Engage in the business of management consultancy services and manpower professional services
Berjaya Corporation Berhad ⁽⁵⁾	Independent Non-Executive Director	15 September 2005	28 June 2018	Investment holding of shares of subsidiaries principally involved in financial services, marketing of consumer products and services, motor trading and distribution and provision of after-sales services, environmental and clean technology services, food and beverage, property development and investment, development and operation of hotels, resorts and other recreational activities, gaming operations, telecommunication and information technology related services and investment holding
Stephens Properties Plantations Sdn Bhd	Director	20 March 2007	12 July 2017	Growing of other perennial crops not elsewhere classified ("N.E.C")
Damasan Jaya Sdn Bhd	Director	20 December 2011	30 December 2016	Activities of holding companies
Multimedia Advantage Sdn Bhd	Director	10 December 2007	1 April 2016	The company has been wound up
Fast Executive Taxi & Travel Sdn Bhd (formerly known as Swift Executive Taxi & Travel Sdn Bhd)	Director	18 June 2012	26 February 2016	Investment holding rental of limousine taxis

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Position held and Direct / Indirect Interest	Date appointed as Director	Date resigned as Director	Principal activities
Fast Limousine & Cab Sdn Bhd (formerly known as Swift Limousine & Cab Sdn Bhd)	Director	13 July 2011	26 February 2016	Taxi and limousine services; e-hailing services; car rental services
Good Logistics Sdn Bhd (formerly known as Swift Logistics Sdn Bhd)	Director	23 June 2011	30 December 2020	Activities of holding companies ⁽⁶⁾
Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad)	Director	14 June 2021	2 August 2021	Investment holding ⁽⁷⁾

Notes:

- (1) The principal activity of Persada Bina is investment holding in shares of subsidiaries principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services, and investment holding; information and communications technology; general trading and property investment.
- (2) The business activity of Web Bayumas Sdn Bhd is not expected to give rise to any potential conflict of interest to our Group as Web Bayumas Sdn Bhd has not commenced operation since its incorporation and there is no plan to embark on any future business. Web Bayumas Sdn Bhd plans to initiate the process of winding-up or striking off the company as soon as the restriction relating to the COVID-19 pandemic is lifted.
- (3) The principal activity of Sunsuria Holdings Sdn Bhd is investment holding in Sunsuria Development Sdn Bhd. Kindly refer to note (4) below for further details of the principal activity of Sunsuria Development Sdn Bhd.
- (4) The principal activity of Sunsuria Development Sdn Bhd is the provision of management services and investment holding in shares of subsidiaries principally involved in property development, property investment and investment holding, ownership and management of car park operations, contractor for construction work and property development, providing indoor soccer and futsal services, facilities and consultation.
- (5) A company listed on the Main Market of Bursa Securities.
- (6) Good Logistics Sdn Bhd has not commenced operation since its incorporation up to the resignation of Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar as a director.
- (7) Good Logistics Holdings Sdn Bhd has not commenced operations since its incorporation up to the resignation of Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar as a director.
- (8) As at the LPD, Kaypi Technologies is a wholly-owned subsidiary of Persada Bina.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iv) **Loo Hooi Keat**

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
<u>Present Directorship</u>				
Senja Aman Development Sdn Bhd	Director	16 April 2012	-	Property development
SA Wellness Sdn Bhd	Director	16 July 2014	-	Wellness centre ownership and operation
SA Hotels & Resorts Sdn Bhd	Director	16 July 2014	-	Properties for hotel operations and all kind of leisure facilities
Senja Aman Holdings Sdn Bhd	Director	30 July 2010	-	Investment holding with its subsidiaries involved in property development, properties for hotel operations and all kind of leisure facilities and wellness centre ownership and operation
Pelikan International ⁽¹⁾	Director and Shareholder (Direct 10.20%) (Indirect 6.24%)	22 April 2005	-	Investment holding of shares of subsidiaries principally involved in manufacturing, distribution of writing instruments, art, painting and hobby products, school and office stationery, papeterie products, provision of logistics services and investment holding
PBS Office Supplies Holding Sdn Bhd	Director and Shareholder (Direct 53.38%)	22 August 1996	-	Investment holding with investment in shares and trading of stationery products ⁽²⁾
PBS Office Supplies (Malaysia) Sdn Bhd	Director and Shareholder (Direct 0.01%)	22 March 1994	-	Activities of holding companies ⁽³⁾
PBS Office Supplies Pte Ltd (incorporated in Singapore)	Director	1 June 1992	-	Wholesale of stationery
PBS Office Supplies Pte Ltd (Foreign Branch)	Agent	19 February 2002	-	Dormant ⁽⁴⁾
WJ Industries (M) Sdn Bhd	Director and Shareholder (Direct 30.00%)	29 October 1988	-	Furniture, stationeries, scientific instruments and etc.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
Mahir Agresif (M) Sdn Bhd	Director and Shareholder (Direct 99.99%)	15 May 2008	-	Investment holding with investment in shares ⁽⁵⁾
Persada Bina	Director	14 June 2013	-	Investment holding in shares ⁽⁶⁾
Kaypitech Sdn Bhd ⁽⁹⁾	Director	14 June 2013	-	General trading, investment, and properties
<u>Present Shareholdings</u>				
Marktrade Sdn Bhd	Shareholder (Direct 80.00%)	-	-	Housing and property development
Macvantage Sdn Bhd	Shareholder (Direct 32.99%)	-	-	Other business services ⁽⁷⁾
<u>Past Directorships</u>				
Fast Limousine & Cab Sdn Bhd (formerly known as Swift Limousine & Cab Sdn Bhd)	Director	13 July 2011	26 February 2016	Taxi and limousine services; e-hailing services; car rental services
Pelikan Procurement Sdn Bhd	Director	28 March 2016	11 June 2018	Production, procurement, buying, selling and marketing of stationery products; hold shares, stocks, debentures, bonds, obligations and securities issues or guaranteed by company; investment property.
Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad)	Director	14 June 2021	2 August 2021	Investment holding ⁽⁸⁾

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- (1) A company listed on the Main Market of Bursa Securities. As at the LPD, one of Pelikan International's indirect subsidiaries held through Pelikan Group GmbH, namely eCOM Logistik GmbH ("eCOM") operates as the internal logistics services company of the Pelikan Group GmbH group of companies in Germany. eCOM's operations are mainly to support the Pelikan Group GmbH i.e. eCOM manages the warehousing, order picking, shipping, return management and customs clearance for the Pelikan Group GmbH group of companies in Germany. However, the company also rents out excess spaces in its logistic warehouse and provides ancillary services to third party customers in Germany. As such, eCOM's business will not give rise to any potential conflict of interest to our Group.
- (2) As at the LPD, PBS Office Supplies Holding Sdn Bhd only holds 37,468,975 shares in Pelikan International.
- (3) The company has ceased its business operations and there is no immediate plan for this company currently.
- (4) There is no immediate plan for this company currently.
- (5) As at the LPD, Mahir Agresif (M) Sdn Bhd only holds 20,953 shares in Pelikan International.
- (6) The principal activity of Persada Bina is investment holding in shares of subsidiaries principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services, and investment holding, information and communications technology, general trading and property investment.
- (7) The company has ceased its business operations and is currently dormant. There is no immediate plan for this company currently.
- (8) Good Logistics Holdings Sdn Bhd has not commenced operations since its incorporation up to the resignation of Loo Hooi Keat as a director.
- (9) As at the LPD, Kaypitech Sdn Bhd is a wholly-owned subsidiary of Persada Bina held through Kaypi Technologies.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(v) **Datuk Noripah Binti Kamso**

Company	Position held and Direct / Indirect Interest	Date appointed as Director	Date resigned as Director	Principal activities
<u>Present Directorships</u>				
Top Glove Corporation Bhd ⁽¹⁾	Independent Non-Executive Director	18 March 2015	-	Investment holding of shares of subsidiaries principally involved in the manufacturing and trading of gloves and healthcare related products and provision of management services
<u>Past Directorships</u>				
Uniutama Education and Consultancy Sdn Bhd	Director	1 April 2018	31 December 2018	Providing training and consultancy services; operation and management of academic programmes; operator of international school
Federation of Investment Managers Malaysia	Director	5 August 2015	5 August 2017	Self-regulatory body that imparts governance oversight of the unit trust industry to protect the interest of investors
BIMB Investment Management Berhad ⁽²⁾	Director	10 February 2015	14 December 2018	Managing unit trust funds based on sustainability and Islamic principles
Malaysia Debt Ventures Berhad	Director	17 September 2014	14 November 2017	Engage in the provision of financing facilities to the ICT, biotechnology and other emerging technology sectors as mandated by the Government of Malaysia to spur the development of the ICT and biotechnology sectors in Malaysia
Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad)	Director	14 June 2021	2 August 2021	Investment holding ⁽³⁾

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Notes:

- (1) A company listed on the Main Market of Bursa Securities.
- (2) A subsidiary of BIMB Holdings Berhad, a company listed on the Main Market of Bursa Securities.
- (3) Good Logistics Holdings Sdn Bhd has not commenced operations since its incorporation up to the resignation of Datuk Noripah Binti Kamso as a director.

(vi) Dato' Gopikrishnan A/L N.S. Menon

<u>Company</u>	<u>Position held and Direct / Indirect Interest</u>	<u>Date appointed as Director</u>	<u>Date resigned as Director</u>	<u>Principal activities</u>
<u>Present Directorships</u>				
GLHJ Consultancy Sdn Bhd (formerly known as Kunci Eksoitika Sdn Bhd)	Director and Shareholder (Direct 100%)	8 April 2021	-	Provision of financial consultancy services
<u>Past Directorships</u>				
Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad)	Director	14 June 2021	2 August 2021	Investment holding ⁽¹⁾

Note:

- (1) Good Logistics Holdings Sdn Bhd has not commenced operation since its incorporation up to the resignation of Dato' Gopikrishnan A/L N.S. Menon as a director.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(vii) **Rozainah Binti Awang**

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
<u>Present Directorships</u>				
LNG Marine Sdn Bhd	Director	3 May 2021	-	LNG bunkering vessel services involving engineering services, transportation, distribution and supply of gaseous fuels of all kinds through the main oil and gas extraction service activities
<u>Past Directorships</u>				
MISC Offshore Holdings (Brazil) Sdn Bhd	Director	25 February 2013	8 April 2019	Investment holding company; in a joint venture with SBM BV for floating production, storage and offloading ("FPSO") project
Malaysia Marine and Heavy Engineering Holding Berhad ⁽¹⁾	Director	16 June 2016	11 April 2019	Investment holding of shares of subsidiaries principally involved in oil and gas engineering and construction works and marine conversion and repair
AET Product Tankers Sdn Bhd	Director	3 March 2016	4 July 2017	Conduct of chemical business
Malaysia Deepwater Production Contractors Sdn Bhd	Director	28 February 2015	8 April 2019	Operation and maintenance of FPSO facility
MISC Ship Management Sdn Bhd	Director	18 September 2014	8 April 2019	Transportation, distribution and supply of gaseous fuels of all kinds through system; other services activities incidental to water transportation N.E.C.; other transportation support activities N.E.C
Dialog Terminals Sdn Bhd	Director	20 September 2014	1 October 2016	Investment holding in tank terminal businesses
MISC Agencies Sdn Bhd	Director	1 April 2013	8 April 2019	Other service activities incidental to water transportation N.E.C.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
MISC Tanker Holdings Sdn Bhd	Director	1 April 2013	8 April 2019	Investment holding for petroleum shipping business
MISC Tankers Sdn Bhd	Director	1 April 2013	8 April 2019	Providing management services to owners and operators of ships transporting LNG and investment holding for petroleum shipping business
MTTI Sdn Bhd	Director	19 September 2014	8 April 2019	Investment holding in ship-owning / ship operating business (in liquidation)
Good Logistics Holdings Sdn Bhd (formerly known as Swift Logistics Holdings Berhad)	Director	14 June 2021	2 August 2021	Investment holding ⁽²⁾

Notes:

- (1) A company listed on the Main Market of Bursa Securities.
- (2) Good Logistics Holdings Sdn Bhd has not commenced operations since its incorporation up to the resignation of Rozainah Binta Awang as a director.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.5 Involvement of our Executive Director in other businesses or corporations

Save as disclosed in Section 5.2.4 of this Prospectus, our Executive Director, Loo Yong Hui is not involved in other businesses or corporations. His involvement in other businesses or corporations is not expected to affect the operations of our Group as his involvement in the aforesaid companies is minimal as one of these companies is investment holding of shares. In addition, he does not hold executive position in the aforesaid companies and such businesses' or corporations' operations do not require his involvement on a day-to-day basis as these businesses or corporations are managed by or operated by the other shareholders or have their own independent management teams. Hence, our Board is of the view that this would not affect his contribution and performance in our Group. In addition, Loo Yong Hui's involvement in the aforesaid companies will not give rise to any potential conflict of interest to the Group as the aforesaid companies do not carry on similar trade as our Group and are neither the customers nor suppliers of our Group.

5.2.6 Key Senior Management

Our key senior management comprises the following:

Name	Age	Nationality	Designation
Loo Yong Hui (M)	33	Malaysian	Non-Independent Executive Director / Group Chief Executive Officer
Stephanie Lim Bee Hong (F)	52	Malaysian	Managing Director of the Southern Region (for container haulage, warehousing and freight forwarding divisions)
David Poh Tatt Wei (M)	38	Malaysian	Executive Director of the Central Region (for inland distribution division)
Esther Kee Chung Ching (F)	43	Malaysian	Group Chief Financial Officer
Mazlan Bin Abdul Jalil (M)	53	Malaysian	Executive Director of the Eastern Region (for container haulage, warehousing, freight forwarding and inland distribution divisions)
Ng Chee Kin (M)	63	Malaysian	Executive Director of the Central Region (for warehousing, freight forwarding and cross-border transportation divisions)
Tracy Neoh Lay Cheng (F)	51	Malaysian	Executive Director of the Northern Region (for container haulage division)
Muhammad Roy Nunis Bin Abdullah (M)	64	Malaysian	Senior General Manager of the Group Human Resource & Administration and Health, Safety, Security, Environment and Quality
Riznida Eliza Binti Hamzah (F)	50	Malaysian	Senior General Manager of the Group Legal, Corporate Services and Strategic Communications
Thomas Ramadas (M)	51	Malaysian	Senior General Manager of the Central Region (for container haulage division)

Notes:

(M) Male.

(F) Female.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.7 Key senior management's shareholdings

The shareholding of our Executive Director, Loo Yong Hui, who is also part of our key senior management is set out in Section 5.1.1 of this Prospectus and the shareholdings of our other key senior management in our Company before and after our IPO are as follows:

Key senior management	Before our IPO		After our IPO – Assuming the Over-allotment Option is not exercised ⁽²⁾		After our IPO – Assuming the Over-allotment Option is fully exercised ⁽²⁾	
	Direct		Direct		Direct	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽³⁾	No. of Shares	% ⁽³⁾
Stephanie Lim Bee Hong	-	-	1,500,000	0.17	1,500,000	0.17
David Poh Tatt Wei	-	-	1,500,000	0.17	1,500,000	0.17
Esther Kee Chung Ching	-	-	500,000	0.06	500,000	0.06
Mazlan Bin Abdul Jalil	-	-	900,000	0.10	900,000	0.10
Ng Chee Kin	492,348	0.07	1,092,348	0.12	1,092,348	0.12
Tracy Neoh Lay Cheng	-	-	1,500,000	0.17	1,500,000	0.17
Muhammad Roy Nunis Bin Abdullah	-	-	900,000	0.10	900,000	0.10
Riznida Eliza Binti Hamzah	-	-	300,000	0.03	300,000	0.03
Thomas Ramadas	-	-	200,000	0.02	200,000	0.02

Notes:

- (1) Based on our issued Shares of 732,661,602 Shares after the Share Split but before our IPO.
- (2) Assuming our key senior management will fully subscribe for their respective allocation under the Pink Form Allocation.
- (3) Based on our enlarged issued Shares of 889,804,502 Shares after our IPO.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.8 Profile of key senior management

The profile of our Executive Director, Loo Yong Hui, who is also part of our key senior management is set out in Section 5.1.3 of this Prospectus, and the profiles of our other key senior management are as follows:

Stephanie Lim Bee Hong

Managing Director of the Southern Region (for container haulage, warehousing and freight forwarding divisions)

Stephanie Lim Bee Hong, a Malaysian aged 52, is our Managing Director of the Southern Region for the container haulage, warehousing and freight forwarding divisions. Presently, she is a director of one of our subsidiaries, Swift Logistics TA.

She graduated with a Sijil Tinggi Pelajaran Malaysia (STPM) in 1988 from Sekolah Menengah St. Joseph, Johor Bahru, Johor.

After her graduation, she began her career in Bestari Marine Sdn Bhd, as a temporary staff in March 1989 and was subsequently absorbed as a permanent staff as a secretary/typist from September 1989 to 1990. During her tenure, she was responsible for secretarial and administrative functions.

In 1990, she was transferred to Boustead Shipping Agencies Sdn Bhd where she took up the role of a Shipping Assistant. The job responsibilities included coordination of forwarding principals' requirement with shipping lines and ensuring customs clearance was done. She then became a Shipping Supervisor in 1991 where her duty involved preparing quotations and documents for clearance. She rose in rank to Shipping Executive in 1993 and was tasked with handling the end-to-end process of shipments.

In 1993, she left Boustead Shipping Agencies Sdn Bhd to join EAC Transport Agencies Sdn Bhd as a Shipping Executive and was promoted over the course of 12 years through the ranks to General Manager in 2005. She was involved in the day-to-day planning, organising and managing the entire business operations.

After the acquisition of EAC Transport Agencies Sdn Bhd by DKSH Transport Agencies (M) Sdn Bhd ("DKSH") (currently known as Swift Logistics TA) in 2005, she continued her employment as General Manager until 2010, where she was promoted to Senior General Manager in 2011. In DKSH, she was responsible for ensuring profitability and employing marketing strategies for the business.

Subsequent to the acquisition of DKSH by our Company in 2013, the company name was changed to Swift Logistics TA. She was then an Executive Director of Swift Logistics TA and was subsequently appointed as Managing Director in 2018 until present. Her role in the management is to oversee the business in the Southern region for the container haulage, warehousing and freight forwarding divisions.

She is the President of the Johor Ports Shipping & Forwarding Association from 2017 until present. She is also a director of Prosperity Hub Development Sdn Bhd.

Further details of her directorship in other private limited company in Malaysia are as set out in Section 5.2.9 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

David Poh Tatt Wei

Executive Director of the Central Region (for inland distribution division)

David Poh Tatt Wei, a Malaysian aged 38, is our Executive Director of the Central Region for the inland distribution division.

He graduated with a Bachelor of Arts degree in Marketing Management (second class upper division), from Anglia Ruskin University (former name for Anglia Polytechnic University) in Chelmsford, United Kingdom in 2004. He has more than 19 years of experience in managing land transportation.

After his graduation, he began his career in the inland distribution industry from 2002 as an Assistant Branch Manager in Tanjong Express which belonged to his family prior to the acquisition of Tanjong Express by our Company in July 2018. He was responsible for managing Tanjong Express Kuala Lumpur business units for human resources, maintenance, accounts, operations, billings and marketing.

In 2007, he was reassigned to Port Klang to manage Tanjong Express Port Klang with greater responsibility. After 2 years, he set up a branch office in Bukit Beruntung and was appointed as Branch Manager of Tanjong Express.

In 2018, he continued to expand the branch office in Bukit Beruntung. He was then appointed as General Manager of Tanjong Express.

In 2021, he was appointed as our Executive Director of the Central Region for the inland distribution division of Tanjong Express, overseeing the business operations.

Presently, he is a Director of Millennium Collection Sdn Bhd since 2008 and Soon Heng Procurement (M) Sdn Bhd since 2017.

Further details of his directorships in other private limited companies in Malaysia are as set out in Section 5.2.9 of this Prospectus.

Esther Kee Chung Ching

Group Chief Financial Officer

Esther Kee Chung Ching, a Malaysian aged 43, is our Group Chief Financial Officer.

She graduated with a Bachelor's degree in Finance and Accounting in 2001 from Sheffield Hallam University, United Kingdom.

She completed the Associate of Chartered Certified Accountants (ACCA) examination in 2003 and was admitted as member in year 2008. In the same year, she joined the Malaysian Institute of Accountants as a member. She then became a Fellow Chartered and Certified Accountant in 2013.

After her graduation, she began her career as an Audit Assistant at Yap, Goh & Associate in Year 2002 and thereafter joined Halim & Lee, Public Accountants, an associate of MSI Global Alliance, an independent legal and accounting firm as an Audit Assistant from 2003 to 2006. In September 2003, she was promoted to Audit Senior and her last position before she left the company was an Audit Supervisor. During her tenure, she was mainly responsible for audit planning, resolving audit issues and consolidation and review of statutory accounts.

In 2006, she left Halim & Lee, Public Accountants to join Konsortium Logistik Berhad (currently known as POS Logistics Berhad) as Senior Executive and was then promoted to Assistant Vice President II in year 2007. In year 2009, she was then promoted to Vice President of Finance and became a part of the management team. During her tenure from 2006 to 2011, she was responsible for leading the finance team and overseeing financial requirements of the whole group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2012, she joined Pelikan International as Vice President Corporate Planning from 2012 to 2014. In 2014, she joined Persada Bina as Group Financial Officer, responsible for overseeing our Group's finance matters until 2015.

In year 2015, she joined our Company as the Group Chief Finance Officer. Presently, she holds directorships in 5 companies within our Group. She was appointed as the director of Swift Haulage Services, MILS Cold Hub and Swift Commerce in 2017, the director of Earth Move International and Top Tyres & Workshop in 2020 and the director of Ann Joo Properties in 2021.

Further details of her directorships in other private limited companies in Malaysia are as set out in Section 5.2.9 of this Prospectus.

Mazlan Bin Abdul Jalil

Executive Director of the Eastern Region (for container haulage, warehousing, freight forwarding and inland distribution divisions)

Mazlan Bin Abdul Jalil, a Malaysian aged 53, is our Executive Director of the Eastern Region for the container haulage, warehousing, freight forwarding and inland distribution divisions.

He graduated with a Bachelor of Science Degree in Industrial Engineering from the University of Texas, USA in 1990.

He is a certified Sony AQCA Auditor since 1991 and certified as Sony Six Sigma Trainer for Master Black Belt since 2002. He is also a certified Custom Agent since 2012.

After his graduation, he began his career with Sony TV Industries Sdn Bhd in 1991 as an Engineer in the Parts Quality Assurance department. His role was to plan and manage incoming components / parts to meet Sony's specification, organise the treatment as well as conducting analysis and investigation on non-conformance parts.

In 1996, he was promoted to Manager with a greater role to lead the whole department's operation while resuming his previous responsibilities. He was then transferred to be the Manager of the Quality and Reliability department at Sony EMCS (Malaysia) Sdn Bhd in 2002, where his role was to oversee the department which maintains the quality system for the organisation and controls the quality of finished products.

In 2005, he left Sony EMCS (Malaysia) Sdn Bhd to join MISC Integrated Logistics Sdn Bhd ("**MILS**") (which was acquired by our Company in October 2016 and is currently known as Swift Integrated Logistics) as a Manager of Business Solutions and Development, Energy Downstream. He was involved in developing business development strategy for petrochemical logistics requirements in Kerteh and Gebeng.

He was later promoted in 2010 as the Head of Business Operations (Eastern Region) of the Business Operations & Service department in MILS where he continued to oversee full scope of logistics business operations including third party logistics services for warehouse management, conventional trucking, container haulage and forwarding.

In 2012, he was promoted as a Senior Manager, Energy Supply Chain Management of Business Solution & Development Department in MILS. While maintaining his previous roles to oversee the business operations in the Eastern region, he was then entrusted to plan, manage and drive business deliverables for the respective business areas of energy supply chain management to ensure the achievement of revenue targets.

In 2017, he was promoted as the General Manager, Supply Chain Management Energy in Swift Integrated Logistics and was responsible for overseeing specialised transportation in the Eastern region and East Malaysia. In 2021, he was promoted as the Executive Director of the Eastern Region and is currently handling the container haulage, warehousing, freight forwarding and inland distribution divisions.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Ng Chee Kin

Executive Director of the Central Region (for warehousing, freight forwarding and cross-border transportation divisions)

Ng Chee Kin, a Malaysian aged 63, is our Executive Director of the Central Region for warehousing, freight forwarding and cross-border transportation divisions. Presently, he is a director of two of our subsidiaries, Delta Express and Swift Consolidators.

He pursued his secondary education at Sekolah Menengah Inggeris Port Dickson (currently known as Sekolah Menengah Kebangsaan Tinggi Port Dickson) in Negeri Sembilan.

After completing his education there in 1975, he began his career as a Sales Executive in S.P. Yeo Shipping Sdn Bhd in 1977 until 1980. His role was to ensure the achievement of key performance indicator sales in Sales & Marketing Department.

He left S.P. Yeo Shipping Sdn Bhd to join Borneo Shipping as a sales executive from 1980 to 1982 with similar role when he was in S.P. Yeo Shipping Sdn Bhd. Thereafter, he moved to join Pernas Sime Darby Shipping Sdn Bhd as a Marketing Assistant from 1982 to 1983 also with similar role when he was in S.P. Yeo Shipping Sdn Bhd. He then joined Malaysian Cargo Consolidators Sdn Bhd from 1984 until 1988 as a Director where he was responsible to manage the overall operations in the organisation to ensure business continuity.

In 1988, he left Malaysia Cargo Consolidators Sdn Bhd to join Allied Link Express Sdn Bhd where he started as Sales Manager and re-joined as Deputy General Manager in 1994. His role was to develop the sales division within local and overseas principal as well as East Malaysia section. In between, he left Allied Link Express Sdn Bhd to join Sea Services (M) Sdn Bhd as Sales Director and shareholder from 1991 to 1993 and re-joined Allied Link Express Sdn Bhd in 1994. Thereafter, he left Allied Link Express Sdn Bhd and joined Metroport Consolidators Sdn Bhd as Sales Director and shareholder from 1997 to 2000 where he was entrusted to manage the overall organisation and ensure all business' goals were achievable.

From 2001 to 2011, he was the Managing Director and shareholder of Macro Logistics (M) Sdn Bhd. The business specialised in door-to-door East Malaysia for both consolidation and full box shipment activities. In 2011, our Company acquired 65.00% equity interest in Macro Logistics (M) Sdn Bhd and subsequently in 2012 acquired the remaining 35.00% equity interest. The name of the company was later changed Swift Consolidators. Currently, he is still a director of Swift Consolidators.

In 2005, he was appointed as a General Manager at DKSH Transport Agencies (M) Sdn Bhd (currently known as Swift Logistics TA) and was responsible to manage the organisation in Central Region Division as to ensure all business goals and objectives were achievable.

He had served as directors in various companies since 1986 until present. He was the director of the Malaysian Consolidators Sdn Bhd from 1986 to 1989. He was also the director / shareholder of Sea Services (M) Sdn Bhd from 1991 to 1993 and Metroport Consolidators Sdn Bhd from 1997 to 2000.

Since 2011, he was appointed the Executive Director of the Central Region (for warehousing, freight forwarding and cross-border transportation divisions) and his role is to assist the management in overseeing the forwarding, cross-border and warehouse divisions as well as to support our Group's organisation strategic alliances and partnership.

Further details of his directorships in other private limited companies in Malaysia are as set out in Section 5.2.9 of this Prospectus.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Tracy Neoh Lay Cheng

Executive Director of the Northern Region (for container haulage division)

Tracy Neoh, a Malaysian aged 51, is our Executive Director of the Northern Region for the container haulage division. Presently, she is a director of one of our subsidiaries, Tanjong Express Logistic.

She pursued her secondary education at Sekolah Menengah Kebangsaan Datuk Onn, Butterworth, Pulau Pinang and left school in 1987.

She has more than 30 years of working experience. She began her career in 1990 as an Administration & Human Resource Officer in Ichia Rubber Industry (M) Sdn Bhd until 1997. She was responsible for managing Human Resources & Administration works. She left Ichia Rubber Industry (M) Sdn Bhd and joined Tanjong Express in 1998, as an Account Supervisor where her role was to oversee finance duties. She was involved directly during the expansion of Tanjong Express' business into the container haulage industry.

In 2001, as Tanjong Express Logistic's operations commenced officially, she was selected to lead the subsidiary company and hold the position as Executive Director, where her role was to oversee the overall management control and authorisation of the new company.

Subsequent to the acquisitions of Tanjong Express and its wholly-owned subsidiary, namely Tanjong Express Logistic by our Company, Tracy Neoh retained her position as Executive Director of Tanjong Express Logistic and continued to lead our container haulage division in the northern region until present.

Muhammad Roy Nunis Bin Abdullah

Senior General Manager of the Group Human Resource & Administration and Health, Safety, Security, Environment and Quality

Muhammad Roy Nunis Bin Abdullah, a Malaysian aged 64, is our Senior General Manager of the Group Human Resource & Administration and Health, Safety, Security, Environment and Quality.

He has more than 30 years of experience in Human Resources and Administration and he obtained his Master of Human Resource Management & Industrial Relations from the University of Newcastle, Australia in 2003.

He began his career as Executive in the Human Resources Department Resources in MISC Berhad in 1990 and was subsequently promoted as Executive II in 1996. He was responsible for compensation and benefits, employee relations & industrial relations functions.

He was seconded to MISC Agencies Sdn Bhd, a subsidiary of MISC Berhad as a Manager, Human Resources & Administration in December 1996. He was accountable in leading and managing the department.

In 2000, he was transferred as a Manager, Human Resources & Administration and was responsible for the full spectrum of human resource at MISC Haulage Sdn Bhd & MISC Trucking & Warehousing Services Sdn Bhd.

In 2003, he was appointed as a Senior Manager, Human Resources & Administration of MISC Integrated Logistics Sdn Bhd ("**MISC**"), overseeing the administrative function of the Company after the merger of MISC Haulage & MISC Trucking Sdn Bhd.

In 2007, he was transferred to be Senior Manager, Business Operations of the Central Region to lead and manage the overall operations in haulage, freight forwarding and warehousing.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 2008, he was promoted and appointed as General Manager, Talent Management, Human Resource Management in the Human Resource Division in MISC Berhad. His role was to lead and strategise the talent management functions encompassing talent acquisition, talent development, performance management, career development for managerial level and succession planning for the senior management.

In 2009, he was transferred and appointed as General Manager Talent Engagement in the Human Resource Division in MISC Berhad where he led and strategised the Talent Engagement functions encompassing Human Resource Operations, Employee Engagement & Industrial Relations until his retirement in December 2012.

In 2013, he was given a one-year fixed term contract by MISC Berhad and was reappointed as General Manager, Talent Engagement in the Human Resource Division in MISC Berhad.

In 2014, he was then employed by MISC Integrated Logistics Sdn Bhd as Head, Human Resource & Administration on two years fixed term contract from 2014 to 2016.

From 2016 to 2018, he was employed on a three-years fixed term contract with by MILS as the Head Human Resource & Administration / Facilities Management. After the acquisition of MILS by our Company in October 2016, his scopes of accountability expanded to lead and oversee the overall Group Health, Safety, Environment and Quality (HSEQ) functions.

From 2019 to 2020, he was employed by Swift Integrated Logistics as General Manager, Group Human Resource, Administration, HSEQ & Command Centre on a yearly fixed term contract. He was promoted in 2021 and is presently a Senior General Manager, Group Human Resource & Administration ("HRA") and Health, Safety, Security, Environment and Quality ("HSSEQ"), overseeing overall the Group HRA strategic goals and Group HSSEQ functions on a yearly fixed term contract.

Presently, he holds directorships in 7 companies within our Group namely, Swift Integrated Logistics since 2017, Tanjong Express Logistic, Tanjong Express and Komunajaya since 2018 and, Sentiasa Hebat, Sentiasa Hebat (Penang) and Agensi Tanjung Bruas since 2020.

Further details of his directorships in other private limited companies in Malaysia are as set out in Section 5.2.9 of this Prospectus.

Riznida Eliza Binti Hamzah

Senior General Manager of the Group Legal, Corporate Services and Strategic Communications

Riznida Eliza Binti Hamzah, a Malaysian aged 50, is our Senior General Manager of the Group Legal, Corporate Services and Strategic Communications.

She has 25 years of experience in the corporate legal field. She graduated with an LLB (Hons) degree from the University of Warwick, United Kingdom in 1995. She holds a Certificate of Legal Practice (CLP) professional legal practice certificate from the Legal Profession Qualifying Board, Malaysia.

After her graduation, she began her career in 1996 as a Public Policy Analyst in TIME Telekom Sdn Bhd and was seconded to the Jabatan Telekomunikasi Malaysia under the Ministry of Energy, Communications and Multimedia in the same year. Whilst at Jabatan Telekomunikasi Malaysia, Riznida contributed to the drawing up of the Malaysia's national policies for the future development of the telecommunications industry in Malaysia.

In 1997, upon the completion of her secondment, she was transferred to TIME Telekom Sdn Bhd's legal and secretarial unit and was responsible for the corporate legal advisory and contractual matters of TIME Engineering Berhad and its subsidiaries.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

In 1999, she left TIME Telecommunications Sdn Bhd and attended the Certificate of Legal Practice qualifying examination by the Legal Profession Qualifying Board, Malaysia. She completed her pupillage at Messrs Jeff Leong, Poon & Wong in 2000 and was admitted as an advocate and solicitor at the Kuala Lumpur High Court in the same year.

She continued her profession as an Advocate & Solicitor at Messrs Jeff Leong, Poon & Wong specialising in corporate finance and securitisation law, corporate and commercial law, contract law and property law.

In 2004, she joined Messrs William Leong & Co as a Partner and was responsible for managing and developing the Corporate Legal Department.

In 2005, she joined Prasarana Malaysia Berhad (previously known as Syarikat Prasarana Negara Berhad) as the Head of the Legal and Secretarial Services division. She developed the legal and procurement (the tender secretariat) functional responsibilities and managed both divisions to be strategically in line with the directions of the Ministry of Finance, Inc.

She was also a member of the Board of Directors of Panorama Langkawi Sdn Bhd, a subsidiary of Prasarana Malaysia Berhad (operator of the Langkawi Cable Car) between 2008 and 2009.

In 2010, she left Prasarana Malaysia Berhad to set-up Eliza Hamzah & Associates, a boutique firm specialising in contract law and property law.

In 2016, she focussed on Islamic inheritance management and advisory services under RH Ilham Resources Sdn Bhd.

Riznida joined Swift Integrated Logistics as the Head of Group Legal & Corporate Services in 2018. She was responsible for the management and development of the functional planning and strategies as the Group's central legal solution provider.

In 2021, she was promoted as the Senior General Manager of Group Legal, Corporate Service & Strategic Communications. Her responsibilities have now extended to include public relations, marketing communications and media communications.

Thomas Ramadas

Senior General Manager of the Central Region (for container haulage division)

Thomas Ramadas, a Malaysian aged 51, is our Senior General Manager of the Central Region for the container haulage division.

He graduated with a Bachelor of Economics with Honours degree from Universiti Utara Malaysia in 1996.

Immediately after his graduation, he began his career in Konsortium Logistik Berhad (currently known as POS Logistics Berhad) as a Management Trainee in 1996 and within the same year, he was appointed as an Operation Executive. He was subsequently promoted to various positions until his resignation as Assistant Vice President 2 in 2002. He led the Strategy Business Unit and was responsible for the department's profit and loss account.

In 2002, he joined Tanjong Express as an Assistant Operation Manager handling similar tasks he previously managed until 2003. In 2003, he joined Yinson Haulage Sdn Bhd (our Company's previous name) as an Operation Manager responsible for overseeing the whole company's operations. He also managed to set up the Ipoh branch during his tenure with Yinson Haulage Sdn Bhd. Six years later, he was then promoted to Assistant Branch Manager at Yinson Haulage Sdn Bhd.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Following the acquisition of our Company by Persada Bina in 2011, he was then appointed as the Operation Manager. Later in 2012, he was reassigned as a Marketing Manager where he was responsible for the operation and marketing activities.

In 2014, he was promoted as our Head of Haulage of the Central Region for container haulage division to oversee operations in our Company and Tanjong Express, as well as manage all transportation matters within the organisation. In 2021, he was appointed as the Senior General Manager of the Central Region until present.

He is also a council member of Association of Malaysian Hauliers ("**AMH**") since 2013 and was elected as the Vice President of AMH in 2017 until today.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.2.9 Involvement of our key senior management in other businesses / corporations

Save as disclosed below, none of our key senior management has any principal business activities outside our Group as at the LPD, nor do they have directorships outside of our Group, at the present and within the past 5 years up to the LPD:

(i) **Stephanie Lim Bee Hong**

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
Prosperity Hub Development Sdn Bhd	Director and shareholder (Direct 50%)	20 March 2013	-	Property investment

(ii) **David Poh Tatt Wei**

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
Millennium Collection Sdn Bhd	Director	22 February 2008	-	Agent in providing general insurance coverage services to an insurance agent
Soon Heng Procurement (M) Sdn Bhd	Director and shareholder (Direct 50.99%)	1 November 2017	-	Import and trading of all kinds of consumer products, electronic products, household articles and appliances
Sky Formula (M) Sdn Bhd	Shareholder (Direct 15%)	-	-	Investment holding in shares of a subsidiary principally involved in property investment holding

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

(iii) **Esther Kee Chung Ching**

Company	Position held and Direct / Indirect Interest	Date appointed as Director / Date of joining as partner	Date resigned as Director	Principal activities
Zef Marketing Sdn Bhd	Director	3 May 2013	20 February 2016	Investment holding in shares
Gold Cold Integrated Logistics Sdn Bhd	Director	9 March 2017	1 June 2018	Provide cold and chill storage services, cold chain logistics solutions and related services to customer

(iv) **Ng Chee Kin**

Company	Position held and Direct / Indirect Interest	Date appointed as Director	Date resigned as Director	Principal activities
Delta Mover (M) Sdn Bhd	Director	9 March 2013	-	Dormant ⁽¹⁾

Note:

(1) There is no immediate plan for this company currently.

(v) **Muhammad Roy Nunis Bin Abdullah**

Company	Position held and Direct / Indirect Interest	Date appointed as Director	Date resigned as Director	Principal activities
Roda Warna Sdn Bhd	Director	6 July 2018	30 December 2020	Provide transportation and haulage services
Mekar Canggi Sdn Bhd	Director	6 July 2018	30 December 2020	Provide transportation and related services

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

Mazlan Bin Abdul Jalil, Tracy Neoh Lay Cheng, Riznida Eliza Binti Hamzah and Thomas Ramadas do not have any principal business activities and directorships in any other corporations outside of our Group, at the present and in the past 5 years preceding the LPD.

The involvement of Stephanie Lim Bee Hong, David Poh Tatt Wei, Esther Kee Chung Ching, Ng Chee Kin and Muhammad Roy Nunis Bin Abdullah in other business activities outside our Group will not affect their contributions to our Group and would not be expected to affect the operations of our Group as the abovementioned key senior management's involvement in other business activities do not require their involvement on a day-to-day basis. The involvement of Stephanie Lim Bee Hong, Esther Kee Chung Ching, Ng Chee Kin and Muhammad Roy Nunis Bin Abdullah in other business activities do not give rise to any conflict of interest with our business as the business activities are not similar to our Group's business nor are they customers or suppliers to our Group.

The involvement of David Poh Tatt Wei ("**David Poh**") as a director in Millennium Collection Sdn Bhd, which is involved in the provision of general insurance agent services, also does not give rise to any conflict of business as Millennium Collection Sdn Bhd is a family-owned company that used to provide insurance agency services to Tanjong Express prior to Tanjong Express being sold to our Group. After the sale of Tanjong Express to our Group in 2018, Millennium Collection Sdn Bhd no longer provides insurance agency services to Tanjong Express nor any company within our Group. It now only provides minimal insurance agency services, predominantly to small companies, David Poh Tatt Wei's family businesses as well as to his relatives and personal car insurance. The business is managed by his parents and he is not involved in the management of the day-to-day business activities in Millennium Collection Sdn Bhd. As such, its activities do not give rise to any conflict of interest to our Group's business, in particular to the business of our subsidiary, Q Team Risk Management which provides insurance agency services pre-dominantly to our Group. For the Financial Years Under Review, revenue contributed by Q-Team Risk Management for providing insurance agency services to third party outside of our Group was less than 0.01% of our Group's revenue; the quantum for the most recent FYE 2020 was RM12,862 against the total revenue of the Group of RM555.8 million i.e. 0.002% of the total Group's revenue. Further, David Poh Tatt Wei is not a director of Q-Team Risk Management.

David Poh is also a director and shareholder of Soon Heng Procurement (M) Sdn Bhd ("**Soon Heng**") which is a customer of Tanjong Express. Tanjong Express provides transportation services to Soon Heng for the delivery of goods to Soon Heng's customers in various destinations within Malaysia and Tanjong Express is supported by Tanjong Express Logistic internally to handle operations from the port to Soon Heng's distribution centre. The transactions with Soon Heng are conducted at arm's length basis in accordance with Tanjong Express' standard rates for its customers and commensurate with the mileage for the delivery destination and on normal commercial terms that are no more favourable to Soon Heng. For the Financial Years under Review and FPE 2021, the revenue received by Tanjong Express from Soon Heng amounted to RM249,313.68 for FYE 2018, which amounts to 0.05% of our Group's revenue, RM337,456.00 for FYE 2019, which amounts to 0.06% of our Group's revenue, RM424,272.40 for FYE 2020, which amounts to 0.08% of our Group's revenue and RM158,922.00 for FPE 2021, which amounts to 0.06% of our Group's revenue, respectively. His involvement in Soon Heng does not give rise to any conflict of interest situation as David Poh's interest in Soon Heng is for investment purposes only and he is not involved in the day-to-day management or operations of Soon Heng. Further, David Poh is not a director of Tanjong Express nor Tanjong Express Logistic.

Our key senior management have and will continue to ensure that they will be able to fulfil and discharge their respective duties and responsibilities in our Group effectively.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3 BOARD PRACTICES

5.3.1 Directorship

As at the LPD, the details of the date of expiration of the current term of office for each of the Directors and the period for which the Directors have served in that office are as follows:

Name	Designation	Date of expiration of the current term of office	No. of years in office
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	Independent Non-Executive Chairman	Subject to retirement by rotation at the next annual general meeting held in year 2023	Less than 1 year
Loo Yong Hui	Non-Independent Executive Director / Group Chief Executive Officer	Subject to retirement by rotation at the next annual general meeting held in year 2025	7 years
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	Non-Independent Non-Executive Director	Subject to retirement by rotation at next annual general meeting held in year 2022	10 years
Loo Hooi Keat	Non-Independent Non-Executive Director / Advisor	Subject to retirement by rotation at next annual general meeting held in year 2022	3 years
Datuk Noripah Binti Kamso	Independent Non-Executive Director	Subject to retirement by rotation at the next annual general meeting held in year 2023	Less than 1 year
Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director	Subject to retirement by rotation at the next annual general meeting held in year 2024	Less than 1 year
Rozainah Binti Awang	Independent Non-Executive Director	Subject to retirement by rotation at the next annual general meeting held in year 2024	Less than 1 year

At every annual general meeting of the Company, 1/3 of the Directors who are subject to retirement by rotation for the time being or if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election, provided that all Directors shall retire from office once at least in every 3 years. A retiring Director shall be eligible for re-election. A Director retiring at a meeting shall retain office until the conclusion of the meeting.

We intend to apply Practice 5.9 as set out under the MCCG for the Board to comprise at least 30% women directors within 24 months from our Listing.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.2 Audit and Risk Management Committee

Our Audit and Risk Management Committee was established on 25 June 2021 and its members were appointed by our Board. Our Audit and Risk Management Committee comprises the following members:

Name	Designation	Directorship
Rozainah Binti Awang	Chairman	Independent Non-Executive Director
Datuk Noripah Binti Kamso	Member	Independent Non-Executive Director
Dato' Gopikrishnan A/L N.S. Menon	Member	Independent Non-Executive Director

The main functions of our Audit and Risk Management Committee include among others:

- (i) review the performance of external auditors and recommend the appointment and re-appointment of the external auditors;
- (ii) review with the external auditors, the audit scope and plan;
- (iii) review internal audit performance on an annual basis;
- (iv) review the adequacy of the internal audit scope and plan;
- (v) review major audit findings and management's response during the year with management, external auditors and internal auditors;
- (vi) review the non-audit services provided by the external auditors and/or its network firms to our Company;
- (vii) review the risk profile of the Group and the risk management plans to mitigate business risks as identified;
- (viii) review the quarterly results and the year-end financial statements, prior to approval by our Board;
- (ix) review any related party transaction and conflict of interest situation that may arise within our Company or our Group; and
- (x) obtain regular updates from management regarding compliance matters.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.3.3 Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established on 25 June 2021 and its members are appointed by our Board. Our Nomination and Remuneration Committee comprises the following members:

Name	Designation	Directorship
Datuk Noripah Binti Kamso	Chairman	Independent Non-Executive Director
Dato' Gopikrishnan A/L N.S. Menon	Member	Independent Non-Executive Director
Loo Hooi Keat	Member	Non-Independent Non-Executive Director

The main functions of our Nomination and Remuneration Committee include among others:

- (i) identify and nominate, for the approval of the Board, candidates to fill the Board vacancies;
- (ii) recommend to our Board, Directors to fill the seats on board committees;
- (iii) assess the training needs of each Director;
- (iv) review and make recommendations to our Board on succession planning for management;
- (v) assess annually the effectiveness of our Board as a whole, the committees of our Board and the contribution of each individual Director vide a formal and objective assessment;
- (vi) assess annually the term of office and performance of our Audit and Risk Management Committee;
- (vii) setting the remuneration policy for all Directors and key senior management;
- (viii) recommend to our Board the appropriate remuneration packages for our Executive Director and key senior management; and
- (ix) review the fees of the Directors and benefits payable to Directors.

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4 REMUNERATION OF DIRECTORS AND KEY SENIOR MANAGEMENT

5.4.1 Directors' Remuneration and material benefits in-kind

The details of the remuneration and material benefits in-kind paid and proposed to be paid to our Directors for services rendered to our Group in all capacities for the FYE 2020 and FYE 2021 are as follows:

FYE 2020 (Actual)	Fees	Salary	Bonus	Allowances	Statutory Contributions (EPF, SOCSO and EIS)		Benefits in- kind	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Executive Director								
Loo Yong Hui	48.00	288.00	200.00	42.00	64.52		36.45	678.97
Non-Executive Directors								
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	-	-	-	-	-		-	-
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	78.00	-	-	-	-		-	78.00
Loo Hooi Keat	-	840.00	800.00	-	246.59		45.40	1,931.99
Datuk Noripah Binti Kamso	-	-	-	-	-		-	-
Dato' Gopikrishnan A/L N.S. Menon	-	-	-	-	-		-	-
Rozainah Binti Awang	-	-	-	-	-		-	-

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

FYE 2021 (Proposed)	Fees RM'000	Salary RM'000	Bonus RM'000	Allowances RM'000	Statutory Contributions (EPF, SOCSO and EIS) RM'000	Benefits in- kind RM'000	Total RM'000
Executive Director							
Loo Yong Hui	48.00	570.00	229.30	42.00	99.36	36.45	1,025.11
Non-Executive Directors							
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	22.50	-	-	-	-	-	22.50
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	81.00	-	-	-	-	-	81.00
Loo Hooi Keat	(2)300.00	(3)420.00	(3)799.30	-	(3)252.99	45.40	1,817.69
Datuk Noripah Binti Kamso	17.50	-	-	-	-	-	17.50
Dato' Gopikrishnan A/L N.S. Menon	15.00	-	-	-	-	-	15.00
Rozainah Binti Awang	17.50	-	-	-	-	-	17.50

Notes:

- (1) The remuneration, which includes our Directors' salaries, bonuses and allowances as well as other benefits of our Directors, must be considered and recommended by our Remuneration Committee and subsequently be approved by our Board. Our Directors' fees and / or benefits must be further approved by our shareholders at a general meeting.
- (2) Being the director fees paid to Loo Hooi Keat with effect from 25 June 2021 for his role as a Non-Independent Non-Executive Director and advisory role in supporting our Board comprising:
 - (i) to assist in strategy development within our Group;
 - (ii) provides oversight of our Company's future plans, ethics and integrity;
 - (iii) provides advice on issues raised by the management of our Group;
 - (iv) encourage the development of a governance framework that enable sustainable growth for our Company; and
 - (v) impose challenges to management in a way that encourages growth of our Company.
- (3) Being remuneration paid to Loo Hooi Keat for his role as an Executive Director of our Group prior to his designation as our Non-Independent Non-Executive Director/ Advisor on 25 June 2021.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.4.2 Key senior management's remuneration and material benefits in-kind

The aggregate remuneration and material benefits-in-kind paid and proposed to be paid to our key senior management for services rendered to our Group in all capacities for the FYE 2020 and FYE 2021 are as follows:

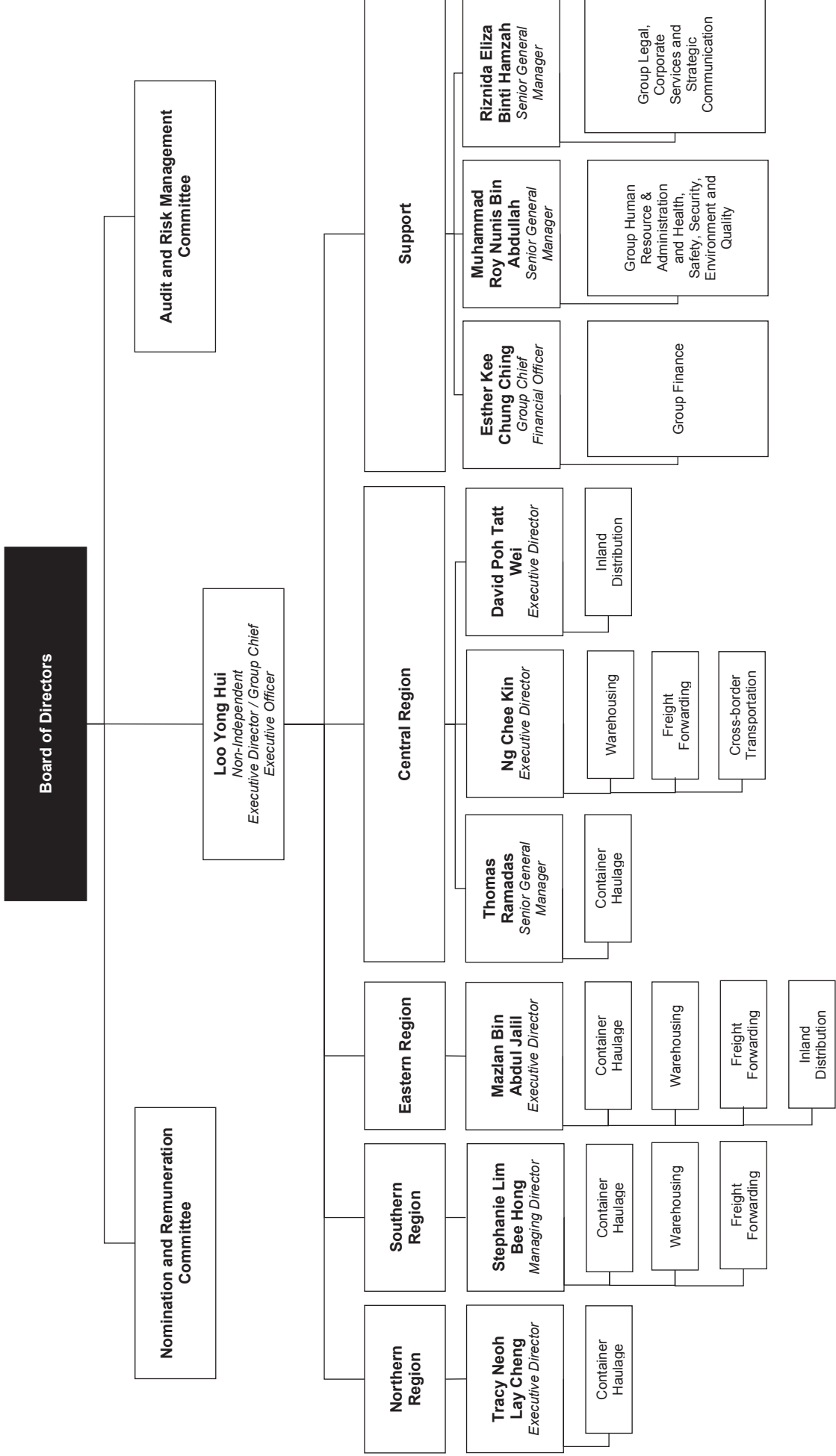
Key senior management	Remuneration band	
	FYE 2020 RM'000	Proposed for FYE 2021 RM'000
Stephanie Lim Bee Hong	2,400 - 2,450	2,100 - 2,150
David Poh Tatt Wei	400 - 450	500 - 550
Esther Kee Chung Ching	500 - 550	550 - 600
Mazlan Bin Abdul Jalil	400 - 450	450 - 500
Ng Chee Kin	1,450 - 1,500	800 - 850
Tracy Neoh Lay Cheng	500 - 550	550 - 600
Muhammad Roy Nunis Bin Abdullah	500 - 550	500 - 550
Riznida Eliza Binti Hamzah	250 - 300	300 - 350
Thomas Ramadas	250 - 300	250 - 300

(The rest of this page has been intentionally left blank)

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.5 MANAGEMENT REPORTING STRUCTURE

The management reporting structure of our Group is as follows:



5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.6 DECLARATIONS BY EACH PROMOTERS, DIRECTORS AND KEY SENIOR MANAGEMENT

None of our Promoters, Directors and key senior management is or was involved in any of the following events, whether within or outside Malaysia:

- (i) a petition under any bankruptcy or insolvency law was filed (and not struck out) against such person or any partnership in which he or she was a partner, or any corporation of which he or she was a director or member of key senior management in the last 10 years;
- (ii) disqualified from acting as a director of any corporation, or from taking part directly or indirectly in the management of any corporation;
- (iii) charged or convicted in a criminal proceeding, or is a named subject of a pending criminal proceedings in the last 10 years;
- (iv) any judgment was entered against such person, or finding of fault, misrepresentation, dishonesty, incompetence or malpractice on his or her part, involving a breach of any law or regulatory requirement that relates to the capital market in the last 10 years;
- (v) the subject of any civil proceeding, involving an allegation of fraud, misrepresentation, dishonesty, incompetence or malpractice on his or her part that relates to the capital market in the last 10 years;
- (vi) the subject of any order, judgment or ruling of any court, government, or regulatory authority or body, temporarily enjoining him or her from engaging in any type of business practice or activity;
- (vii) reprimanded or issued any warning by any regulatory authority, securities or derivatives exchange, professional body or government agency in the last 10 years; and
- (viii) any unsatisfied judgment against such person.

5.7 FAMILY RELATIONSHIPS AND ASSOCIATIONS

Save as disclosed below, there are no family relationships and associations among our Promoters, substantial shareholders, Directors and key senior management as at the LPD:

- (i) Loo Hooi Keat, our Promoter, substantial shareholder and Non-Independent Non-Executive Director/Advisor, is the father of Loo Yong Hui, our Promoter, substantial shareholder and Non-Independent Executive Director/Group Chief Executive Officer.

5.8 SERVICE AGREEMENTS

As at the LPD, none of our Directors and/or key senior management has any existing or proposed service agreement which provide for benefits upon termination of employment with our Group.

5. INFORMATION ON PROMOTERS, SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND KEY SENIOR MANAGEMENT (Cont'd)

5.9 MANAGEMENT SUCCESSION PLAN

Our Group has a management succession plan in place for key senior management positions. We have put in place processes to groom new management staff to gradually assume the responsibilities of key senior management positions. The ability to retain our key senior management personnel is critical for the success of our organization.

The criteria to identify potential successors within our organization to assume the key positions in the future is as follows:

- High performers
- Possesses Technical Competencies
- Demonstrate leadership skills
- Develop growth opportunities and drives revenue in our organization
- Lead and manage other critical positions
- Ensure operational excellence in service delivery

Potential talents will be assessed on their leadership and functional competencies for the role and will undergo a structured career and development plan to prepare them to assume future roles. Successful candidates will be paid competitive remuneration and benefits as part of retaining them in our organization. The remuneration and benefits will be benchmarked with the logistics industry.

Our Group will also recruit candidates with key competencies, knowledge and expertise in logistics industry to ensure business sustainability.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP

6.1 INFORMATION ON OUR GROUP

6.1.1 Overview and history

Our Company was incorporated in Malaysia under the Companies Act 1965 on 29 November 2000 and is deemed registered under the Act as a private limited company under the name of Yinson Haulage Sdn Bhd. Our Company changed its name to Swift Haulage Sdn Bhd on 2 November 2012 and subsequently, was converted to a public limited company on 24 June 2021. Our Company is principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services, and investment holding.

Our Group is a provider of integrated logistics with services comprising container haulage, land transportation, warehousing and container depot and freight forwarding. We have operations in Malaysia and Thailand. Our integrated logistics operations and headquarters are located in Malaysia, while our operations in Thailand are focused on cross-border transportation and freight forwarding.

As at LPD, our integrated logistics operations are supported by our fleet operations in Malaysia and Thailand including 1,546 prime movers, 5,518 container trailers, 811 box or curtain-sider trailers, 53 trucks and 42 CNG tankers. We operate warehouses with total storage capacity of 849,371 sq. ft. and container depots with total capacity of 28,500 TEU.

The historical milestones of our business are as follows:

Year	Key events and milestones
2011	<ul style="list-style-type: none"> The history of our Group began on 24 February 2011 when Persada Bina, a major shareholder of our Company, completed the acquisition of 100.00% equity interest in Yinson Haulage Sdn Bhd, a provider of container haulage and land transportation services. The previous owners of Yinson Haulage Sdn Bhd were Yinson Holdings Berhad holding 70% equity interest and Mat Sin Bin Bidin holding 30% equity interest. Yinson Holdings Berhad and Mat Sin Bin Bidin are not persons connected to our Promoters. Following the acquisition, Persada Bina appointed a new management team to take over the business operations. The company later changed its name to Swift Haulage Sdn Bhd on 2 November 2012. As part of our expansion into door-to-door shipment of cargo, we acquired 65.00% equity interest in Macro Logistics (M) Sdn Bhd on 1 September 2011, a provider of freight forwarding between Peninsular Malaysia and East Malaysia. We subsequently acquired the remaining 35.00% of equity interest on 10 August 2012. The company subsequently changed its name to Swift Consolidators on 18 May 2015.
2012	<ul style="list-style-type: none"> We started our freight forwarding operations when we acquired the entire 100.00% equity interest in Delta Express on 9 January 2012, a company involved in providing freight forwarding agency and container haulage services at the time of its acquisition. In December 2019, Delta Express transferred its container haulage business to our Company. On 24 August 2011, we entered into a sale and purchase agreement to acquire a plot of land at Kawasan Perindustrian Sultan Suleiman in the Northport area of Port Klang. The size of the land was approximately 348,482 sq. ft. and the transaction was completed in September 2012. We subsequently constructed our first purpose-built operational facility comprising, our Port Klang Warehouses with 100,000 sq. ft. of storage space and a container haulage area. The construction was completed in December 2012 and subsequently, we started providing warehousing services.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
2013	<ul style="list-style-type: none"> We continued to expand our freight forwarding business by acquiring 100.00% of the equity interest in DKSH Transport Agencies (M) Sdn Bhd on 31 October 2013, a company providing freight forwarding agency services. We subsequently changed the company's name to Swift Logistics TA on 17 December 2013. On 30 September 2013, our Company acquired the entire equity interests of Q-Team, and its wholly-owned subsidiaries namely, Q-Team Risk Management and Fleet Engineering Services from Persada Bina. Q-Team is involved in sales, service and spare parts dealership for commercial vehicles, tyre retreading and investment holding, while Q-Team Risk Management is involved in general insurance agency services, and Fleet Engineering Services is involved in the repair, maintenance and configuration of commercial vehicle superstructures.
2014	<ul style="list-style-type: none"> On 4 April 2014, we completed the acquisition of a piece of land measuring approximately 2.9 acres in size at Bandar Sultan Suleiman in Port Klang, Selangor, which we developed for use as a haulage yard to support our container haulage operations. On 14 November 2014, we completed the acquisition of a piece of land measuring approximately 58.3 acres in size at Pulau Indah in Port Klang, Selangor. We subsequently developed part of this land in 2015 as a haulage yard to support our container haulage operations, and as a container depot.
2015	<ul style="list-style-type: none"> We entered into the container depot services business by acquiring 51.50% equity interest in Container Connections on 20 May 2015, a provider of container depot services with container depots in Northport and Westport in Port Klang, Selangor. We subsequently acquired an additional 10.00% equity interest in Container Connections on 14 September 2020, bringing our total equity interest to 61.50%.
2016	<ul style="list-style-type: none"> On 24 October 2016, we completed the acquisition of 100.00% equity interest in MISC Integrated Logistics Sdn Bhd ("MILS"). The principal activities of MILS and its group of companies were the provision of integrated logistics services comprising container haulage, freight forwarding and transportation, warehousing and container depot services. It subsequently changed its name to Swift Integrated Logistics on 11 November 2016. The acquisition also enabled us to gain access to the provision of logistics services to the oil and gas, power generation and defence equipment industries. Through Swift Integrated Logistics, we attained a multimodal transport operator licence from the Ministry of Finance for the shipment of cargo on behalf of government agencies and departments, in addition to obtaining a Petroliaam Nasional Berhad (Petronas) licence with SWEC codes related to providing container haulage, land transportation, warehousing and freight forwarding agency services.
2017	<ul style="list-style-type: none"> As part of our expansion into foreign countries, we acquired 49.00% of equity interest in Crossland Logistics (Thailand) Co. Ltd, a land transportation and freight forwarding agency services company, and its wholly-owned subsidiary, Crossland Forwarders on 16 August 2017. Crossland Logistics (Thailand) Co. Ltd subsequently changed its name to Swift Crossland Logistics on 22 December 2017. Through the acquisition, we started providing cross-border transportation services to destinations in Thailand, Laos, Cambodia, Vietnam, Myanmar and the southern border of China and freight forwarding. Crossland Forwarders was dormant at the time of the acquisition. During 2017, the Promoters approached the following private equity firms to invest in our Company: <ul style="list-style-type: none"> On 26 January 2017, Kenanga Private Equity acquired 4,400,000 Shares for a purchase consideration of RM10,208,000.00; On 12 May 2017, Bluefin subscribed for 106,862,842 CRLS at a price of RM106,862,842.00 and 1,000 RPS at a price of RM1,000.00 of our Company; and Between 30 November 2017 to 11 December 2017, KWAP acquired 14,159,043 Shares for a purchase consideration of RM32,848,979.76 and subscribed for 1,295,992 Shares for a total consideration of RM3,291,819.68.

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Key events and milestones
2018	<ul style="list-style-type: none"> We acquired 100.00% equity interest in Tanjong Express and its wholly-owned subsidiary Tanjong Express Logistic, and 100.00% equity interest in Komunajaya on 6 July 2018, which expanded the coverage of our container haulage in the Northern region of Peninsular Malaysia, and land transportation businesses throughout Peninsular Malaysia. Tanjong Express is focused on inter-regional land transportation services while Tanjong Express Logistic is focused on container haulage services. Komunajaya was involved in container haulage services and the fabrication, maintenance and repair of trailers at the time of its acquisition (Komunajaya subsequently transferred its container haulage business to our Company in 2020).
2019	<ul style="list-style-type: none"> We acquired 100.00% equity interest in Agenda Wira on 30 January 2019, which expanded our container haulage and freight forwarding operations in the Central and Southern regions of Peninsular Malaysia.
2020	<ul style="list-style-type: none"> As part of our intention to strengthen our container haulage business in the Central and Northern regions in Peninsular Malaysia, we acquired 100.00% equity interest in Sentiasa Hebat, Sentiasa Hebat (Penang), Northern Gateway Depot, Agensi Tanjung Bruas, Earth Move International and Top Tyres & Workshop on 31 August 2020. <p>Sentiasa Hebat and Sentiasa Hebat (Penang) are mainly involved in container haulage while Northern Gateway Depot is in the provision of container depot services. We also acquired a container depot in Port Klang, Selangor through Northern Gateway Depot. Agensi Tanjung Bruas is involved in freight forwarding agency services, Earth Move International is involved in freight forwarding services, while Top Tyres & Workshop has ceased operations as at the LPD.</p>
2021	<ul style="list-style-type: none"> We acquired 50.00% equity interest in Hypercold Logistics and 15.00% equity interest in Platinum Coldchain on 16 June 2021. Hypercold Logistics and Platinum Coldchain are currently involved in providing cold-chain logistics services in Sabah, and the acquisitions are in line with our intention to provide cold chain logistics services in Sabah, East Malaysia. We completed the acquisition of the entire equity interest in Ann Joo Properties on 15 July 2021. On 26 August 2021, Ann Joo Properties entered into the PKNS SPA for the acquisition of the Bandar Sultan Sulaiman Land from PKNS, which is a leasehold land of approximately 1,263,231 sq. ft. in size that is currently leased out to two external tenants. We expect to complete the acquisition of the Bandar Sultan Sulaiman Land by the fourth quarter of 2021.

Since 2014 and up to the LPD, the awards and recognitions that we have received include the following:

Year	Swift Group Subsidiary	Awarding Party	Awards and Recognitions
2014	Swift Logistics TA	Johor Port Authority	Port Industry Awards 2014 – Best Forwarding Agent in Johor Ports
2015	Swift Logistics TA	Johor Port Authority	Port Industry Awards 2015 – Best Forwarding Agent in Johor Ports
2016	Swift Logistics TA	Johor Port Authority	Port Industry Awards 2016 – Best Forwarding Agent in Johor Ports
2017	Swift Logistics TA	Johor Port Authority	Port Industry Awards 2017 – Best Forwarding Agent in Johor Ports
2017	Swift Haulage	Johor Port Authority	Port Industry Awards 2017 – Best Haulier Agent in Johor Ports
2018	Swift Integrated Logistics	Malaysia Book of Records	Participated in the Largest Simultaneous Safety Briefing “Mega Occupational, Safety and Health Toolbox 2018”

6. INFORMATION ON OUR GROUP (Cont'd)

Year	Swift Group Subsidiary	Awarding Party	Awards and Recognitions
2018	Swift Integrated Logistics	Chemical Industries Council of Malaysia	Safe Road Award 2018 – Silver Award
2019	Swift Logistics TA	Petronas Chemicals Ethylene Sdn Bhd and Petronas Chemicals Polyethylene Sdn Bhd	Recognition for Contributions towards Working Safely at the respective plant
2019	Swift Integrated Logistics	Petronas Chemicals LDPE Sdn Bhd	Appreciation and recognition for managing product warehouse in 2019 with zero variance, zero health, safety and environment non-compliance, and timely product delivery
2019	Swift Integrated Logistics	HESS Exploration and Production Malaysia B.V.	CEO Safety Award 2018 in recognition of injury-free operations
2019	Swift Haulage	Hap Seng Trucks Distribution Sdn Bhd	Grand Prize Winner – Mercedes-Benz Truck Driver's League 2019
2020	Swift Integrated Logistics	Petronas Chemicals Marketing (Labuan) Ltd	Focused recognition for completing deliveries for 10,336 orders in 2019 with zero accidents
2020	Swift Integrated Logistics	Petronas Chemicals LDPE Sdn Bhd	Appreciation and recognition for managing product warehouse in 2020 with zero variance, zero health, safety and environment non-compliance, and timely product delivery
2020	Swift Integrated Logistics	Jabatan Keselamatan Kesihatan dan Pekerjaan Perak	3 rd place in occupational safety and health innovation category

The investments received by our Company from private equity firms such as KWAP, Bluefin and Kenanga Private Equity have contributed to the growth of our Group. Given the scale of expansion of our Group, our Company is pursuing to be introduced to the Malaysian equity market via our Listing which represents a good opportunity to improve our Group's financial standing and places us in a better position to, if necessary, raise funds via the capital markets for further expansion of our business.

Please refer to Sections 6.2 and of this Prospectus for more details of the principal activities of our subsidiaries, joint venture company and associated companies.

6.1.2 Our competitive advantages and key strengths

Our competitive advantages and key strengths which provide us with the platform to grow our business are as follows:

(a) We have a comprehensive coverage of the main seaports in Peninsular Malaysia for container haulage

For the Financial Years Under Review and FPE 2021, we served the major seaports in Peninsular Malaysia comprising Northport and Westport in Selangor, Penang Port in Penang, Johor Port and Port of Tanjung Pelepas in Johor, Kuantan Port in Pahang and Tanjung Bruas Port in Melaka. The total container throughput in the abovementioned seaports in Malaysia accounted for 89.8% of the total container throughput in Malaysia seaports in 2020 (*Source: IMR Report*). This indicates a comprehensive coverage of the major seaports in Peninsular Malaysia for our container haulage operations.

6. INFORMATION ON OUR GROUP (Cont'd)

In 2020, the total container throughput in Malaysia and Peninsular Malaysia was 9.1 million TEU and 8.1 million TEU respectively (*Source: IMR Report*). We handled a total of 588,627 TEU for container haulage in Malaysia in FYE 2020 where we achieved market shares of 6.5% and 7.2% of the total TEU in Malaysia and Peninsular Malaysia respectively.

For FYE 2018, FYE 2019, FYE 2020 and FPE 2021, our container haulage services represented our largest business segment having accounted for 43.0%, 45.7%, 45.5% and 47.7% of our total revenue respectively. Our market share of the number of containers that we hauled and the coverage of the major seaports in Peninsular Malaysia will provide us with the platform to sustain and grow our container haulage business.

(b) We are an integrated logistics service provider supported by our warehouses, container depot and other facilities

We are an integrated logistics provider where we provide our customers with a convenient one-stop logistics solution as they only have to deal with us for their end-to-end logistics requirements.

As an integrated logistics provider, we can provide the following services:

- haulage of inbound and outbound containerised goods;
- inland road transportation including point-to-point, point-to-multipoint and delivery of goods to destinations within Peninsular Malaysia, as well as specialised land transportation with specialised vehicles such as those used for transporting CNG;
- project logistics for oversized and heavy cargo requiring special vehicles and handling equipment;
- cross-border transportation of cargo to destinations in Malaysia, Singapore, Thailand, Vietnam, Myanmar, Cambodia, Laos and the southern border of China;
- storage and handling of goods in warehouses including the provision of e-fulfilment services;
- storage and handling of containers in depots;
- sea and air freight forwarding for door-to-door shipment of cargo;
- managing our customers' logistics department or functions; and
- managing our customers' warehouse operations.

Our one-stop solution supported by our various inhouse services and resources including our own fleet of commercial vehicles, and warehouses and container depots enable us to have control and management of projects to provide coordinated services to our customers within Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, our operational facilities in Malaysia and Thailand include the following:

- Six warehouses which we operate to provide warehousing storage of goods services with a collective storage capacity of 849,371 sq. ft. in Malaysia;
- Four container depots with a collective storage capacity of 28,500 TEU in Malaysia; and
- Other supporting facilities including eight container haulage yards, six inland yards and two cross-border yards in Malaysia and Thailand.

Our one-stop solution combined with our relatively large sized operations, as demonstrated by our FYE 2020 revenue of RM555.8 million, provides us with the platform to grow our business.

(c) **We own and operate our fleet of commercial vehicles to support our container haulage and land transportation services**

As an integrated logistics service provider, we own and operate our fleet of commercial vehicles to provide container haulage as well as land transportation services. As at the LPD, our Malaysia operations comprised 1,460 prime movers, 5,400 container trailers, 811 box or curtain-sider trailers, 42 CNG tankers and 51 trucks that are registered in Malaysia and operated by our 1,477 drivers. In addition, as at the LPD, our Thailand operations comprised 86 primer movers, 118 container trailers and 2 trucks that are registered in Thailand and operated by 144 drivers in Thailand.

By utilising our in-house vehicle fleet and employees, it enables us to maintain control over service availability, delivery and scheduling. It also allows us to manage our operations and ensure that we have vehicles and drivers available to fulfil customers' requests for transportation and most importantly, our customer's goods are delivered on-time according to the required schedule and to the required level of service quality. In addition, the support of our in-house resources reduces our dependency on external logistics service providers to provide container haulage and land transportation services in Peninsular Malaysia, and cross-border transportation services between Malaysia, Thailand, Singapore, Cambodia, Laos, Myanmar, Vietnam and the southern border of China. It also facilitates our capability to customise our integrated logistics services to meet individual customers' needs. All of these factors will form the platform to grow our business.

(d) **We have cost and service advantages from our in-house supporting services**

As at the LPD, we have dealership agreements with Hap Seng Trucks Distribution Sdn Bhd for the sales, service and spare parts of Mercedes Benz and Mitsubishi FUSO commercial vehicles. We are also an agent to provide general insurance for motor vehicles, medical insurance and other general insurance from Pacific Insurance Berhad.

In addition to the revenue that we earned from external customers, we are also able to utilise these services for our in-house operations at prices available to us as a dealer. This provides us with a cost advantage compared to using external service providers.

6. INFORMATION ON OUR GROUP (Cont'd)

Having an in-house vehicle repair and maintenance services will facilitate regular inspection and preventive maintenance to support the safe operation of our vehicles. At the same time, our in-house repair and maintenance services provide us with a faster turnaround time when our vehicles are brought in for unscheduled repair and maintenance services, thus minimising operational downtime. Our in-house tyre retreading facility also supplies retreaded tyres for our commercial vehicles (including prime movers, trailers and trucks), which helps to reduce our operating costs.

(e) We have a track record of approximately 10 years in the provision of integrated logistics services to serve as a platform to grow our business

We have built a track record of approximately 10 years as a provider of integrated logistics services, starting as a provider of container haulage and land transportation services in 2011, and warehousing and freight forwarding in 2012. Since then, we have expanded our services to include container depot services in 2015 and cross-border land transportation in 2017.

Our established track record in providing integrated logistics services is supported by our customer base of approximately 1,809 customers as at the LPD which serves as a reference and platform for us to grow our business.

(f) We have direct and indirect distribution channels to grow our business

We utilise both direct and indirect distribution channels as part of our marketing and sales strategy to sustain and grow our business. For the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, 73.6%, 71.9%, 72.4% and 68.3% of our total revenue respectively was derived directly from owners, shippers or consignees that engaged us to transport, distribute and/or store their goods. By dealing directly with our customers, we are better able to fulfil their requirements and build customer loyalty to maintain and grow the existing business relationship, as well as to cross-sell other services to our customers when the opportunity arises.

Meanwhile, indirect distribution channel accounted for 26.4%, 28.1%, 27.6% and 31.7% of our total revenue respectively for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, where our customers mainly comprise other logistics service providers. Our indirect distribution channel strategy allows us to enlarge our customer base to include potential customers from a wider number of countries, including markets where we do not have a physical presence. Furthermore, the business relationships with other logistics service providers formed through the indirect distribution channel allow us to use their services to provide end-to-end logistics services in their respective countries.

The use of both the direct and indirect distribution channels would provide us with a platform for business sustainability and growth.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

(g) We have experienced Directors and key senior management team to grow our business

We have an experienced key senior management team headed by our Executive Director / Group Chief Executive Officer, Loo Yong Hui, who has approximately 8 years of experience in the logistics industry. He is supported by our key senior management team who brings with them extensive industry experience as well as our Non-Independent Non-Executive Director / Advisor, Loo Hooi Keat, who has approximately 24 years of experience in the logistics industry.

Our key senior management also bring with them extensive experience, as follows:

- Stephanie Lim Bee Hong, our Managing Director of the Southern Region (for container haulage, warehousing and freight forwarding divisions), who has approximately 32 years of experience in the logistics industry;
- David Poh Tatt Wei, our Executive Director of the Central Region (for inland distribution division), who has approximately 19 years of experience in the logistics industry;
- Esther Kee Chung Ching, our Group Chief Financial Officer, who has approximately 20 years of experience in accounting and finance, approximately 15 years of which was in the logistics industry;
- Mazlan Bin Abdul Jalil, our Executive Director of the Eastern Region (for container haulage, warehousing, freight forwarding and inland distribution divisions), who has approximately 16 years of experience in the logistics industry;
- Ng Chee Kin, our Executive Director of the Central Region (for warehousing, freight forwarding and cross-border transportation divisions), who has approximately 44 years of experience in the logistics industry;
- Tracy Neoh Lay Cheng, our Executive Director of the Northern Region (for container haulage division), who has approximately 23 years of experience in the logistics industry;
- Muhammad Roy Nunis Bin Abdullah, our Senior General Manager of the Group Human Resource & Administration and Health, Safety, Environment and Quality, who has approximately 31 years of experience in human resources management;
- Riznida Eliza Binti Hamzah, our Senior General Manager of the Group Legal, Corporate Services and Strategic Communications, has approximately 25 years of experience in the corporate legal field; and
- Thomas Ramadas, our Senior General Manager of the Central Region (for container haulage division), who has approximately 26 years of experience in the logistics industry.

We believe that our experienced Directors and key senior management team will provide the platform to assist us to capitalise on future growth opportunities.

Please refer to Sections 5.2.2 and 5.2.8 of this Prospectus for the profiles of our Directors and key senior management.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.3 Share capital and changes in share capital

As at the LPD, the issued share capital of our Company is RM228,042,131 comprising 122,110,267 Shares.

The changes in the issued share capital of our Company since its incorporation up to the LPD are as follows:

Shares

Date of allotment	No. of Shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of Shares
29 November 2000	10	Cash	10	10
4 December 2000	999,990	Cash	1,000,000	1,000,000
3 June 2011	7,000,000	Cash	8,000,000	8,000,000
20 September 2011	2,000,000	Cash + Otherwise than cash	10,000,000	10,000,000
1 December 2011	8,000,000	Cash	18,000,000	18,000,000
13 August 2012	5,000,000	Cash + Otherwise than cash	23,000,000	23,000,000
8 October 2012	2,000,000	Cash	25,000,000	25,000,000
8 July 2013	3,000,000	Otherwise than cash	28,000,000	28,000,000
31 December 2013	16,120,000	Cash + Otherwise than cash	48,044,000	44,120,000
29 May 2015	8,291,110	Cash + Otherwise than cash	58,822,443	52,411,110
4 May 2016	7,000,000	Cash	68,622,443	59,411,110
11 December 2017	1,295,992	Cash	71,915,263	60,707,102
22 June 2018	12,153,728	Cash	102,784,732	72,860,830
7 May 2021	7,241,919 (converted from RCPS)	Otherwise than cash	121,179,206	80,102,749
10 May 2021	42,007,518 (converted from CRLS)	Otherwise than cash	228,042,131	122,110,267
15 November 2021	Share split	Not Applicable	228,042,131	732,661,602

6. INFORMATION ON OUR GROUP (Cont'd)**PS**

Date of allotment / conversion / redemption	No. of PS allotted / converted / redeemed	Consideration	RM	No. of outstanding PS
12 May 2017 (allotment)	1,000 RPS ⁽¹⁾	Cash	1,000	1,000 RPS
31 December 2019 (allotment)	18,394,474 RCPS ⁽²⁾	Cash	18,394,474	1,000 RPS 18,394,474 RCPS
7 May 2021 (conversion)	18,394,474 RCPS ⁽²⁾ (converted to 7,241,919 Shares)	Otherwise than cash	18,394,474	1,000 RPS
10 May 2021 (redemption)	1,000 RPS	Not applicable		Nil

CRLS ⁽³⁾

Date of conversion	No. of CRLS converted	Consideration	RM	No. of outstanding CRLS
10 May 2021 (conversion)	106,862,842 (converted to 42,007,518 Shares)	Otherwise than cash	106,862,925	Nil

Notes:

(1) Pursuant to the Constitution of our Company, the salient terms of RPS in our Company include:

- An RPS holder is entitled to the RPS holder's investment percentage of dividends or other distribution payable by the company and will rank in priority to the ordinary shares to such dividends or distributions.
- An RPS holder is entitled to receive notice of, and attend all general meetings but shall not by reason of holding any RPS be entitled to vote that these meetings unless the business of the meeting is or includes, the consideration of a resolution to wind up the company, share capital reduction or variation of rights, privileges, limitation or restrictions attached to the RPS.

(2) Pursuant to the Constitution of our Company, the salient terms of RCPS in our Company include:

- The RCPS do not confer or carry any right to vote except matters relating to share capital reduction and/or winding up of the company.
- Redemption is exercisable by way of a redemption notice at a redemption price of a sum equivalent to 8% expected profit rate per annum on the RCPS issue price until the repayment date.
- An RCPS holder is entitled to convert all or part of the RCPS held into fully paid up new ordinary shares of the company or the listing entity of the company. The conversion price shall be RM2.54 and on conversion date shall cease to have any preference or priority.

6. INFORMATION ON OUR GROUP (Cont'd)

(3) The salient terms of the CRLS include:

- A CRLS holder is entitled to convert the CRLS held by it into ordinary shares at any time by written notice to the company at RM2.5439 per ordinary shares ("**Conversion Price**") in accordance with the shareholder agreement, and subject to any adjustments as may be mutually agreed between the company and the CRLS holders. Bluefin will be entitled to participate in a listing, sale or other exit event pursuant to the shareholders agreement in accordance with its percentage. In connection with this, CRLS carries the right to convert to share capital in the company, at the Conversion Price, immediately prior to such listing, sale or exit event.
- In the event the holder of the CRLS (who is an affiliate of Bluefin) ceases to be Bluefin's affiliate, the holder must transfer back all (and not part) of the CRLS to Bluefin or another affiliate of Bluefin.
- The CRLS is unsecured and not guaranteed. The CRLS is not subject to call or put option.

As at the LPD, our Company does not have any outstanding warrants, options, convertible securities or uncalled capital.

6.1.4 Share Split

We undertook a subdivision of all the existing Swift Haulage Shares in issue of 122,110,267 Swift Haulage Shares into 732,661,602 Swift Haulage Shares.

The purpose of the Share Split is to enhance the liquidity of Swift Haulage Shares at the time of our Listing.

Upon completion of the Share Split, we have 732,661,602 Swift Haulage Shares in issue where the shareholding structure of Swift Haulage before and after the Share Split are as follows:

	Before the Share Split		After the Share Split	
	No. of Swift Haulage Shares	%	No. of Swift Haulage Shares	%
Persada Bina	⁽¹⁾ 75,701,417	61.99	⁽²⁾ 454,208,502	61.99
KWAP	16,613,799	13.61	99,682,794	13.61
Bluefin	14,629,557	11.98	87,777,342	11.98
Kenanga Private Equity ⁽³⁾	5,162,828	4.23	30,976,968	4.23
Laserforms ⁽⁴⁾	4,889,993	4.00	29,339,958	4.00
Angka Dayamas ⁽⁵⁾	3,857,245	3.16	23,143,470	3.16
Glory Portfolio ⁽⁶⁾	1,173,370	0.96	7,040,220	0.96
Ng Chee Kin	82,058	0.07	492,348	0.07
Total	122,110,267	100.00	732,661,602	100.00

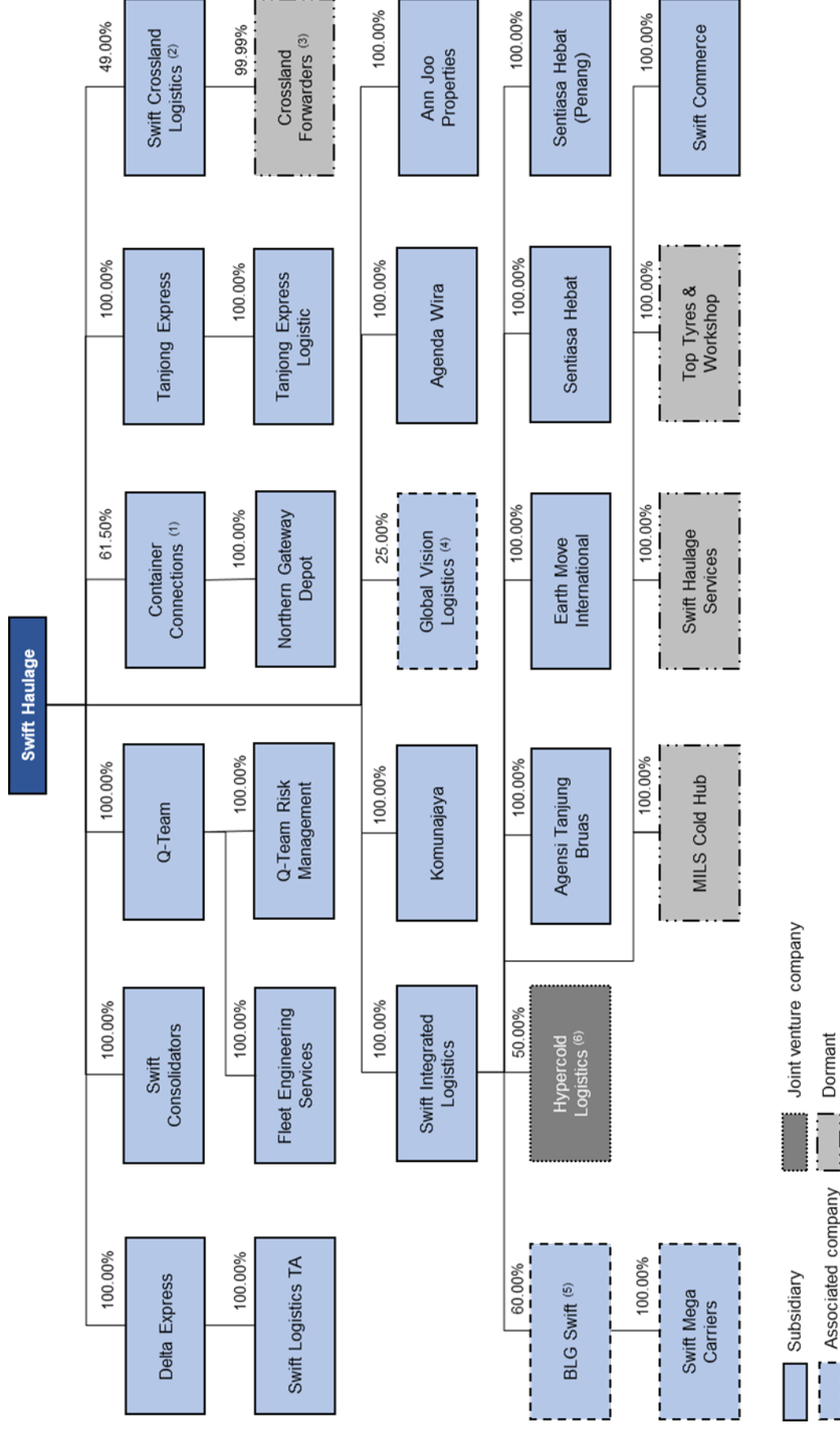
Notes:

- (1) 60,107,976 Shares are held in pledged securities accounts for Persada Bina.
- (2) 360,647,856 Shares are held in pledged securities accounts for Persada Bina.
- (3) The Shares are held in the nominee account of Kenanga Nominees (Tempatan) Sdn Bhd.
- (4) 99.83% shareholding in Laserforms is held by Robiah binti Mohamed while the remaining 0.17% shareholding is held by Sherman Riza Lai Chien-Yeen. The shareholders of Laserforms are not persons connected to the Promoters, Directors and substantial shareholders of our Group.
- (5) 98.00% of the ordinary shares in Angka Dayamas is held by Chan Choong Kong while the remaining 2.00% of the ordinary shares is held by Ong Chui Li. In addition, Chan Choong Kong also holds 8,087,998 preference shares in Angka Dayamas. The shareholders of Angka Dayamas are not persons connected to the Promoters, Directors and substantial shareholders of our Group.
- (6) 60.00% shareholding in Glory Portfolio is held by Chia Kwoon Meng while the remaining 40.00% shareholding is held by Chia Vivianne. The shareholders of Glory Portfolio are not persons connected to the Promoters, Directors and substantial shareholders of our Group.

6. INFORMATION ON OUR GROUP (Cont'd)

6.1.5 Group Structure

Our group structure including our associated companies before and after our IPO is as follows:



6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

(1) The remaining 38.50% shareholding in Container Connections is held by NV Freights (M) Sdn Bhd (a wholly-owned subsidiary of Tri-Mode System (M) Bernad) and Ong Chong Eng with shareholding of 30.00% and 8.50%, respectively. Ong Chong Eng and NV Freight (M) Sdn Bhd were existing shareholders of Container Connections at the time when our Company acquired 51.49% shareholding in Container Connections on 20 May 2015 from Container Connections Pte. Ltd. and Persada Bina, the then shareholders, and an additional 10% shareholding on 14 September 2020 from Fabulous Global Link Sdn Bhd. NV Freights (M) Sdn Bhd and Ong Chong Eng, who did not accept our Company's offer to acquire their equity interest in Container Connections, remained as shareholders while Ong Chong Eng was appointed as a director and the general manager to manage the day-to-day operations of Container Connections on 16 June 2015 following the acquisition of shareholding in Container Connections by our Company. NV Freights (M) Sdn Bhd is a shareholder of Container Connections, and 1 director on the board of directors of Container Connections is a representative of NV Freights (M) Sdn Bhd. NV Freights (M) Sdn Bhd is not involved in the day to day operations of Container Connections.

(2) The remaining 51.00% shareholding in Swift Crossland Logistics is held by Suwat Sukalapvanit and Kavee Phunratanamala with shareholding of 50.99% and 0.01%, respectively. Suwat Sukalapvanit and Kavee Phunratanamala are Thai persons and passive shareholders of Swift Crossland Logistics. Suwat Sukalapvanit and Kavee Phunratanamala have no relationship with our Company other than as shareholders of Swift Crossland Logistics.

Suwat Sukalapvanit holds Class A shares with 1 vote for each Class A share whereas Kavee Phunratanamala and Swift Haulage both hold Class B shares which comes with 2.43 votes for each Class B share. In accordance with the provisions under the Articles of Association of Swift Crossland Logistics, holders of Class A shares collectively are entitled to receive annual dividends at the rate of 30% of the dividend declaration each year, whereas holders of Class B shares collectively are entitled to receive annual accumulated dividends at the rate of 70% of the dividend declaration each year. As at the LPD, Swift Haulage's entitlement to annual dividend payment by Swift Crossland Logistics is 69.999% of the dividend declaration each year.

Our Group recognised Swift Crossland Logistics as a subsidiary and fully consolidates the financial statements of Swift Crossland Logistics. However, only 49% of the financial results is attributable to our Group based on the ownership interest in the form of equity interest. This is in view that our Group has control over the board and power to govern the activities of Swift Crossland Logistics which is established as:

- (i) Class B shares held by Swift Haulage come with 2.43 votes for each share, which gives Swift Haulage a total of 70% voting rights; and
- (ii) in accordance with the provisions under the Articles of Association of Swift Crossland Logistics, the board shall consist of 3 directors. Holders of Class A shares are entitled to nominate 1 director and holders of Class B shares collectively are entitled to nominate 2 directors based on a collective decision made by the majority votes of holders of Class B shares. As at LPD, the current board of Swift Crossland Logistics consists of 3 directors, 2 of which are nominated collectively by the holders of Class B shares, the decision of which Swift Haulage as the majority holder of Class B shares had concurred.

Our Thai legal counsel has confirmed that the above shareholding arrangement and differing voting and dividend rights for different classes of shares is in accordance with the laws of Thailand in particular as follows:

- (a) Swift Crossland Logistics has complied with the requirement under the Thailand Civil and Commercial Code that a limited liability company incorporated in Thailand is required to have at least 3 shareholders;

6. INFORMATION ON OUR GROUP (Cont'd)

- (b) under the Thailand Foreign Business Act B.E. 2542 (1999) ("FBA"), a foreign entity is an entity where a foreign individual or company holds the majority equity interest in a Thai limited company. Conversely, it is a requirement that a local Thai limited company must have the majority of its equity interest held by a Thai national. Swift Crossland Logistics is therefore not regarded as a foreign entity under the FBA as the majority of its shares are held by two Thai nationals. As such, the shareholding structure of Swift Crossland Logistics as set out above is in compliance with the FBA; and
 - (c) based on Section 36 of the FBA, which is only applicable to foreign entities, nominee shareholding structure is prohibited. Nonetheless, Section 36 of FBA is not applicable to Swift Crossland Logistics because it is regarded as a "Thai entity" as 51% of its shares are held by Thai nationality and therefore there is no breach of any anti-fronting law in Thailand by Swift Crossland Logistics.
- (3) The remaining 2 shares in Crossland Forwarders out of the total 50,000 shares are held by Srisant Chitvaranund and Suwat Sukalapvanit and both of them have negligible shareholdings, respectively in Crossland Forwarders. Suwat Sukalapvanit and Srisant Chitvaranund are Thai persons and passive shareholders of Crossland Forwarders. Our legal counsel for Thailand laws has confirmed that the shareholding structure of Crossland Forwarders is in compliance with the Thailand Civil and Commercial Code that a limited liability company incorporated in Thailand must have at least 3 shareholders. Srisant Chitvaranund and Suwat Sukalapvanit have no relationship with our Company other than as shareholders in Crossland Forwarders while Srisant Chitvaranund was formerly a Non-Executive Director of our Company.
- (4) The remaining 75.00% shareholding in Global Vision Logistics is held by Aspen Vision Properties Sdn Bhd, Hartamas Mentari Sdn Bhd and Ideal Force Sdn Bhd with shareholding of 30.0%, 30.0% and 15.0%, respectively. Aspen Vision Properties Sdn Bhd, Hartamas Mentari Sdn Bhd and Ideal Force Sdn Bhd are not persons connected to the Promoters, Directors and substantial shareholders of our Group.
- (5) The remaining 40.00% shareholding in BLG Swift is held by BLG Industrielogistik GMBH & Co KG (formerly known as BLG International Logistics GMBH & Co LG), a person who is not connected to the Promoters, Directors and substantial shareholders of our Group.

Our Group recognises BLG Swift as an associated company as we only have significant influence over the financial and operating policy decisions of BLG Swift. We have no control over the operational and financing activities of BLG Swift via our 60.00% voting rights based on the contractual arrangements i.e. shareholders' agreement, in which our Group is unable to nominate the Chief Executive Officer or such other key managing officer for the management of all the activities and operation of BLG Swift.
- (6) The remaining 50.00% shareholding in Hypercold Logistics is held by TASCO Yusen Cold Sdn Bhd which is a 70% subsidiary of TASCO Berhad, a cold chain logistics service provider in Malaysia. With their expertise, we intend to jointly develop new business opportunities in the cold chain logistics business in Kota Kinabalu, Sabah.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2 INFORMATION ON OUR SUBSIDIARIES, JOINT VENTURE COMPANY AND ASSOCIATED COMPANIES

6.2.1 Agenda Wira

(a) Background, history and principal activities

Agenda Wira (Registration No. 200001010037 (512643-V)) was incorporated on 26 April 2000 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Agenda Wira is principally involved in the provision of container haulage and freight forwarding agency services. Agenda Wira commenced operations in 2000 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Agenda Wira is RM500,000 comprising 500,000 ordinary shares.

The changes in the issued share capital of Agenda Wira since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
26 April 2000	2	Cash	2	2
17 June 2000	49,998	Cash	50,000	50,000
22 November 2000	350,000	Cash	400,000	400,000
9 January 2014	100,000	Otherwise than cash	500,000	500,000

As at the LPD, Agenda Wira does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Agenda Wira is a wholly-owned direct subsidiary of Swift Haulage.

As at the LPD, the directors of Agenda Wira are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Abd Razak Bin Samad and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Agenda Wira does not have any subsidiary, associate company or joint venture.

6. INFORMATION ON OUR GROUP (Cont'd)**6.2.2 Agensi Tanjung Bruas****(a) Background, history and principal activities**

Agensi Tanjung Bruas (Registration No. 199401017777 (303455-P)) was incorporated on 9 June 1994 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Agensi Tanjung Bruas is principally involved in the provision of freight forwarding agency services. Agensi Tanjung Bruas commenced operations in 1994 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Agensi Tanjung Bruas is RM100,000 comprising 100,000 ordinary shares.

The changes in the issued share capital of Agensi Tanjung Bruas since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
9 June 1994	3	Cash	3	3
17 June 1994	9,997	Cash	10,000	10,000
20 September 2004	50,000	Cash	60,000	60,000
22 September 2004	40,000	Cash	100,000	100,000

As at the LPD, Agensi Tanjung Bruas does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Agensi Tanjung Bruas is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of Agensi Tanjung Bruas are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Muhammad Roy Nunis bin Abdullah and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Agensi Tanjung Bruas does not have any subsidiary, associate company or joint venture.

6.2.3 Ann Joo Properties**(a) Background, history and principal activities**

Ann Joo Properties (Registration No. 198001002486 (56270-K)) was incorporated on 18 March 1980 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Ann Joo Properties is principally involved in investment holding of property. Ann Joo Properties commenced operations in 1980 with its principal place of business in Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)**(b) Share capital**

As at the LPD, the issued share capital of Ann Joo Properties is RM10,000,000.00 comprising 10,000,000 ordinary shares.

The changes in the issued share capital of Ann Joo Properties since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
18 March 1980	2	Cash	2	2
10 January 1984	1,199,998	Otherwise than cash	1,200,000	1,200,000
31 December 2015	8,800,000	Cash	10,000,000	10,000,000

As at the LPD, Ann Joo Properties does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Ann Joo Properties is a wholly-owned direct subsidiary of Swift Haulage.

As at the LPD, the directors of Ann Joo Properties are Loo Yong Hui and Kee Chung Ching.

(d) Subsidiary, associate company and joint venture

Ann Joo Properties does not have any subsidiary, associate company or joint venture.

6.2.4 Container Connections**(a) Background, history and principal activities**

Container Connections (Registration No. 200901035560 (878678-K)) was incorporated on 11 November 2009 in Malaysia under the Companies Act 1965 as a private limited company under the name of Container Connections (PK) Sdn Bhd and deemed registered under the Act. It changed its name to Container Connections (M) Sdn Bhd on 23 November 2009.

Container Connections is principally involved in the provision of container depot services and investment holding. Container Connections commenced operations in 2010 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Container Connections is RM2,350,000.00 comprising 2,350,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Container Connections since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
11 November 2009	2	Cash	2	2
30 April 2010	999,998	Cash	1,000,000	1,000,000
23 December 2010	1,000,000	Cash	2,000,000	2,000,000
20 February 2014	350,000	Otherwise than cash	2,350,000	2,350,000

As at the LPD, Container Connections does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholders and Directors

As at the LPD, the shareholders of Container Connections and their shareholdings in are as follows:

Name	No. of ordinary shares held	%
Swift Haulage	1,445,000	61.49
Ong Chong Eng	200,000	8.51
NV Freights (M) Sdn Bhd	705,000	30.00
Total	2,350,000	100.00

As at the LPD, the directors of Container Connections are Loo Yong Hui, Ong Chong Eng and Dato' Hew Han Seng.

(d) Subsidiary, associate company and joint venture

Container Connections has 1 wholly-owned direct subsidiary namely Northern Gateway Depot. Container Connections does not have any associate company or joint venture.

6.2.5 Crossland Forwarders

(a) Background, history and principal activities

Crossland Forwarders (Registration No. 0105555016360) was incorporated on 1 February 2012 in Thailand as a private limited company under its present name and deemed registered under the laws of Thailand.

Crossland Forwarders has ceased its business operations since early 2014.

(b) Share capital

As at the LPD, the issued share capital of Crossland Forwarders is Baht 5,000,000 comprising a total of 50,000 ordinary shares with a par value of Baht 100.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Crossland Forwarders since its incorporation up to the LPD are as follows:

Date of allotment	Registered capital Baht	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
				Baht	No. of ordinary shares
1 February 2012	5,000,000	12,500	Cash	1,250,000	12,500
14 June 2013	5,000,000	37,500	Cash	5,000,000	50,000

As at the LPD, Crossland Forwarders does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholders and Directors

As at the LPD, the shareholders of Crossland Forwarders and their shareholdings in Crossland Forwarders are as follows:

Name	No. of ordinary shares held	%
Swift Crossland Logistics	49,998	99.99
Srisant Chitvaranund	1	*
Suwat Sukalapvanit	1	*
Total	50,000	100.00

Note:

* Negligible

As at the LPD, the directors of Crossland Forwarders are Srisant Chitvaranund, Kavee Phunratnamala and Suwat Sukalapvanit.

(d) Subsidiary, associate company and joint venture

Crossland Forwarders does not have any subsidiary, associate company or joint venture.

6.2.6 Delta Express

(a) Background, history and principal activities

Delta Express (Registration No. 199601035329 (407682-V)) was incorporated on 25 October 1996 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Delta Express is principally involved in the provision of freight forwarding agency services and investment holding. Delta Express commenced operations in 1997 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Delta Express is RM1,000,000 comprising 1,000,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Delta Express since its incorporation up to the LPD are as follows:

Ordinary shares

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
25 October 1996	2	Cash	2	2
19 March 1997	149,998	Cash	150,000	150,000
9 June 1998	160,000	Cash	310,000	310,000
23 November 1998	53,000	Cash	363,000	363,000
1 February 2001	137,000	Cash	500,000	500,000
23 January 2006	500,000	Cash	1,000,000	1,000,000

RPS

Date of allotment / redemption	No. of RPS allotted / redeemed	Consideration	Cumulative issued share capital	
			RM	No. of outstanding RPS
22 November 2013 (allotment)	20,000,000 (allotted)	Cash	1,200,000 (consideration for RPS)	20,000,000
17 April 2017 (redemption)	20,000,000 (redeemed out of profits)	Not applicable	1,000,000 (redemption sum)	Nil

As at the LPD, Delta Express does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Delta Express is a wholly-owned direct subsidiary of Swift Haulage.

As at the LPD, the directors of Delta Express are Abd Razak bin Samad, Zulkifli bin Sarkam and Ng Chee Kin.

(d) Subsidiary, associate company and joint venture

Delta Express has 1 wholly-owned direct subsidiary, namely Swift Logistics TA. Delta Express does not have any associate company or joint venture.

6.2.7 Earth Move International

(a) Background, history and principal activities

Earth Move International (Registration No. 201401037787 (1113932-X)) was incorporated on 17 October 2014 in Malaysia under the Companies Act 1965 as a private limited company under the name of Earth Move Sdn Bhd and deemed registered under the Act. It changed its name to Earth Move International Sdn Bhd on 23 April 2015.

6. INFORMATION ON OUR GROUP (Cont'd)

Earth Move International is principally involved in the provision of freight forwarding services. Earth Move International commenced operations in 2014 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Earth Move International is RM100 comprising 100 ordinary shares.

There are no changes in the issued share capital of Earth Move International since its incorporation up to the LPD.

As at the LPD, Earth Move International does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Earth Move International is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of Earth Move International are Kee Chung Ching and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Earth Move International does not have any subsidiary, associate company or joint venture.

6.2.8 Fleet Engineering Services

(a) Background, history and principal activities

Fleet Engineering Services (Registration No. 197801001897 (38927-H)) was incorporated on 22 April 1978 in Malaysia under the Companies Act 1965 as a private limited company under the name of Containercare Sdn Bhd and deemed registered under the Act. It changed its name to Integrated Resources Sdn Bhd on 17 June 1983, and further changed its name to Freight Resources Sdn Bhd on 13 October 1986, Sealandair Resources Sdn Bhd on 10 April 1990 and finally to its present name of Fleet Engineering Services Sdn Bhd on 25 November 1995.

Fleet Engineering Services is principally involved in the provision of repair, maintenance and configuration of commercial vehicle superstructures. Fleet Engineering Services commenced operations in 1979 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Fleet Engineering Services is RM4,000,000 comprising 4,000,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Fleet Engineering Services since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
22 April 1978	3	Cash	3	3
1 March 1979	50,000	Cash	50,003	50,003
17 October 1980	149,997	Cash	200,000	200,000
21 January 1981	150,000	Cash	350,000	350,000
5 April 1996	3,650,000	Cash	4,000,000	4,000,000

As at the LPD, Fleet Engineering Services does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Fleet Engineering Services is a wholly-owned direct subsidiary of Q-Team.

As at the LPD, the directors of Fleet Engineering Services are Ang Han Sin and Kong Mee Kun.

(d) Subsidiary, associate company and joint venture

Fleet Engineering Services does not have any subsidiary, associate company or joint venture.

6.2.9 Komunajaya

(a) Background, history and principal activities

Komunajaya (Registration No. 199801003407 (459533-T)) was incorporated on 20 March 1998 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Komunajaya is principally involved in the provision of fabrication, repair and maintenance of trailers. Komunajaya commenced operations in 2000 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Komunajaya is RM300,000 comprising 300,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Komunajaya since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
20 March 1998	2	Cash	2	2
18 May 1998	99,998	Cash	100,000	100,000
24 July 2008	200,000	Otherwise than cash	300,000	300,000

As at the LPD, Komunajaya does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Komunajaya is a wholly-owned direct subsidiary of Swift Haulage, in which Swift Haulage holds the beneficial interest of the ordinary shares through UOBM Nominees (Tempatan) Sdn Bhd.

As at the LPD, the directors of Komunajaya are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Muhammad Roy Nunis bin Abdullah and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Komunajaya does not have any subsidiary, associate company or joint venture.

6.2.10 MILS Cold Hub**(a) Background, history and principal activities**

MILS Cold Hub (Registration No. 200801011569 (812857-K)) was incorporated on 8 April 2008 in Malaysia under the Companies Act 1965 as a private limited company under the name of Good Zone Sdn Bhd and deemed registered under the Act. It changed its name to MILS-Seafrigo Cold Chain Logistics Sdn Bhd on 16 July 2008 and finally to its present name of MILS Cold Hub Sdn Bhd on 24 July 2013.

MILS Cold Hub has ceased operation and the intended future business activity is providing cold chain logistics services. MILS Cold Hub commenced operations in 2008 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of MILS Cold Hub is RM4,000,000 comprising 4,000,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of MILS Cold Hub since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
8 April 2008	2	Cash	2	2
31 December 2008	3,999,998	Cash	4,000,000	4,000,000

As at the LPD, MILS Cold Hub does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, MILS Cold Hub is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of MILS Cold Hub are Kee Chung Ching and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

MILS Cold Hub does not have any subsidiary, associate company or joint venture.

6.2.11 Northern Gateway Depot

(a) Background, history and principal activities

Northern Gateway Depot (Registration No. 201401004701 (1080775-V)) was incorporated on 14 February 2014 in Malaysia under the Companies Act 1965 as a private limited company under the name of Sentiasa Hebat Logistics Group Sdn Bhd and deemed registered under the Act. It changed its name to Sentiasa Hebat Depot Sdn Bhd on 26 March 2015 and finally to its present name of Northern Gateway Depot Sdn Bhd on 10 August 2018.

Northern Gateway Depot is principally involved in the provision of container depot services. Northern Gateway Depot commenced operations in 2015 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Northern Gateway Depot is RM100,000 comprising 100,000 ordinary shares.

The changes in the issued share capital of Northern Gateway Depot since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
14 February 2014	2	Cash	2	2
23 September 2016	99,998	Cash	100,000	100,000

As at the LPD, Northern Gateway Depot does not have any outstanding warrants, options, convertible securities or uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Shareholder and Directors

As at the LPD, Northern Gateway Depot is a wholly-owned direct subsidiary of Container Connections.

As at the LPD, the directors of Northern Gateway Depot are Loo Yong Hui, Dato' Hew Han Seng and Ong Chong Eng.

(d) Subsidiary, associate company and joint venture

Northern Gateway Depot does not have any subsidiary, associate company or joint venture.

6.2.12 Q-Team

(a) Background, history and principal activities

Q-Team (Registration No. 200401000323 (638826-D)) was incorporated on 6 January 2004 in Malaysia under the Companies Act 1965 as a private limited company under the name of Innomier Construction Sdn Bhd and deemed registered under the Act. It changed its name to Q-Team Sdn Bhd on 7 June 2004.

Q-Team is principally involved in the provision of sales, service and spare parts for commercial vehicles, tyre re-treading and investment holding. Q-Team commenced operations in 2004 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Q-Team is RM750,000 comprising 750,000 ordinary shares.

The changes in the issued share capital of Q-Team since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
6 January 2004	2	Cash	2	2
15 September 2004	299,998	Cash	300,000	300,000
1 July 2005	200,000	Cash	500,000	500,000
6 December 2006	250,000	Cash	750,000	750,000

As at the LPD, Q-Team does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Q-Team is a wholly-owned direct subsidiary of Swift Haulage.

As at the LPD, the directors of Q-Team are Ang Han Sin and Kong Mee Kun.

(d) Subsidiaries, associate company and joint venture

Q-Team has 2 wholly-owned direct subsidiaries, namely Q-Team Risk Management and Fleet Engineering Services.

As at the LPD, Q-Team does not have any associate company or joint venture.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.13 Q-Team Risk Management

(a) Background, history and principal activities

Q-Team Risk Management (Registration No. 201001039993 (923918-M)) was incorporated on 1 December 2010 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Q-Team Risk Management is principally involved in the provision of general insurance agency services. Q-Team Risk Management commenced operations in 2011 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Q-Team Risk Management is RM2 comprising 2 ordinary shares.

There are no changes in the issued share capital of Q-Team Risk Management since its incorporation up to the LPD.

As at the LPD, Q-Team Risk Management does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Q-Team Risk Management is a wholly-owned direct subsidiary of Q-Team.

As at the LPD, the directors of Q-Team Risk Management are Ahmad Syahir bin Safihi and Ang Han Sin.

(d) Subsidiary, associate company and joint venture

Q-Team Risk Management does not have any subsidiary, associate company or joint venture.

6.2.14 Sentiasa Hebat

(a) Background, history and principal activities

Sentiasa Hebat (Registration No. 200301030539 (632959-D)) was incorporated on 31 October 2003 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Sentiasa Hebat is principally involved in the provision of container haulage services. Sentiasa Hebat commenced operations in 2004 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Sentiasa Hebat is RM2,500,000 comprising 2,500,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Sentiasa Hebat since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
31 October 2003	2	Cash	2	2
25 November 2004	499,998	Cash	500,000	500,000
29 July 2011	2,000,000	Cash	2,500,000	2,500,000

As at the LPD, Sentiasa Hebat does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Sentiasa Hebat is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of Sentiasa Hebat are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Muhammad Roy Nunis bin Abdullah and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Sentiasa Hebat does not have any subsidiary, associate company or joint venture.

6.2.15 Sentiasa Hebat (Penang)

(a) Background, history and principal activities

Sentiasa Hebat (Penang) (Registration No. 201301009805 (1039647-P)) was incorporated on 25 March 2013 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Sentiasa Hebat (Penang) is principally involved in the container haulage services. Sentiasa Hebat (Penang) commenced operations in 2013 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Sentiasa Hebat (Penang) is RM500,000 comprising 500,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Sentiasa Hebat (Penang) since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
25 March 2013	3	Cash	3	3
19 April 2013	499,997	Cash	500,000	500,000

As at the LPD, Sentiasa Hebat (Penang) does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Sentiasa Hebat (Penang) is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of Sentiasa Hebat are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Mohd Roy Nunis bin Abdullah and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Sentiasa Hebat (Penang) does not have any subsidiary, associate company or joint venture.

6.2.16 Swift Commerce

(a) Background, history and principal activities

Swift Commerce (Registration No. 197301003281 (16730-D)) was incorporated on 10 December 1973 in Malaysia under the Companies Act 1965 as a private limited company under the name of MISC Costal Services Sdn Bhd and deemed registered under the Act. It changed its name to MISC Warehouse Services Sdn Bhd on 7 July 1990, further changed its name to MISC Trucking and Warehousing Services Sdn Bhd on 27 May 1993, Swift Trucking and Warehousing Services Sdn Bhd on 11 November 2016 and finally to its present name of Swift Commerce Sdn Bhd on 29 May 2020.

Swift Commerce is principally involved in the e-commerce retailing. Swift Commerce commenced operations in 1974 with its principal place of business in Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Share capital

As at the LPD, the issued share capital of Swift Commerce is RM22,500,000 comprising 22,500,000 ordinary shares.

The changes in the issued share capital of Swift Commerce since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
10 December 1973	2	Cash	2	2
11 April 1974	999,998	Cash	1,000,000	1,000,000
22 December 1980	2,000,000	Otherwise than cash	3,000,000	3,000,000
12 August 1983	7,000,000	Otherwise than cash	10,000,000	10,000,000
3 October 1990	2,500,000	Otherwise than cash	12,500,000	12,500,000
12 July 1993	10,000,000	Cash	22,500,000	22,500,000

As at the LPD, Swift Commerce does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Swift Commerce is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of Swift Commerce are Kee Chung Ching and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Swift Commerce does not have any subsidiary, associate company or joint venture.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.17 Swift Consolidators

(a) Background, history and principal activities

Swift Consolidators (Registration No. 200001007142 (509747-M)) was incorporated on 31 March 2000 in Malaysia under the Companies Act 1965 as a private limited company under the name of Macro Logistics (M) Sdn Bhd and deemed registered under the Act. It changed its name to Swift Consolidators Sdn Bhd on 18 May 2015.

Swift Consolidators is principally involved in the provision of freight forwarding services. Swift Consolidators commenced operations in 2000 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Swift Consolidators is RM500,000 comprising 500,000 ordinary shares.

The changes in the issued share capital of Swift Consolidators since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
31 March 2000	2	Cash	2	2
7 April 2000	299,998	Cash	300,000	300,000
31 December 2001	100,000	Cash	400,000	400,000
27 August 2004	100,000	Cash	500,000	500,000

As at the LPD, Swift Consolidators does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Swift Consolidators is a wholly-owned direct subsidiary of Swift Haulage.

As at the LPD, the directors of Swift Commerce are Ng Chee Kin and Kong Mee Kun.

(d) Subsidiary, associate company and joint venture

Swift Consolidators does not have any subsidiary, associate company or joint venture.

6. INFORMATION ON OUR GROUP (Cont'd)**6.2.18 Swift Crossland Logistics****(a) Background, history and principal activities**

Swift Crossland Logistics (Registration No. 0105555016190) was incorporated on 1 February 2012 in Thailand as a private limited company under the name of Crossland Logistics Co., Ltd and deemed registered under the laws of Thailand. It changed its name to Swift Crossland Logistics Co Ltd on 22 December 2017.

Swift Crossland Logistics. is principally in the business of transportation, commodities and passengers holding by means of land, sea, air, domestically and internationally, including shipping service for the customs clearance and all kinds of freights. Swift Crossland Logistics commenced operations in 2012 with its principal place of business in Thailand.

(b) Share capital

As at the LPD, the issued share capital of Swift Crossland Logistics is Baht 43,530,000 comprising a total of 435,300 shares with a par value of Baht 100 divided into 222,000 ordinary shares (Class A shares) and 213,300 preference shares (Class B shares).

The changes in the issued share capital of Swift Crossland Logistics since its incorporation up to the LPD are as follows:

Date of allotment	Registered capital Baht	No. of shares allotted	Consideration	Cumulative issued share capital	
				Baht	No. of shares
Class A shares ⁽¹⁾					
1 February 2012	100,000	1,000	Cash	25,000	1,000
10 April 2012	43,000,000	203,000	Cash	20,400,000	204,000
24 June 2013	43,530,000	18,000	Cash	22,200,000	222,000
Class B shares ⁽²⁾					
10 April 2012	43,000,000	196,000	Cash	19,600,000	196,000
24 June 2013	43,530,000	17,300	Cash	21,330,000	213,300
Total shares				43,530,000	435,300

Notes:

- (1) A shareholder of Class A shares has 1 vote for each share and has the right to receive dividend payment at the rate of 30% of dividend declaration each year.
- (2) A shareholder of Class B shares has 2.43 votes for each share and has the right to receive dividend payment prior to the shareholder of Class A shares at the rate of 70% of dividend declaration each year.

As at the LPD, Swift Crossland Logistics does not have any outstanding warrants, options, convertible securities or uncalled capital.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Shareholders and Directors

As at the LPD, the shareholders of Swift Crossland Logistics and their shareholdings in Swift Crossland Logistics are as follows:

Name	No. of shares held	%
Class A shares		
Suwat Sukalapvanit	222,000	50.99
Class B shares		
Swift Haulage	213,297	49.00
Kavee Phunratnamala	3	0.01
Total	435,300	100.00

As at the LPD, the directors of Swift Crossland Logistics are Srisant Chitvaranund, Kavee Phunratnamala and Suwat Sukalapvanit.

(d) Subsidiary, associate company and joint venture

Swift Crossland Logistics has a direct subsidiary namely Crossland Forwarders. Swift Crossland Logistics does not have any associate company or joint venture.

6.2.19 Swift Haulage Services

(a) Background, history and principal activities

Swift Haulage Services (Registration No. 198301016629 (112038-H)) was incorporated on 24 December 1983 in Malaysia under the Companies Act 1965 as a private limited company under the name of Magat Satu Sdn Bhd and deemed registered under the Act. It changed its name to MISC Haulage Services Sdn Bhd on 28 June 1990 and finally to its present name of Swift Haulage Services Sdn Bhd on 11 November 2016.

Swift Haulage Services has ceased operations and the intended future business activities are to provide container haulage and land transportation services. Swift Haulage Services commenced operations in 1990 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Swift Haulage Services is RM40,000,000 comprising 40,000,000 ordinary shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Swift Haulage Services since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
24 December 1983	2	Cash	2	2
22 August 1990	4,999,998	Cash	5,000,000	5,000,000
12 January 1991	13,750,000	Cash	18,750,000	18,750,000
14 May 1991	6,250,000	Cash	25,000,000	25,000,000
1 June 1992	15,000,000	Cash	40,000,000	40,000,000

As at the LPD, Swift Haulage Services does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Swift Haulage Services is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of Swift Haulage Services are Kee Chung Ching and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Swift Haulage Services does not have any subsidiary, associate company or joint venture.

6.2.20 Swift Integrated Logistics

(a) Background, history and principal activities

Swift Integrated Logistics (Registration No. 198301016627 (112036-P)) was incorporated on 24 December 1983 in Malaysia under the Companies Act 1965 as a private limited company under the name of Magat Dua Sdn Bhd and deemed registered under the Act. It changed its name to MISC Container Services Sdn Bhd on 28 September 1992, further changed its name to MISC Engineering and Marine Services Sdn Bhd on 1 July 1996, MISC Integrated Logistics Sdn Bhd on 4 April 2001 and finally to its present name of Swift Integrated Logistics Sdn Bhd on 11 November 2016.

Swift Integrated Logistics is principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and container depot, and freight forwarding agency services, and investment holding. Swift Integrated Logistics commenced operations in 1992 with its principal place of business in Malaysia.

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Share capital

As at the LPD, the issued share capital of Swift Integrated Logistics is RM352,848,600 comprising 20,000,000 ordinary shares and 332,848,600 RCPS.

The changes in the issued share capital of Swift Integrated Logistics since its incorporation up to the LPD are as follows:

Ordinary shares

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
24 December 1983	2	Cash	2	2
22 September 1992	2,999,998	Cash	3,000,000	3,000,000
27 March 2007	17,000,000	Cash	20,000,000	20,000,000

RCPS ⁽¹⁾

Date of allotment / redemption	No. of RCPS	Consideration	Cumulative issued share capital	
			RM	No. of outstanding RCPS
27 March 2007 (allotment)	57,750,000	Otherwise than cash	57,750,000	57,750,000
28 September 2007 (allotment)	24,110,000	Otherwise than cash	81,860,000	81,860,000
28 August 2008 (allotment)	91,140,000	Otherwise than cash	173,000,000	173,000,000
31 March 2009 (allotment)	74,366,000	Otherwise than cash	247,366,000	247,366,000
28 March 2011 (allotment)	85,482,600	Otherwise than cash	332,848,600	332,848,600

Note:

- (1) Pursuant to the Memorandum and Articles of Association of Swift Integrated Logistics, the salient terms of the RCPS are as follows:
- RCPS holder is entitled to non-cumulative dividend at net 5% per annum and dividend payment will be at the option of the company.
 - The RCPS is redeemable at the nominal of RM1.00 each and by way of a redemption notice and the holder of RCPS may convert the shares into ordinary shares upon giving the company 1 months' written notice of such intention to convert.

6. INFORMATION ON OUR GROUP (Cont'd)**(c) Shareholder and Directors**

As at the LPD, Swift Integrated Logistics is a wholly-owned direct subsidiary of Swift Haulage.

As at the LPD, the directors of Swift Integrated Logistics are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Loo Yong Hui, Loo Hooi Keat, Muhammad Roy Nunis bin Abdullah and Syed Yazid bin Syed Omar.

(d) Subsidiaries, associate companies and joint venture

Swift Integrated Logistics has 8 subsidiaries, 1 associate company and 1 joint venture company, the details of which are as follows:

Companies	Date and place of incorporation	Principal place of business	Date of commencement of business	Issued share capital (RM)	Effective equity interest (%)	Principal activities
Agensi Tanjung Bruas 199401017777 (303455-P)	9 June 1994 / Malaysia	Malaysia	1994	100,000	100.00	Freight forwarding agency services
Earth Move International 201401037787 (1113932-X)	17 October 2014 / Malaysia	Malaysia	2014	100	100.00	Freight forwarding services
MILS Cold Hub 200801011569 (812857-K)	8 April 2008 / Malaysia	Malaysia	2008	4,000,000	100.00	Ceased operation and the intended future business activity is providing cold chain logistic services
Sentiasa Hebat 200301030539 (632959-D)	31 October 2003 / Malaysia	Malaysia	2004	2,500,000	100.00	Container haulage services
Sentiasa Hebat (Penang) 201301009805 (1039647-P)	25 March 2013 / Malaysia	Malaysia	2013	500,000	100.00	Container haulage services
Swift Commerce 197301003281 (16730-D)	10 December 1973 / Malaysia	Malaysia	1974	22,500,000	100.00	E-commerce retailing

6. INFORMATION ON OUR GROUP (Cont'd)

Companies	Date and place of incorporation	Principal place of business	Date of commencement of business	Issued share capital (RM)	Effective equity interest (%)	Principal activities
Swift Haulage Services 198301016629 (112038-H)	24 December 1983 / Malaysia	Malaysia	1990	40,000,000	100.00	Ceased operations and the intended future business activities are to provide container haulage and land transportation services
Top Tyres & Workshop 201101023806 (951942-D)	7 July 2011 / Malaysia	Malaysia	2011	500,000	100.00	Ceased operations and the intention is to strike-off the company
Associate company of Swift Integrated Logistics						
BLG Swift 200601034668 (754427-U)	24 November 2006 / Malaysia	Malaysia	2007	1,100,000	60.00 ⁽¹⁾	Investment holding and provision of automotive solutions and related integrated logistics services
Joint venture company of Swift Integrated Logistics						
Hypercold Logistics 200601029227 (748984-V)	29 September 2006 / Malaysia	Malaysia	2006	2,570,000	50.00	Provision of forwarding, logistics, chilled and frozen storage, transportation of goods and a distributor of all kinds of food

Note:

- (1) BLG Swift is deemed an associate company as Swift Integrated Logistics has no management control in BLG Swift.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.21 Swift Logistics TA

(a) Background, history and principal activities

Swift Logistics TA (Registration No. 197201000266 (11915-V)) was incorporated on 28 March 1972 in Malaysia under the Companies Act 1965 as a private limited company under the name of Interocean Lines (S.E.A.) Sdn Bhd and deemed registered under the Act. It changed its name to Nedlloyd EAC Agencies (Malaysia) Sdn Bhd on 23 March 1978, EAC Transport Agencies (Malaysia) Sdn Bhd on 28 December 1991, further changed its name to DKSH Transport Agencies (M) Sdn Bhd on 20 July 2005 and finally to its present name of Swift Logistics TA Sdn Bhd on 17 December 2013.

Swift Logistics TA is principally involved in the provision of freight forwarding agency services. Swift Logistics TA commenced operations in 1972 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Swift Logistics TA is RM2,716,872.00 comprising 25,000 ordinary shares.

The changes in the issued share capital of Swift Logistics TA since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
28 March 1972	500	Cash	50,000	500
3 February 1978	700	Cash	120,000	1,200
23 March 1978	800	Cash	200,000	2,000
15 April 1996	3,000	Cash	500,000	5,000
30 April 1997	5,000	Otherwise than cash	1,000,000	10,000
3 January 2001	800	Cash	1,296,872	10,800
31 December 2014	14,200	Cash	2,716,872	25,000

As at the LPD, Swift Logistics TA does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Swift Logistics TA is a wholly-owned direct subsidiary of Delta Express, in which Delta Express holds the beneficial interest of the ordinary shares through a pledged securities account under UOBM Nominees (Tempatan) Sdn Bhd.

As at the LPD, the directors of Swift Logistics TA are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Lim Bee Hong, and Abd Razak bin Samad.

(d) Subsidiary, associate company and joint venture

Swift Logistics TA does not have any subsidiary, associate company or joint venture.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.22 Tanjong Express

(a) Background, history and principal activities

Tanjong Express (Registration No. 199101010976 (221288-M)) was incorporated on 22 July 1991 in Malaysia under the Companies Act 1965 as a private limited company under its own name and is deemed registered under the Act.

Tanjong Express is principally involved in the provision of container haulage and land transportation services, and investment holding. Tanjong Express commenced operations in 1992 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Tanjong Express is RM9,121,680.15 comprising 1,500,000 ordinary shares.

The changes in the issued share capital of Tanjong Express since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
22 July 1991	2	Cash	2	2
19 September 1991	99,998	Cash	100,000	100,000
14 June 1993	180,000	Otherwise than cash	280,000	280,000
30 December 1993	150,000	Cash	430,000	430,000
3 July 1995	100,000	Cash	530,000	530,000
26 March 1997	60,000	Cash	1,264,400	590,000
26 March 1997	316,405	Cash	1,856,077	906,405
26 April 1997	240,000	Cash	4,793,677	1,146,405
1 October 1997	53,595	Cash	5,449,680	1,200,000
13 November 1997	300,000	Cash	9,121,680	1,500,000

As at the LPD, Tanjong Express does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Tanjong Express is a wholly-owned direct subsidiary of Swift Haulage, in which Swift Haulage holds the beneficial interest of the ordinary shares through a pledged securities account under UOBM Nominees (Tempatan) Sdn Bhd.

As at the LPD, the directors of Tanjong Express are Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Muhammad Roy Nunis bin Abdullah and Loo Yong Hui.

6. INFORMATION ON OUR GROUP (Cont'd)

(d) Subsidiary, associate company and joint venture

Tanjong Express has 1 wholly-owned direct subsidiary, namely Tanjong Express Logistic. Tanjong Express does not have any associate company and joint venture.

6.2.23 Tanjong Express Logistic

(a) Background, history and principal activities

Tanjong Express Logistic (Registration No. 199601003932 (376278-T)) was incorporated on 2 February 1996 in Malaysia under the Companies Act 1965 as a private limited company under its own name and is deemed registered under the Act.

Tanjong Express Logistic is principally involved in the provision of container haulage services. Tanjong Express Logistic commenced operations in 2000 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Tanjong Express Logistic is RM1,000,000 comprising 1,000,000 ordinary shares.

The changes in the issued share capital of Tanjong Express Logistic since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
2 February 1996	4	Cash	4	4
8 March 1996	499,996	Cash	500,000	500,000
1 April 2008	500,000	Cash	1,000,000	1,000,000

As at the LPD, Tanjong Express Logistic does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Tanjong Express Logistic is a wholly-owned direct subsidiary of Tanjong Express.

As at the LPD, the directors of Tanjong Express Logistic are Neoh Lay Cheng, Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Muhammad Roy Nunis bin Abdullah and Loo Yong Hui.

(d) Subsidiary, associate company and joint venture

Tanjong Express Logistic does not have any subsidiary, associate or joint venture.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.24 Top Tyres & Workshop

(a) Background, history and principal activities

Top Tyres & Workshop (Registration No. 201101023806 (951942-D)) was incorporated on 7 July 2011 in Malaysia under the Companies Act 1965 as a private limited company under its own name and is deemed registered under the Act.

Top Tyres & Workshop has ceased operations. Top Tyres & Workshop commenced operations in 2011 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Top Tyres & Workshop is RM500,000 comprising 500,000 ordinary shares.

The changes in the issued share capital of Top Tyres & Workshop since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
7 July 2011	3	Cash	3	3
3 October 2014	99,997	Cash	100,000	100,000
9 March 2015	400,000	Cash	500,000	500,000

As at the LPD, Top Tyres & Workshop does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Top Tyres & Workshop is a wholly-owned direct subsidiary of Swift Integrated Logistics.

As at the LPD, the directors of Top Tyres & Workshop are Loo Yong Hui and Kee Chung Ching.

(d) Subsidiary, associate company and joint venture

Top Tyres & Workshop does not have any subsidiary, associate company or joint venture.

6. INFORMATION ON OUR GROUP (Cont'd)

6.2.25 Hypercold Logistics

(a) Background, history and principal activities

Hypercold Logistics (Registration No. 200601029227 (748984-V)) was incorporated on 29 September 2006 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Hypercold Logistics is principally involved in the provision of forwarding, logistics, chilled and frozen storage, transportation of goods and a distributor of all kinds of food. Hypercold Logistics commenced operations in 2006 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Hypercold Logistics is RM2,570,000 comprising 2,570,000 ordinary shares.

The changes in the issued share capital of Hypercold Logistics since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
29 September 2006	5	Cash	5	5
27 October 2006	19,995	Cash	20,000	20,000
8 December 2006	150,000	Cash	170,000	170,000
6 April 2007	266,000	Cash	436,000	436,000
3 July 2007	140,000	Cash	576,000	576,000
15 November 2007	254,800	Cash	830,800	830,800
6 June 2008	169,200	Cash	1,000,000	1,000,000
2 July 2009	1,000,000	Cash	2,000,000	2,000,000
25 January 2011	570,000	Cash	2,570,000	2,570,000

As at the LPD, save and except as set out below, Hypercold Logistics does not have any outstanding warrants, options, convertible securities or uncalled capital:

Pursuant to a Shareholders Agreement dated 21 April 2021 (“SHA”) entered into between Swift Integrated Logistics and TASCOT Yusen Gold Cold Sdn Bhd, the non-defaulting shareholder shall have a call option to purchase the shares of Hypercold Logistics upon the occurrence of any event below:

- (i) a material breach of any of its obligations, terms, representations, warranties, covenants and/or undertakings under the SHA by the defaulting shareholder and the breach is not capable of being remedied or the defaulting shareholder does not remedy the breach within 14 business days of the written notice requiring to remedy the breach; or
- (ii) an insolvency event of the defaulting shareholder.

6. INFORMATION ON OUR GROUP (Cont'd)

The non-defaulting shareholder may exercise the call option by providing a written notice to the defaulting shareholder. The purchase price for the call option shares shall be 80% of the book value of the total net assets of Hypercold Logistics on the balance sheet as of the last day of the fiscal year immediately preceding the date when the call option notice has been served. The completion of the sale and purchase of the call option shares shall take place within 30 days from the date of the call option notice.

(c) Shareholders and Directors

As at the LPD, the shareholders of Hypercold Logistics and their shareholdings are as follows:

Name	No. of ordinary shares held	%
Swift Integrated Logistics	1,285,000	50.00
TASCO Yusen Gold Cold Sdn Bhd	1,285,000	50.00
Total	2,570,000	100.00

As at the LPD, the directors of Hypercold Logistics are Loo Yong Hui, Ng Chee Kin, Lim Jew Kiat and Tan Kim Yong.

(d) Subsidiary, associate company and joint venture

Hypercold Logistics does not have any subsidiary, associate company or joint venture.

6.2.26 BLG Swift**(a) Background, history and principal activities**

BLG Swift (Registration No. 200601034668 (754427-U)) was incorporated on 24 November 2006 in Malaysia under the Companies Act 1965 as a private limited company under the name of BLG MILS Logistics Sdn Bhd and deemed registered under the Act. It changed its name to BLG Swift Logistics Sdn Bhd on 28 November 2016.

BLG Swift is principally involved in the provision of investment holding and provision of automotive solutions and related integrated logistics services. BLG Swift commenced operations in 2007 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of BLG Swift is RM1,100,000 comprising 727,335 ordinary shares and 372,665 preference shares.

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of BLG Swift since its incorporation up to the LPD are as follows:

Ordinary shares

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
24 November 2006	2	Cash	2	2
15 February 2007	333,333	Cash	333,335	333,335
11 October 2007	394,000	Cash	727,335	727,335

Preference shares ⁽¹⁾

Date of allotment / redemption	No. of preference shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of outstanding preference shares
15 February 2007 (allotment)	166,665 (allotted)	Cash	166,665	166,665
11 October 2007 (allotment)	206,000 (allotted)	Cash	372,665	372,665

Note:

(1) The salient terms of the preference shares are as follows:

- The holder of preference shares does not have voting rights except on matters of winding-up, share capital reduction or any variation to the Articles of Association or proposition which affects the rights of the preference shares holders.
- The preference shares holder is entitled to dividend in priority and preference to any cash or non-cash dividend declared or paid in respect of ordinary shares. The aggregate amount of dividend payable shall be an amount equivalent to 33.33% of the total distributable income of the company.
- The preference shares are non-redeemable and non-convertible.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Shareholders and Directors

As at the LPD, the shareholders of BLG Swift and their shareholdings are as follows:

Name	No. of shares held	%
Swift Integrated Logistics	440,001 ordinary shares	60.00
BLG Industrielogistik GMBH & Co KG (formerly known as BLG International Logistics GMBH & Co KG)	287,334 ordinary shares 372,665 preference shares	40.00
Total		100.00

As at the LPD, the directors of BLG Swift are Loo Hooi Keat, Kai Olschner and Axel Peter Wikner.

(d) Subsidiary, associate company and joint venture

BLG Swift has 1 wholly-owned subsidiary, namely Swift Mega Carriers. BLG Swift does not have any associate company or joint venture.

6.2.27 Global Vision Logistics

(a) Background, history and principal activities

Global Vision Logistics (Registration No. 201701039137 (1253308-D)) was incorporated on 27 October 2017 in Malaysia under the Companies Act 1965 as a private limited company under its present name and deemed registered under the Act.

Global Vision Logistics is principally involved in the provision of warehousing services. Global Vision Logistics commenced operations in 2018 with its principal place of business in Malaysia.

(b) Share capital

As at the LPD, the issued share capital of Global Vision Logistics is RM75,200,002 comprising 2,500,000 ordinary shares and 7,495,000 RPS.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

The changes in the issued share capital of Global Vision Logistics since its incorporation up to the LPD are as follows:

Ordinary shares

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
27 October 2017	2	Cash	2	2
28 November 2017	2,499,998	Cash	250,002	2,500,000

RPS ⁽¹⁾

Date of allotment / redemption	No. of RPS	Consideration	Cumulative issued share capital	
			RM	No. of outstanding RPS
30 November 2017 (allotment)	1,975,000 (allotted)	Cash	19,750,000	1,975,000
25 July 2018 (allotment)	5,520,000 (allotted)	Cash	74,950,000	7,495,000

Note:

(1) The salient terms of RPS are as follows:

- Maturity date: The day falling 10 years from RPS issuance date unless tenure is extended by company and RPS holders. Based on the allotment forms, the RPS were issued on 30 November 2017 and 25 July 2018. Subject to company's confirmation, it is presumed that the maturity dates are 30 November 2027 and 25 July 2028.
- The RPS carry the right to cumulative preferential dividend at a rate of 80% p.a. per RPS.
- The RPS are not-convertible or exchangeable for shares of another class.
- Consent from financiers is required for redemption. The company may at any time, apply any profits in the redemption of RPS at its issue price during the tenure of RPS (10 years) at the Company's option, where not less than 7 BD written notice must be given. Any remaining RPS not redeemed at the maturity date shall be automatically redeemed by the company at issue price.
- Redemption price will be determined and to be mutually agreed upon by all shareholders.
- The company may redeem RPS on pro-rata basis at redemption price commencing from issuance date up to the maturity date, subject to no less than 7 business days' notice in writing must be given.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Shareholders and Directors

As at the LPD, the shareholders of Global Vision Logistics and their shareholdings are as follows:

Name	No. of shares held	%
Swift Haulage	625,000 ordinary shares 1,873,750 RPS	25.00
Aspen Vision Properties Sdn Bhd	750,000 ordinary shares 2,248,500 RPS	30.00
Hartamas Mentari Sdn Bhd	750,000 ordinary shares 2,248,500 RPS	30.00
Ideal Force Sdn Bhd	375,000 ordinary shares 1,124,250 RPS	15.00
Total		100.00

As at the LPD, the directors of Global Vision Logistics are Oh Kim Sun, Tan Jing Jeong, Loo Hooi Keat and Dato' Murly A/L Manokharan.

(d) Subsidiary, associate company and joint venture

Global Vision Logistics does not have any subsidiary, associate company or joint venture.

6.2.28 Swift Mega Carriers

(a) Background, history and principal activities

Swift Mega Carriers (Registration No. 198301017055 (112464-W)) was incorporated on 31 December 1983 in Malaysia under the Companies Act 1965 as a private limited company under the name of Malaysian Gas Tankers Sdn Bhd and deemed registered under the Act. It changed its name to MISC Properties Sdn Bhd on 22 June 1995, further changed its name to Swift Assets Sdn Bhd on 24 November 2016 and finally to its present name of Swift Mega Carriers Sdn Bhd on 22 May 2017.

Swift Mega Carriers is principally involved in the provision of transportation services. Swift Mega Carriers commenced operations in 1996 with its principal place of business in Malaysia.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

(b) Share capital

As at the LPD, the issued share capital of Swift Mega Carriers is RM2,450,000 comprising 2,450,000 ordinary shares.

The changes in the issued share capital of Swift Mega Carriers since its incorporation up to the LPD are as follows:

Date of allotment	No. of ordinary shares allotted	Consideration	Cumulative issued share capital	
			RM	No. of ordinary shares
31 December 1983	2	Cash	2	2
13 January 1996	249,998	Cash	250,000	250,000
21 October 2020	2,200,000	Otherwise than cash	2,450,000	2,450,000

As at the LPD, Swift Mega Carriers does not have any outstanding warrants, options, convertible securities or uncalled capital.

(c) Shareholder and Directors

As at the LPD, Swift Mega Carriers is a wholly-owned direct subsidiary of BLG Swift.

As at the LPD, the directors of Swift Mega Carriers are Loo Hooi Keat, Kai Olschner and Axel Peter Wikner.

(d) Subsidiary, associate company and joint venture

Swift Mega Carriers does not have any subsidiary, associate company or joint venture.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.3 CAPITAL EXPENDITURE AND MATERIAL INVESTMENTS AND DIVESTITURES

Capital expenditure

Save as disclosed below, there was no other material capital expenditure incurred by our Group for the Financial Years Under Review, FPE 2021 and up to the LPD:

Description	FYE 31 December			FPE	From 1 June 2021 up to the LPD
	2018	2019	2020	2021	
	RM'000	RM'000	RM'000	RM'000	RM'000
Freehold land ⁽¹⁾	4,489	-	-	-	-
Leasehold land ⁽²⁾	37,305	2,917	2,048	-	-
Buildings ⁽³⁾	239	5,571	4,950	182	-
Structure and renovation ⁽⁴⁾	3,354	7,237	720	1,901	252
Vehicles and mechanical equipment ⁽⁵⁾	77,786	73,885	40,332	16,211	6,522
Other vehicles ⁽⁶⁾	650	313	2,808	492	-
Furniture, fittings and office equipment	773	944	1,040	122	65
Computers and peripherals	1,312	1,806	934	502	242
Containers	-	390	235	383	647
Work-in-progress ⁽⁷⁾	6,802	7,658	9,399	17,115	17,319
Total	132,710	100,721	62,466	36,908	25,047

Notes:

- (1) For the acquisition of a 66,704 sq. ft. freehold land in Bukit Beruntung, Selangor, for the purpose of our Group's transportation yard.
- (2) The cost incurred are mainly in relation to:
 - (i) Extension of lease period of a land in Mukim Tebrau, Johor in FYE 2018;
 - (ii) Earthwork on existing land for prime mover parking yard in Port Klang, Selangor in FYE 2019; and
 - (iii) Earthwork on existing land for prime mover parking yard in Pulau Indah, Selangor in FYE 2020.
- (3) The purchase of office space in Intan Millennium Square 2 (IMS 2), Klang, Selangor as follows:
 - (i) Suite 8.01 (built-up area of 13,993 sq. ft.) during FYE 2019; and
 - (ii) Suite 8.02 (built-up area of 14,089 sq. ft.) during FYE 2020.

6. INFORMATION ON OUR GROUP (Cont'd)

- (4) Cost incurred are mainly for upgrading works on yard as follows:
- (i) Bare land upgrading works to concrete pavement at Lot 3 Northport (Port Klang) during FYE 2018;
 - (ii) Bare land upgrading works to interlocking concrete pavers at Lot 23, Northport (Port Klang) and Lot 87989, Westport (Port Klang) during FYE 2019; and
 - (iii) Upgrading works to premix road at Lot 2939-2941, 2946-2954, Mak Mandin, Penang during FPE 2021.
- (5) Mainly arising from the purchase of vehicles for our container haulage and transportation business segments as set out below:

	FYE 31 December			FPE	From 1 June 2021 up to the LPD
	2018	2019	2020	2021	
	Unit	Unit	Unit	Unit	Unit
Prime movers	145	160	47	37	17
Trailers	451	116	199	29	67

- (6) Cost incurred in relation to the purchase of 20 units of trucks in FYE 2020.
- (7) Work-in-progress for the respective financial years and as at the LPD mainly comprises:
- (i) Earthworks on Lots 10480 and 10481, Bukit Beruntung, Selangor and Lot 19298, Sijangkang, Selangor during FYE 2018;
 - (ii) Construction cost of our workshop and property in Pasir Gudang, Johor and fabrication cost of trailer respectively during FYE 2019;
 - (iii) Renovation of our office in Butterworth, construction cost of our warehouse in Tebrau, Johor and fabrication cost of trailers during FYE 2020; and
 - (iv) Construction cost of our warehouse in Tebrau, Johor and Mak Mandin, Penang during FPE 2021 and up to the LPD.

Our material capital expenditure was primarily funded via a combination of bank borrowings and internally generated funds.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

Save as disclosed below, there were no other material capital divestiture and write-offs made by our Group for the Financial Years Under Review, FPE 2021 and up to the LPD:

Description	FYE 31 December			FPE	From 1 June 2021 up to the LPD
	2018	2019	2020	2021	
	RM'000	RM'000	RM'000	RM'000	RM'000
Leasehold land ⁽¹⁾	82,658	-	7,136	-	-
Freehold land ⁽²⁾	-	-	-	-	10,000
Buildings	-	470	376	-	-
Structure and renovation	480	-	76	4	-
Vehicles and mechanical equipment ⁽³⁾	5,438	1,963	6,466	404	341
Other vehicles	-	79	149	253	-
Furniture, fittings and office equipment	33	38	35	12	-
Computers and peripherals	239	-	29	-	-
Containers	-	6	-	-	-
Total	88,848	2,556	14,267	673	10,341

Notes:

- (1) Disposal of the following leasehold land:
 - (i) Pulau Indah, Selangor which was previously used for warehousing and office for a total cash consideration of RM113,827,400 in FYE 2018; and
 - (ii) Kawasan Perindustrian Pasir Gudang, Johor which was a vacant yard for a total cash consideration of RM7,564,213 in FYE 2020.
- (2) Disposal of a freehold land in Butterworth, Penang which was previously used by Komunajaya (for workshop and office) for a total cash consideration of RM12,500,000. This property was no longer in use after the relocation of Komunajaya's operations to our Group's business premises in Penang.
- (3) Mainly related to the disposal of the following:
 - (i) prime movers due to termination of contract with one of our customers in FYE 2018;
 - (ii) prime movers due to termination of contract with one of our customers and prime movers of Agenda Wira were no longer operating economically in FYE 2020.

Material investments and divestitures

Save as disclosed in Sections 6.3, 11.4.5 and 13.7 of this Prospectus, as well as the disposal of Swift Integrated Logistics' investment in MILS Cold Chain Logistics for a total cash consideration of RM9,925,100 via the sale and purchase agreement dated 23 January 2017 which was completed on 1 June 2018, we have not undertaken any material investments or divestitures during the Financial Years Under Review and up to the LPD.

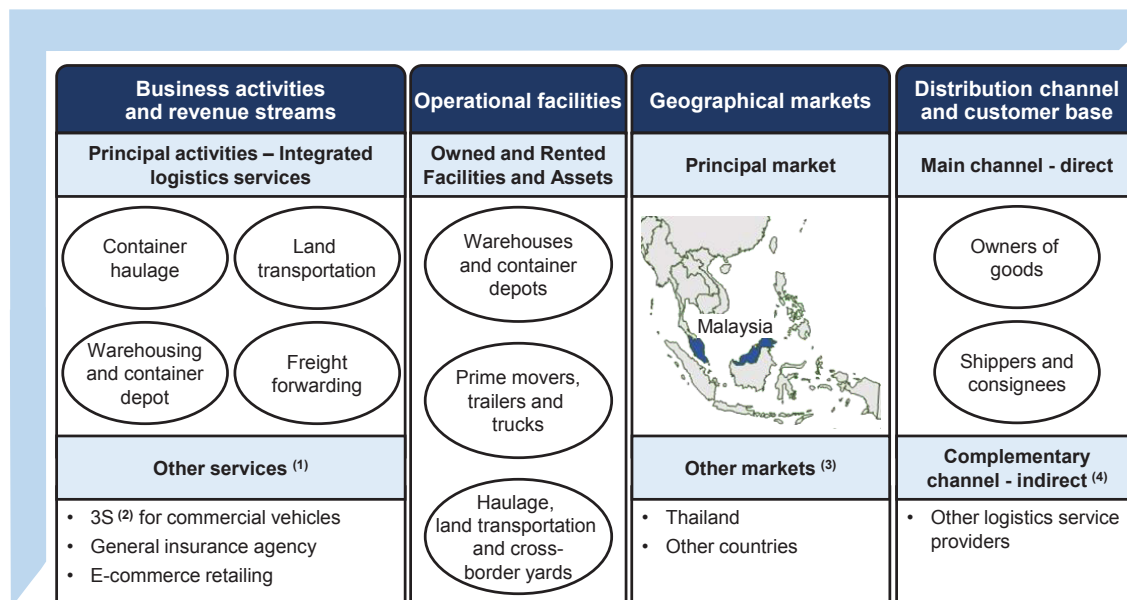
We plan to meet our obligations for our material investment which has yet to be completed through internally generated funds.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4 BUSINESS OVERVIEW

6.4.1 Our Business Model

Our business model is depicted in the following diagram:



Notes:

- (1) Other services collectively accounted for 0.5%, 0.8%, 0.3% and 0.2% of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.
- (2) 3S = Sales, service and spare parts mainly based on dealership agreements.
- (3) Other markets collectively accounted for 3.5%, 3.8%, 3.2% and 6.2% of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.
- (4) Indirect channel accounted for 26.4%, 28.1%, 27.6% and 31.7% of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

(The rest of this page has been intentionally left blank)

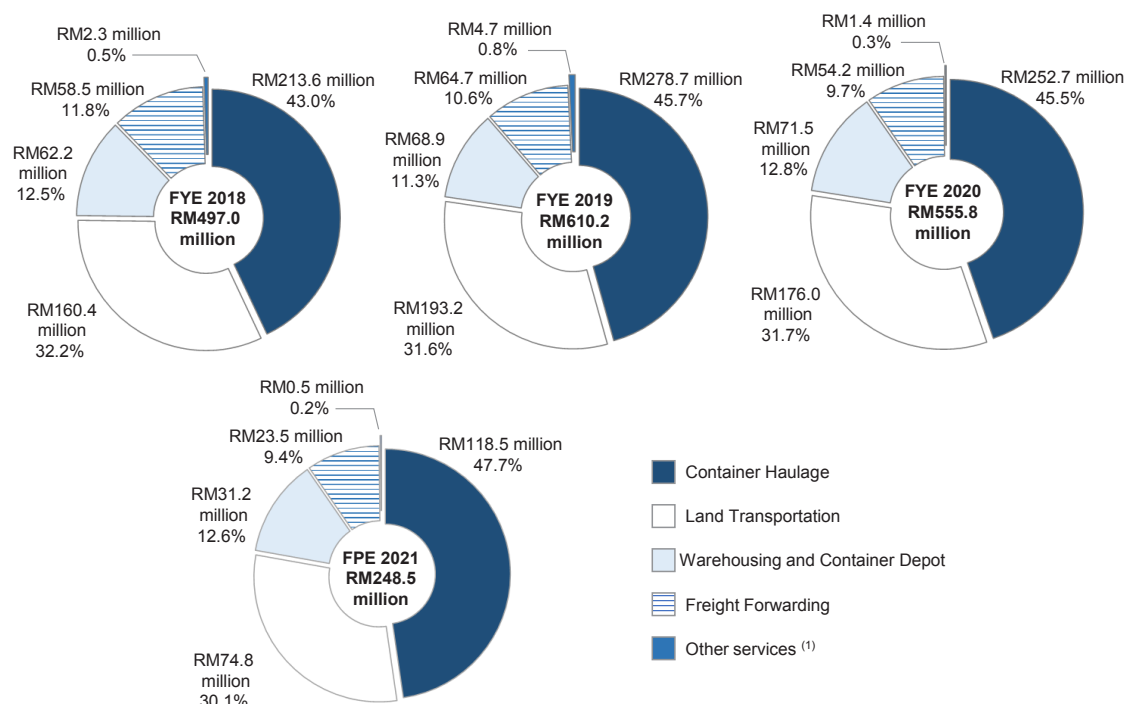
6. INFORMATION ON OUR GROUP (Cont'd)

6.4.2 Business activities and revenue streams

As an integrated logistics service provider, our services include container haulage, land transportation, warehousing, container depot and freight forwarding. Other services which complement and support our core logistics services consist of sales, service and spare parts dealership for commercial vehicles and general insurance agency services. We are also involved in e-commerce retailing.

Our revenue segmentation by business activities are as follows:

Revenue segmentation by business activities



Note:

- (1) Other services include sales, service and spare parts for commercial vehicles, insurance agency services and e-commerce retailing.

Integrated logistics services are our core business as they collectively accounted for RM494.7 million (99.5%), RM605.5 million (99.2%), RM554.4 million (99.7%) and RM248.0 million (99.8%) of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. Other services accounted for RM2.3 million (0.5%), RM4.7 million (0.8%), RM1.4 million (0.3%) and RM0.5 million (0.2%) of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

(a) Container haulage services

Container haulage services accounted for RM213.6 million (43.0%), RM278.7 million (45.7%), RM252.7 million (45.5%) and RM118.5 million (47.7%) of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

Our container haulage services involve transporting mainly laden containers from one location to another. We provide inbound and outbound container movements, where inbound container haulage is mainly concerned with the delivery of laden containers from a seaport to another facility, while outbound container haulage is mainly concerned with the delivery of laden containers from a facility to a seaport.

6. INFORMATION ON OUR GROUP (Cont'd)

We provide container haulage services by transporting containers to and from the locations designated by the customers and the various ports including:

- (i) Central region: Northport and Westport in Port Klang, Selangor and Tanjung Bruas Port, Melaka;
- (ii) Northern region: Penang Port, Penang;
- (iii) Southern region: Johor Port and the Port of Tanjung Pelepas, Johor; and
- (iv) Eastern region: Kuantan Port, Pahang.

Within container haulage operations, we own and operate a fleet of 995 prime movers (comprising 966 active prime movers and 29 prime movers held for sale) and 5,402 container trailers for container haulage operations in Peninsular Malaysia as at the LPD. We also operate eight haulage yards within or close to these seaports to support our container haulage services.

For further information on our container haulage services, please refer to Section 6.5.1 of this Prospectus.

(b) Land transportation services

For the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 our revenue from providing land transportation services amounted to RM160.4 million (32.2%), RM193.2 million (31.6%), RM176.0 million (31.7%) and RM74.8 million (30.1%) of our total revenue respectively.

Our land transportation services involve the movement of cargo by road. The types of land transportation services that we currently provide include the following:

- Inland transportation for point-to-point movement of cargo within a local area or between regions in Peninsular Malaysia;
- Inland distribution transportation for point-to-multipoint movement of cargo within a local area in Peninsular Malaysia;
- Inland specialised transportation for the movement of cargo that requires specialised delivery vehicles, such as CNG tankers; and
- Cross-border transportation involving the movement of cargo across international land borders. We currently provide cross-border transportation for destinations in Malaysia, Singapore, Thailand, Cambodia, Laos, Myanmar, Vietnam and the southern border of China.

Within land transportation operations, we own and operate a fleet that included 465 prime movers, 811 box or curtain-sider trailers, 53 trucks and 42 CNG tankers for our land transportation services in Malaysia, as well as six inland yards and one cross-border yard to support our land transportation services as at the LPD. In Thailand, we own and operate 86 prime movers, 118 container trailers and 2 trucks, and operate a cross-border yard as at the LPD.

For further information on our land transportation services, please refer to Section 6.5.2 of this Prospectus.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Warehousing and container depot services

Revenue from warehousing and container depot services amounted to RM62.2 million (12.5%), RM68.9 million (11.3%), RM71.5 million (12.8%) and RM31.2 million (12.6%) of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

As at the LPD, we provide the following warehousing and container depot services:

- operate five warehouses to store, handle and manage our customers' goods with a collective storage capacity of 575,053 sq. ft.;
- leasing of property comprising a warehouse with a storage capacity of 274,318 sq. ft. and an open yard of 144,123 sq. ft. which is used as a vehicle distribution centre;
- providing e-fulfilment services to manage goods for e-commerce retailers at our SLC Warehouse;
- managing four warehouses on behalf of our customers; and
- operating four container depots with a collective storage capacity of 28,500 TEU.

For further information on our warehouses and container depots services, please refer to Section 6.5.3 of this Prospectus.

(d) Freight forwarding

For the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, freight forwarding accounted for RM58.5 million (11.8%), RM64.7 million (10.6%), RM54.2 million (9.7%) and RM23.5 million (9.4%) of our total revenue respectively.

Freight forwarding mainly involves organising end-to-end transportation of cargo from one country to another country, or to and from Peninsular and East Malaysia including customs clearance. We currently carry out sea, air and land freight forwarding, and project logistics under this business activity. Sea, air and land freight forwarding involve general cargo that is predominantly transported by sea, air or land, respectively. Project logistics involves organising the transportation of cargo that requires specialised vehicles and handling, commonly for heavy and/or large-sized objects, by sea, air and/or land transportation. We also provide in-plant logistics and ship husbandry services.

For further information on our freight forwarding operations, please refer to Section 6.5.4 of this Prospectus.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

(e) Other services

Other services collectively accounted for RM2.3 million (0.5%), RM4.7 million (0.8%), RM1.4 million (0.3%) and RM0.5 million (0.2%) of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. The other services that we provide include the following:

- Sales, service and spare parts dealerships for commercial vehicles;
- General insurance agency services; and
- E-commerce retailing.

In addition to generating revenue from serving external customers, sales, service and spare parts dealerships for commercial vehicles and general insurance agency services also support our core integrated logistics services.

For further information on our other services, please refer to Section 6.5.5 of this Prospectus.

6.4.3 Complementary business activities

As an integrated logistics service provider most of our services are complementary but not necessarily interdependent. Generally, our customers have the option to choose from the range of services offered by our Group to suit their respective requirements. For the Financial Years Under Review and FPE 2021, the services that we provide are mainly on a standalone basis. The only exception is freight forwarding services where domestic container haulage services are commonly bundled with sea freight forwarding services. However, customers have the option to use other domestic third-party container haulage services.

Our container haulage can be provided on a standalone basis or as complementary services to freight forwarding in providing container haulage between ports in Malaysia and pick-up or destination points.

Our land transportation services can be provided on a standalone basis or as complementary services to warehousing services where we are able to transport goods between our warehouse and customers' pick-up or destination points. Our land transportation services are also complementary to our freight forwarding services for non-containerised goods.

Our warehousing services can be provided on a standalone basis or as complementary services to land transportation especially for distribution from our warehouse to multi-destinations.

Our depot services can be provided on a standalone basis or as complementary service to container haulage through handling and temporary storage of empty containers.

Our freight forwarding services are complementary to container haulage and land transportation services.

Our dealership for sales, spare parts and services of commercial vehicles complement our container haulage and land transportation services by supplying spare parts and maintaining our prime movers.

Similarly, our general insurance agency services complement our container haulage and land transportation services by providing general insurance coverage for these services, including motor vehicle insurance.

While our services are complementary, they are not interdependent as it is common to use third parties for the provision of any of the above services carried out by our Group.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.4 Our operational facilities

Malaysia

Our integrated logistics services and other services in Malaysia are supported by a network of operational facilities comprising warehouses, container depots, haulage yards, inland transportation yards, cross-border yard and sales offices located across Peninsular Malaysia, and sales offices and warehouses in East Malaysia. This network provides us with comprehensive coverage to receive and deliver cargo to customers throughout Malaysia. The locations in Malaysia where we have operational facilities are summarised in the following map.

The locations of our operational facilities in Malaysia



Notes:

Selangor: 1) Port Klang 2) Klang 3) Sijangkang 4) Bukit Beruntung 5) Kuala Lumpur International Airport **Melaka:** 6) Ayer Keroh **Johor:** 7) Tebrau 8) Pasir Gudang 9) Port of Tanjung Pelepas **Penang:** 10) Butterworth 11) Seberang Perai 12) Bukit Minyak 13) Bayan Lepas **Kedah:** 14) Bukit Kayu Hitam **Perlis:** 15) Padang Besar **Terengganu:** 16) Kerteh **Pahang:** 17) Kuantan **Sabah:** 18) Kota Kinabalu **Sarawak:** 19) Bintulu 20) Miri **Labuan:** 21) Labuan

As at the LPD, our business activities in East Malaysia include the following:

- Sea freight forwarding services;
- Ship husbandry services; and
- Cold chain logistics services, following Swift Integrated Logistics' acquisition of 50.0% equity interest in Hypercold Logistics on 16 June 2021. Hypercold Logistics operates 12 refrigerated trucks, 6 of which are owned by Hypercold Logistics and the balance are rented from Platinum Coldchain.

Prior to the acquisitions of Hypercold Logistics and Platinum Coldchain, our Group's activities in East Malaysia mainly involve freight forwarding involving organising end-to-end transportation of cargo from one country to another country, or to and from Peninsular and East Malaysia including customs clearance and we do not own or operate any commercial vehicles in East Malaysia.

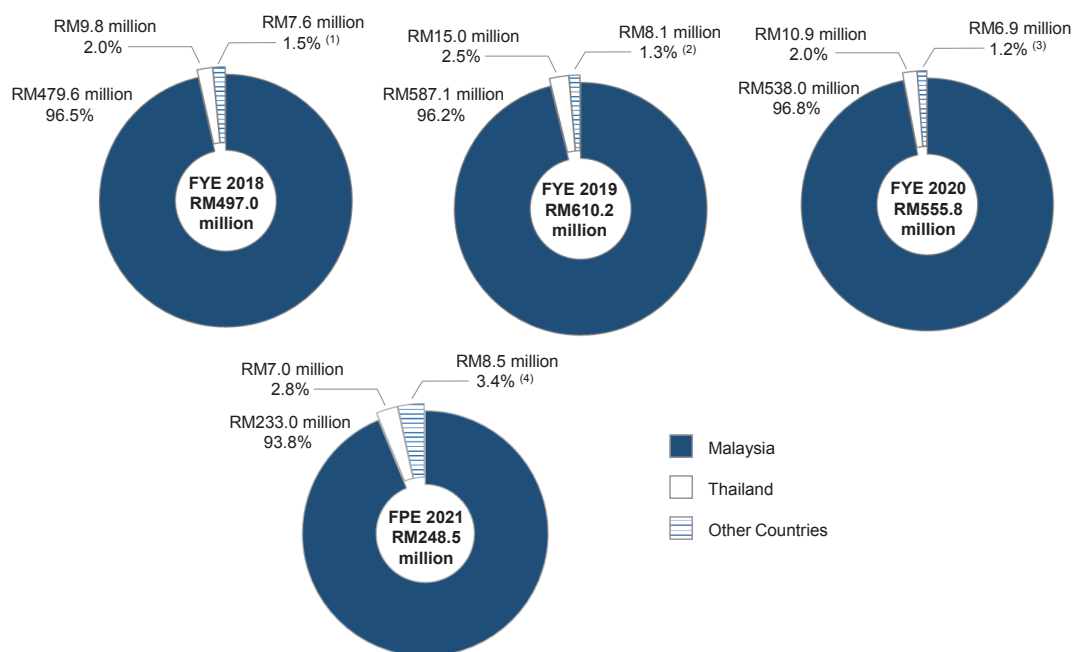
Thailand

We also have operational facilities in Thailand comprising an office and a cross-border yard in Bangkok and an office in Sadao, Songkhla.

6. INFORMATION ON OUR GROUP (Cont'd)

6.4.5 Our geographical markets

Our revenue segmentation by geographical markets during the Financial Years Under Review and FPE 2021 is as follows:



Notes:

- (1) Other countries for FYE 2018 included Australia, Cambodia, China, Hong Kong, India, Ireland, Japan, Myanmar, Pakistan, Singapore, South Korea, Taiwan, United Kingdom, United States and Vietnam.
- (2) Other countries for FYE 2019 included Australia, Brazil, China, Hong Kong, India, Ireland, Japan, Myanmar, Pakistan, Russia, Singapore, South Africa, Sri Lanka, United Kingdom and Vietnam.
- (3) Other countries for FYE 2020 included Australia, Brazil, Cambodia, China, Hong Kong, India, Ireland, Japan, Pakistan, Russia, Singapore, South Africa, South Korea, Sri Lanka, Taiwan, United Kingdom and Vietnam.
- (4) Other countries for FPE 2021 included Australia, Brazil, Cambodia, China, Germany, Hong Kong, India, Indonesia, Ireland, Japan, Mauritius, Myanmar, Nepal, New Zealand, Pakistan, Saudi Arabia, Seychelles, Singapore, South Africa, Spain, Taiwan, The Netherlands, United Arab Emirates, United Kingdom, United States and Vietnam.

Malaysia was our largest market as it accounted for RM479.6 million (96.5%), RM587.1 million (96.2%), RM538.0 million (96.8%) and RM233.0 million (93.8%) of our total revenue for FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. Foreign markets accounted for the remaining RM17.4 million (3.5%), RM23.1 million (3.8%), RM17.8 million (3.2%) and RM15.5 million (6.2%) of our total revenue for FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

Our largest foreign market, Thailand accounted for RM9.8 million (2.0%), RM15.0 million (2.5%), RM10.9 million (2.0%) and RM7.0 million (2.8%) of our total revenue for FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

Other foreign countries, which comprised Australia, Brazil, Cambodia, China, Germany, Hong Kong, India, Indonesia, Ireland, Japan, Mauritius, Myanmar, Nepal, New Zealand, Pakistan, Russia, Saudi Arabia, Seychelles, Singapore, South Africa, South Korea, Spain, Sri Lanka, Taiwan, the Netherlands, United Arab Emirates, United Kingdom, United States and Vietnam during the Financial Years Under Review and FPE 2021, collectively accounted for RM7.6 million (1.5%), RM8.1 million (1.3%), RM6.9 million (1.2%) and RM8.5 million (3.4%) of our revenue for FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

6. INFORMATION ON OUR GROUP (Cont'd)**6.4.6 Our distribution channels and customer base**

We adopt both direct and indirect distribution channel strategies for our marketing and sales activities.

With the direct distribution channel strategy, we deal directly with one of the following parties:

- The owner of the goods who engage us to transport, distribute and/or store their goods for them. Examples of such customers include operators in the oil, gas and petrochemical, other manufacturing, food and beverage, and distributive trade industries.
- With freight forwarding, our direct customers comprise the shipper or consignee of the cargo. The shipper is the party who sends the goods, while the consignee refers to the party who receives the goods.

With the indirect distribution channel strategy, our customers mainly comprise other logistics services providers who represent the owners, shippers or consignees to transport goods on their behalf. The indirect distribution channel usually arises when other logistics services providers engage us to carry out some portion of the transportation process on their behalf, typically because they do not have a physical presence in Malaysia, and/or to utilise our resources. The services that we provide include some combination of preparing and processing documentation, customs brokerage, container haulage, land transportation, warehousing and container depot, and other services.

The revenue contribution from our direct and indirect distribution channels for the Financial Years Under Review and FPE 2021 is summarised in the following table:

Distribution Channel	FYE 2018		FYE 2019		FYE 2020		FPE 2021	
	RM'000	%	RM'000	%	RM'000	%	RM'000	%
Direct	365,844	73.6	438,757	71.9	402,548	72.4	169,767	68.3
Oil, gas and petrochemicals	142,913	28.8	133,955	22.0	115,795	20.8	41,068	16.5
Other manufacturing ⁽¹⁾	116,332	23.4	125,031	20.5	103,263	18.6	62,963	25.3
Food and beverages	46,324	9.3	72,070	11.8	79,976	14.4	31,326	12.6
Distributive trades ⁽²⁾	38,008	7.6	74,493	12.2	72,298	13.0	31,673	12.8
Others ⁽³⁾	22,267	4.5	33,208	5.4	31,216	5.6	2,737	1.1
Indirect	131,135	26.4	171,444	28.1	153,290	27.6	78,766	31.7
Logistics services providers	131,135	26.4	171,444	28.1	153,290	27.6	78,766	31.7
TOTAL	496,979	100.0	610,201	100.0	555,838	100.0	248,533	100.0

Notes:

- (1) Other manufacturing mainly includes manufacturers of solar photovoltaic panels, electrical and electronic products, steel products and industrial gases.
- (2) Distributive trades include retailers, wholesalers and distributors.
- (3) Others mainly include engineering, construction, power generation and railway system companies, government bodies and government-linked corporations.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5 OUR BUSINESS ACTIVITIES

6.5.1 Container Haulage Services

6.5.1.1 Overview

The container haulage services that we provide involve transporting laden containers to and from seaports and other locations within Peninsular Malaysia. Our container haulage services comprise inbound and outbound container movements.

Most of the container haulage services that we provide are carried out using our in-house resources, comprising our fleet of prime movers and trailers and operated by our drivers. We outsource container haulage services to external logistics service providers mainly in situations where we do not have customers for the return trip or when we do not have sufficient capacity at a particular point in time.

One of our prime movers hauling a 40-foot container on a container trailer



6.5.1.2 Inbound container movement

An inbound container movement is where we deliver a laden container from a seaport to a destination stipulated by the customer. The destination may be a warehouse, distribution centre, factory or some other facility. After the container has been unloaded, we will collect the empty container and return it to a container depot.

Some of our prime movers parked at one of our haulage areas



6.5.1.3 Outbound container movement

An outbound container movement is where we deliver a laden container from the customer's location to a seaport for onward movement by sea to another seaport, usually in a foreign country. We first deliver an empty container from a container depot to the customer's location. After the container has been loaded and sealed, we will transport the laden container to the designated seaport.

6. INFORMATION ON OUR GROUP (Cont'd)

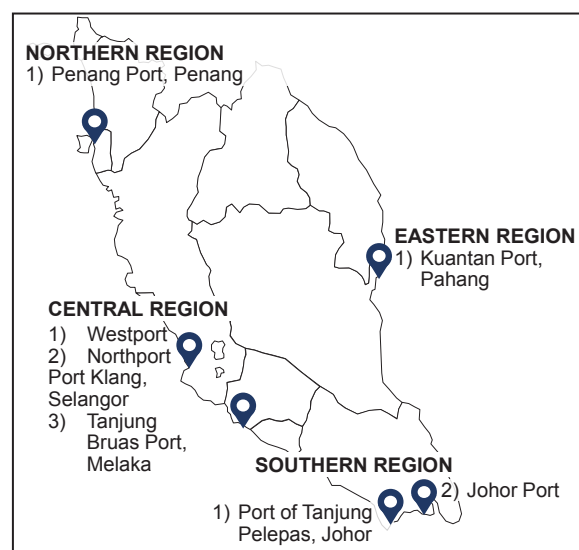
6.5.1.4 Seaports covered

We currently provide our container haulage services for the movement of containers between customers' locations and the following seaports in Peninsular Malaysia:

- Central region: Northport and Westport at Port Klang, Selangor and Tanjung Bruas Port in Melaka;
- Northern region: Penang Port, Penang;
- Southern region: Johor Port and the Port of Tanjung Pelepas in Johor; and
- Eastern region: Kuantan Port in Pahang.

As at LPD, we do not provide container haulage services in East Malaysia.

Sea ports covered by our container haulage services



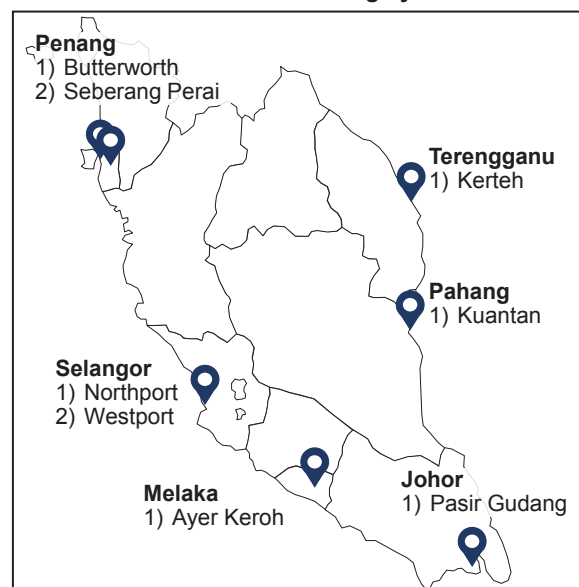
6.5.1.5 Our container haulage yards

As at the LPD, we have eight container haulage yards to support our container haulage services. Container haulage yards are paved open areas that are mainly used as a parking area for prime movers and trailers that are not in use, and as a temporary staging area for containers. Our container haulage yards at Butterworth and Seberang Perai, Penang have attached workshops to maintain our commercial vehicles.

6.5.1.6 Our assets

We have our own fleet of prime movers and trailers with owned and rented haulage areas to support our container haulage business operations. As at the LPD, the prime movers, trailers and container stackers assigned to container haulage and haulage areas by region are summarised in the following table:

Our container haulage yards



6. INFORMATION ON OUR GROUP (Cont'd)

Region	Prime Movers ⁽¹⁾ (units)	Container Trailers ⁽¹⁾ (units)	Container Stackers ⁽¹⁾ (units)	Container Haulage Yards ⁽²⁾ (sq. ft.)
Northern	246	1,633	-	Penang: - Butterworth ⁽³⁾ ⁽⁵⁾ = 174,240; - Seberang Perai ⁽³⁾ ⁽⁵⁾ = 131,333
Central	502	2,539	5	Selangor: - Northport ⁽³⁾ = 174,240; - Westport ⁽³⁾ = 174,240; Melaka: - Ayer Keroh ⁽³⁾ = 241,326
Eastern	87	369	4	Pahang: - Kuantan ⁽⁴⁾ = 435,600; Terengganu: - Kerteh ⁽⁴⁾ = 702,266
Southern	131	861	-	Johor: - Pasir Gudang ⁽⁴⁾ = 348,480
TOTAL	966	5,402	9	2,381,725

Notes:

All of the prime movers, container trailers and container stackers assigned to container haulage are owned by us.

- (1) Assigned to container haulage.
- (2) Approximate size of land allocated as container haulage area.
- (3) Owned by our Group.
- (4) Rented premises.
- (5) Includes a workshop to maintain our commercial vehicles.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.2 Land Transportation Services

6.5.2.1 Overview

The land transportation services that we provide involve the shipment of cargo by road. It comprises inland distribution and cross border transportation services. We use our in-house resources to carry out most of the land transportation services that we provide, where we utilise our fleet of commercial vehicles operated by our drivers. We outsource our land transportation services to external logistics service providers, mainly when our prime mover and trailers, or trucks will not be carrying cargo on the return trip, or when we do not have sufficient capacity at particular point in time.

Our land transportation services are different from our land freight forwarding services in the following respects:

- with our land transportation services, we are responsible for the physical shipment of cargo, usually using our in-house resources and we sometimes outsource to external logistics service providers; whereas
- with our land freight forwarding services, our function is to organise the shipment of cargo by land, including arranging pick up at the point of origin, insurance coverage (if required), land shipment, customs clearance (if required) and delivery to the final destination.

6.5.2.2 Inland transportation

The inland transportation services that we provide involve road transportation of non-containerised cargo in Peninsular Malaysia. We provide ambient temperature inland transportation and distribution services, where the cargo is not temperature controlled or refrigerated, and inland specialised transportation for cargo that requires specialised delivery vehicles.

Inland transportation and distribution

The types of inland transportation services that we currently provide include the following:

- Inter-region transportation, where cargo is picked up from a location and transported to another location in a different region or state; and
- Local distribution, where the cargo is picked up from a facility such as a warehouse, and distributed to several locations (such as retail outlets) in the same city, town or area.

Our inland transportation and distribution services also involve consolidation services where we offer less-than-container load (LCL) and less-than-truck load (LTL) services.

We currently utilise prime movers and trailers, or trucks for inter-region transportation and local distribution. We have conventional box trailers and trucks where the goods are stored in an enclosed cargo area with walls commonly made of steel. We also have curtain-sider trailers and trucks where the sides of the enclosed cargo area are made of strong fabric curtains that can be drawn upwards or sideways to expose the sides for ease of loading and unloading.

6. INFORMATION ON OUR GROUP (Cont'd)

Specialised transportation

Our specialised transportation services involve transporting cargo that requires specialised delivery vehicles.

We currently provide specialised transportation services for compressed natural gas (CNG), which is natural gas that has been compressed to liquid form to facilitate economical storage and transportation. In Malaysia, CNG is used as fuel instead of petrol in some cars and other vehicles, commonly referred to as natural gas vehicles (NGV). CNG used as NGV fuel is distributed through selected petrol stations. CNG requires specialised transportation as it is potentially flammable and explosive, and must be kept under pressure to prevent it from returning to its gaseous state. As a result, CNG is transported in specialised CNG tankers. We carry out all specialised transportation for CNG using our own personnel, prime movers and CNG tankers.

6.5.2.3 Cross-border transportation

Cross border transportation service involves road transportation of containerised and non-containerised cargo from a point of origin in one country to a destination in another country.

We currently provide door-to-door cross-border transportation services for ambient temperate cargo using the following types of vehicles:

- Prime mover and container trailer for containerised cargo;
- Prime mover and box or curtain-sider trailers for non-containerised cargo; and
- Trucks for non-containerised cargo.

We provide consolidation services for ambient temperature general cargo, where we offer less-than-container load (LCL) services to our customers.

We also provide temperature controlled cross-border transportation services utilising prime movers and refrigerated containers for some routes.

Apart from some exceptions*, commercial vehicles are only allowed to transport cargo on a commercial basis in their country of registration. Cargo that is carried on one of our Malaysia-registered commercial vehicles must be transferred onto one of our Thailand-registered commercial vehicles at the Malaysia-Thailand border area in order to continue on its journey to destinations in Thailand. Similarly, cargo carried on one of our Thailand-registered commercial vehicles must be transferred onto one of our Malaysia-registered commercial vehicles before the cargo can continue on its journey to destinations in Malaysia or Singapore.

Note:

- * Malaysia-registered commercial vehicles are allowed to transport cargo on a commercial basis in Singapore, and vice-versa. In addition, Thailand-registered commercial vehicles are allowed to transport cargo on a commercial basis in Laos, and vice-versa.

Our cross-border transportation services



6. INFORMATION ON OUR GROUP (Cont'd)

The cargo transfer for containerised cargo involves lifting the laden container from one trailer to another, while non-containerised cargo is unloaded from one vehicle and loaded onto the next. As at the LPD, we operate two cross-border yards in the Malaysia-Thailand border area where we carry out this cargo transfer.

As the cargo is transported across international borders, we carry out designated customs clearance at border crossings as part of our service. Customs clearance tasks that we carry out on behalf of our customers include completing documentation, making customs declarations, and paying import or export duties. We perform designated customs clearance at the following customs checkpoints:

Border	Customs checkpoint
Malaysia-Singapore	Johor Bahru-Woodlands customs checkpoint; Tanjung Pelepas-Tuas customs checkpoint
Malaysia-Thailand	Padang Besar-Sadao customs checkpoint; Bukit Kayu Hitam-Sadao customs checkpoint

Customs clearance at other customs checkpoints are carried out by our agents.

We currently offer cross-border transportation service for the shipment of cargo between locations in Malaysia, Singapore, Thailand, Cambodia, Laos, Myanmar, Vietnam and the southern border of China.

We mainly use our Malaysian-registered commercial vehicles and personnel to carry out cross-border transportation services in Malaysia and Singapore, and Thailand-registered commercial vehicles and personnel in Thailand and Laos. We engage third-party logistics services providers to carry out cross-border transportation services in the countries where our commercial vehicles are not allowed to operate, namely Cambodia, Myanmar, Vietnam and beyond the southern border of China.

6.5.2.4 Inland and cross-border yards

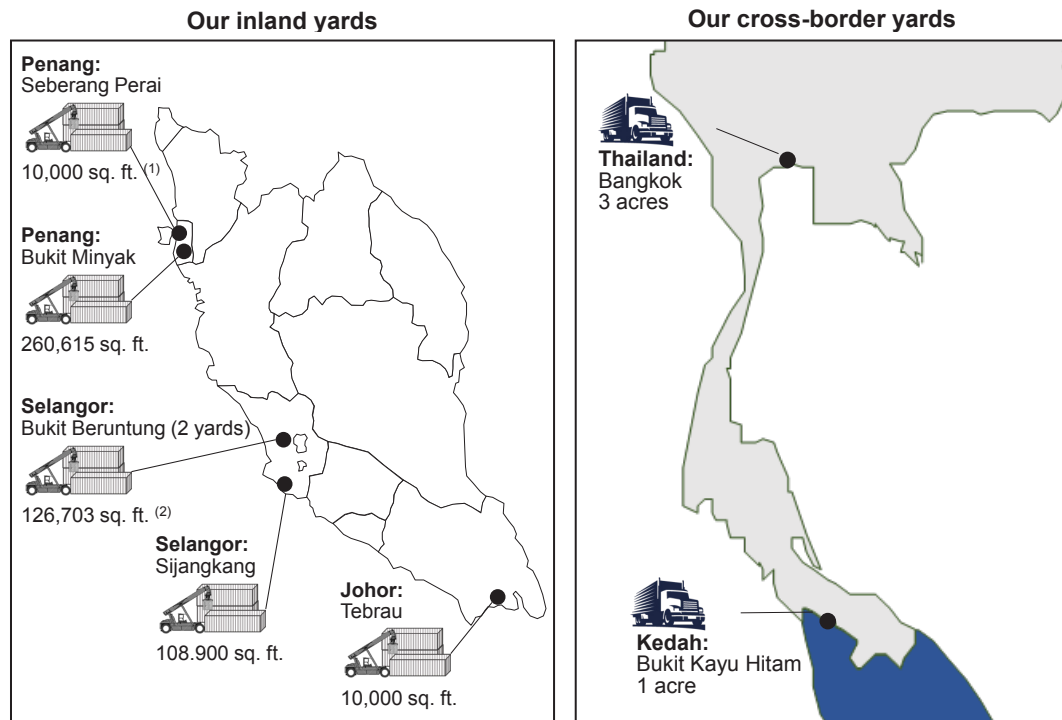
Our land transportation services are supported by our inland and cross-border yards. Our inland yards are paved open yards used for the temporary storage of customers' cargo and where commercial vehicles are parked when they are not in use. We currently own and operate a total of six inland yards:

- one yard is located at Butterworth in Seberang Perai, Penang;
- one yard in Bukit Minyak, Penang;
- two yards in Bukit Beruntung, Selangor;
- one yard in Sijangkang, Selangor; and
- one yard in Tebrau, Johor.

In addition, our inland yards at Seberang Perai, Bukit Beruntung and Sijangkang have workshops to maintain our commercial vehicles.

Similarly, cross-border yards are paved open yards to facilitate the transfer of cargo from one commercial vehicle to another. They are also used to park our commercial vehicles while they are not in use. The yards are equipped with container stackers to transfer containers, and forklifts to transfer palletised cargo from one vehicle to another. We currently operate a total of two cross-border yards i.e. one in Bukit Kayu Hitam, Kedah and the other in Bangkok, Thailand. All of the cross-border yards that we currently operate are on rented premises.

6. INFORMATION ON OUR GROUP (Cont'd)



Notes: 1) Shared workshop with container haulage. 2) Total size of the two inland yards.

6.5.3 Warehousing and Depot Services

6.5.3.1 Overview

Our warehousing services comprise operating and leasing of warehouses for the storage of goods, operations and management of customers' warehouses, and e-fulfilment services. Our depot services involve operating container depots for the temporary storage of unladen containers.

6.5.3.2 Warehousing services

A warehouse is an enclosed building designed for storing goods. As at the LPD, we operate six warehouses with total storage space of 849,371 sq. ft. that are used to provide warehousing services. The warehousing services that we currently provide to external customers comprise the following:

- storage of goods;
- leasing of property comprising a warehouse and an open yard;
- operations and management; and
- e-fulfilment.

6. INFORMATION ON OUR GROUP (Cont'd)

We also carry out the following value-added functions in support of our other logistics services at our warehouses:

- Cargo transshipment; and
- Repacking, labelling and palletising.

(a) Warehouse storage of goods

We provide warehouse storage services to store, handle and manage our customers' goods. As at the LPD, all our warehouses are ambient temperature facilities for storing general cargo. Our warehouses have bonded and non-bonded areas, which are as follows:

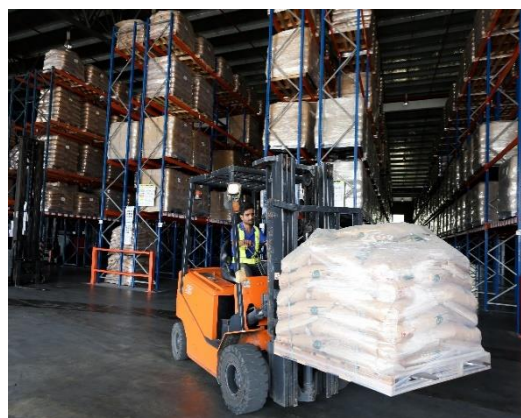
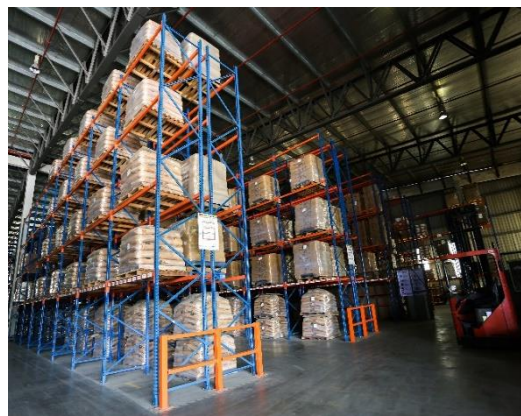
- A **bonded area** is a secured area that is licenced by the customs authority. Dutiable goods may be stored and handled within the bonded area without having to pay customs duty and sales tax. The floor space within the SLC Warehouse can be allocated as bonded areas depending on customer requirements.
- A **non-bonded area** is any general storage area that has not been licenced as a bonded area.

The Westport Warehouse is located in the Port Klang Free Zone. Dutiable goods may be stored and handled within the Port Klang Free Zone without having to pay customs duty and sales tax.

The storage space that we provide comprises of floor space and palletised racking. With floor space storage, the customer is allocated a specified floor area within the warehouse to store the goods. The customer may stack their goods up to a reasonably safe height. With palletised racking space, the customer is allocated a specified number of pallet bays in a floor-to-ceiling rack to store their goods. We provide the racking system as part of our warehousing service.

We are responsible for cargo handling, including placing and removing goods into and out of storage. We also provide value-added services such as repacking, labelling and palletising.

Storing and handling goods at one of our warehouses



6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, we provide warehouse storage services and the approximate sizes of the storage areas at the following locations:

Location of warehouse	Non-bonded (sq. ft.)	Bonded (sq. ft.)	Port Klang Free Zone (sq. ft.)	Total storage area (sq. ft.)
SLC Warehouse at Port Klang, Selangor ^{(1), (3)}	187,500	12,500	-	200,000
Port Klang Warehouse at Port Klang, Selangor ⁽¹⁾	100,000	-	-	100,000
Westport Warehouse at Port Klang, Selangor ⁽²⁾	-	-	54,300	54,300
Perai Warehouse, Penang ⁽¹⁾⁽⁴⁾	-	113,000	-	113,000
Tebrau Warehouse, Johor ⁽¹⁾⁽⁵⁾	34,990	72,763	-	107,753
TOTAL	322,490	198,263	54,300	575,053

Notes:

- (1) Warehouse owned and operated by our Group.
- (2) Warehouse leased and operated by our Group.
- (3) Allocation between bonded and non-bonded storage areas at our SLC Warehouse depends on customer requirements.
- (4) Extension works are currently being undertaken at our Perai Warehouse, which are expected to be completed in the second quarter of 2022. Upon completion of the extension, the capacity of our Perai Warehouse will increase by approximately 109,000 sq. ft. (non-bonded).
- (5) Extension works are currently being undertaken at our Tebrau Warehouse, which are expected to be completed in the fourth quarter of 2021. Upon completion of the extension, the capacity of our Tebrau Warehouse will increase by approximately 200,000 sq. ft. (non-bonded).

(b) Leasing of property comprising warehouse and open yard

We leased a warehouse and open yard to a customer who is an associate company namely BLG Swift for the warehouse building, open yard and general facilities. We do not provide any other interior fittings such as racking systems and we do not provide any personnel, machinery or equipment. As at the LPD, we leased out the following owned warehouse and open yard facilities:

Location	Usage	Storage area
Vehicle distribution centre at SLC Warehouse in Port Klang, Selangor ⁽¹⁾	Storage of passenger cars	274,318 sq. ft. warehouse ⁽²⁾ 144,123 sq. ft. open yard ⁽³⁾

Notes:

- (1) Warehouse owned and operated by our Group.
- (2) The size of the warehouse is fixed.
- (3) The size of the open yard rented by the customer may change from time to time, depending on our and/or the customer's requirements.

6. INFORMATION ON OUR GROUP (Cont'd)

(c) Warehouse operations and management

We provide operations and management services of our customers' warehouses. The service involves carrying out normal day-to-day warehousing functions including receiving goods, inventory management, store keeping, retrieving goods for delivery and general upkeep of the warehouse.

We are responsible for providing the personnel required including management, administrative and general workers to operate the warehouse including operating and maintaining the material handling equipment that are used at the warehouse such as forklifts and hand trolleys. We would be utilising our customers' information and communications technology platform for inventory management.

We provided warehouse operations and management services for the following customers' warehouses:

- A non-bonded general ambient temperature warehouse for a manufacturer of plastic film with a built-up area of approximately 120,000 sq. ft. in Penang during the Financial Years Under Review and FPE 2021;
- Two non-bonded general ambient temperature warehouses for manufacturers of plastic resin with a combined built-up area of approximately 480,000 sq. ft. in Terengganu during the Financial Years Under Review and FPE 2021; and
- A non-bonded general ambient temperature warehouse for a manufacturer of plastic resin that is equipped with an automated storage and retrieval system with a storage capacity of approximately 88,000 pallets in Johor during FYE 2019, FYE 2020 and FPE 2021.

(d) E-fulfilment

We are involved in fulfilling e-commerce purchases on behalf of our customers, which comprises e-commerce platform operators (who serve their own customers comprising online retailers) and independent online retailers. The functions that we perform include, among others, the following:

- Receiving, storing and managing online retailers' goods;
- Retrieving goods from storage, packing them into parcels and labelling the parcels for delivery upon confirmed orders from online buyers; and
- Managing the last-mile delivery of parcels to online buyers' designated addresses.

Our e-fulfilment operations



6. INFORMATION ON OUR GROUP (Cont'd)

We utilise our warehouse management system software (WMS) to facilitate our e-fulfilment service functions including inventory management, optimising retrieval of goods from storage, label printing. The WMS is integrated with the e-commerce platform or online retailer's sales system, and automatically receives instructions to pick and pack parcels whenever sales are completed.

Parcels to be delivered to addresses in the same region are grouped into consignments for pick-up by third-party courier service providers, who are responsible for last-mile delivery to the buyer. These third-party courier service providers are engaged by the e-commerce platform operators or online retailers.

We currently operate our e-fulfilment service at our SLC Warehouse in Port Klang, Selangor.

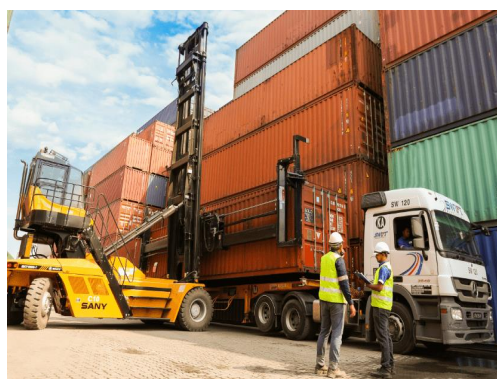
6.5.3.3 Container depot services

A container depot is a paved open area where containers can be stored. Container depot services involve storage and management of containers and providing container related services. Our depots are for the temporary storage of unladen containers before they are sent out to be loaded and transshipment of empty containers. The types of containers handled by our depots include standard containers, high cube containers, open containers, platform containers and refrigerated containers.

Containers are stored in rows for easy access by container stackers. We stack containers to a maximum height of eight containers. Container stackers and container forklifts are used to handle containers at our container depots, and as at the LPD, we operate a total of 15 container stackers and 6 container forklifts.

Our customers for depot services are shipping lines and container leasing companies, who store their unladen containers at our depot before they are sent to their respective customers for loading.

Our container depot operations



The container related services that we provide include the following:

- container handling including lift-on/lift-off;
- container cleaning, where an empty container's interior storage space is cleaned before it is dispatched for loading. The types of cleaning services include general cleaning and chemical washing; and
- container repair.

6. INFORMATION ON OUR GROUP (Cont'd)

As at the LPD, we operate the following container depots:

Location of depot	Owned/ Rented	Land area * (acres)	Capacity ^ (TEU)	Equipment
Northport Container Depot, Port Klang, Selangor	Rented	12.0	8,000	4 stackers; 2 forklifts ⁽¹⁾
Westport On-dock Container Depot, Port Klang, Selangor	Rented	5.0	4,000	3 stackers; 1 forklift ⁽²⁾
Westport Container Depot, Port Klang, Selangor	Owned	7.6	5,000	2 stackers; 1 forklift ⁽³⁾
NGD Container Depot, Port Klang, Selangor	Owned and Rented ⁽⁴⁾	16.6	11,500	6 stackers, 2 forklifts ⁽⁵⁾
TOTAL		41.2	28,500	15 stackers, 6 forklifts ⁽⁶⁾

Notes:

* Approximate land area allocated for container depot operations.

^ Capacity in terms of TEU that can be stored at the container depot at the same time.

(1) The 4 container stackers are rented, and 2 container forklifts are owned by us.

(2) The 3 container stackers are rented, and 1 container forklift is owned by us.

(3) The 2 container stackers are rented, and 1 container forklift is owned by us.

(4) The NGD Container Depot is on land that is owned by us and land rented from a third-party.

(5) 4 of the container stackers are rented, and 2 container stackers and 2 container forklifts are owned by us.

(6) 13 of the container stackers are rented, and 2 container stackers and 6 container forklifts are owned by us.

6.5.4 Freight Forwarding

Our freight forwarding operations include sea, air and land freight forwarding, project logistics, in-plant logistics and ship husbandry.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.4.1 Our sea, air and land freight forwarding, and project logistics services

Sea, air and land freight forwarding, and project logistics are similar services where they involve organising the end-to-end shipment of cargo on behalf of our customers from one country to another or between Peninsular and East Malaysia. We provide a single point of contact for our customers and serve as their representative in dealing with all other parties involved with the shipment, including customs and port authorities, and third-party logistics service providers. The main differences between these three services are as follows:

- Sea freight forwarding involves the shipment of general containerised cargo by sea;
- Air freight forwarding involves shipment of general cargo by air;
- Land freight forwarding involves shipment of general cargo by land transportation; and
- Freight forwarding for cargo that requires special handling or arrangements are categorised under project logistics.

We are responsible for all aspects of the cargo shipment, starting from the point of origin and ending when the cargo is delivered to its final destination, and we organise the following tasks:

- Picking up the cargo from the point of origin;
- Arranging insurance coverage for the cargo, if required;
- Arranging shipment by sea, air or land, which is usually through scheduled container ship or aircraft, or land transportation services;
- Arranging for customs clearance at the exporting and destination countries, including obtaining necessary permits and licences, making customs declarations, applications for export and/or import duty exemption (if applicable), and paying export, import and other charges; and
- Picking up the cargo from the destination seaport or airport, and delivering it to the final destination

As a freight forwarder, our main function is to arrange for all the above tasks using a combination of our in-house resources and third-party logistics service providers. When we are arranging sea or air freight forwarding for the export of goods from Malaysia, we will use our in-house resources for the Malaysian portion, such as container haulage or land transportation from the pick-up point to the seaport or airport as well as conducting customs clearance and arranging for insurance. At the destination country, we will engage third-party logistics service providers to clear customs and provide container haulage or delivery to the final destination.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.4.2 Sea freight forwarding

Sea freight forwarding refers to freight forwarding services for general cargo where the sea freight component is the largest in terms of distance travelled and/or cost incurred, although other modes of transportation are also utilised as part of the end-to-end service.

We provide sea freight forwarding for containerised cargo, which refers to cargo that is packed into a container for shipment as a single unit.

The types of containerised cargo that we handle include the following:

- Full container load (FCL), where the cargo in the container belongs to a single customer; and
- Less than container load (LCL), where cargo from several customers are packed in a single container and shipped together to the same destination seaport.

We mainly use scheduled shipping lines calling at seaports for our sea freight forwarding.

6.5.4.3 Air freight forwarding

For air freight forwarding of general cargo, the largest component of the shipment in terms of distance travelled and/or cost incurred is by aircraft.

We provide air freight forwarding for cargo that is packed in unit load devices (ULD), which are sealed and transported as a single unit. There are two main types of ULD, which are as follows:

- ULD pallets, which are designed for cargo packed in boxes, cartons and parcels, which are stacked on the ULD pallet and secured in place with plastic film or netting.
- ULD containers, which are either made entirely of plastic or aluminium, or aluminium frame with plastic walls. The cargo is packed into the ULD, which is sealed for transportation on aircraft.

We mainly use scheduled passenger and cargo aircraft for our air freight forwarding.

6.5.4.4 Land freight forwarding

Land freight forwarding involves general cargo where the land transportation component is the largest in terms of distance travelled and/or cost incurred. We provide land freight forwarding services for general cargo, involving either containerised FCL or LCL.

The differences between our land transportation and land freight forwarding services are described in Section 6.5.2.1 of this Prospectus.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.4.5 Project logistics

We provide project logistics services to organise the shipment of cargo that requires specialised handling or consideration, such as specialised vehicles, equipment or personnel. As a result, the cargo cannot be shipped on regularly scheduled sea or air freight, or use regular land transportation vehicles.

Our project logistics fall into two categories:

- heavy and/or oversized items, usually comprising large machine, equipment and structures; and
- special arrangements, such as timely coordination of multiple pick-up points, special packing requirements, enhanced security or urgent delivery.

Our project logistics operations



(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

Transportation of heavy and/or oversized items requires special handling involving some combination of the following:

- heavy lifting equipment to load and unload the cargo;
- heavy transportation vehicles, such as self-propelled modular transporters, to transport the cargo by road;
- specialised personnel for cargo rigging;
- conducting route and site surveys to map the route from the seaport or airport to the final destination, and managing road transportation including arranging for approvals, police and security escort, and traffic management;
- booking cargo space on regularly scheduled ships or aircraft, if required; and
- chartering ships or aircraft to transport the cargo, if required.

If required, we assist our customers in dealing with authorities such as obtaining the relevant regulatory approvals, import duty and tax determination, obtaining import duty and tax exemption (for qualifying goods), and submitting licence applications.

We provide project logistics services mainly to the oil, gas and petrochemical, power generation, defence and government sectors. We are registered as a multimodal transport operator (MTO) with the MOF for the shipment of cargo on behalf of government agencies and departments. As a MTO, we manage the shipment of the cargo using more than one mode of transportation, depending on the project's requirements. This may include all or a combination of scheduled or chartered sea freight, scheduled or chartered air freight, and land transportation including the use of heavy transportation vehicles. As many of our project logistics projects are related to the oil, gas and petrochemical industry in Malaysia, we are licenced with Petronas under the Petroleum Act 1974.

We carry out the project management functions including liaising with the customer, dealing with government, customs, regulatory, port and other authorities, booking cargo space on regularly scheduled ships and aircraft (where required), and chartering ships and aircraft (where required). We mainly use our in-house personnel and resources to handle project logistics that involves containerised cargo. We engaged specialised logistics service providers to carry out the lifting and transporting of heavy and/or oversized cargo as we do not have the specialised lifting equipment and vehicles to perform these tasks.

6.5.4.6 In-plant logistics services

As part of our freight forwarding operations, we also provide in-plant logistics which refers to the provision of personnel to manage the logistics functions for our customers. Our logistics staff will be stationed at the customer's facilities where they will manage the entire logistics functions including managing inbound materials and inputs, and outgoing finished goods.

6.5.4.7 Ship husbandry

Ship husbandry involves acting as the agent for ship owners or charterers to clear their ships that call at ports in Malaysia, including Johor Port and the Port of Tanjung Pelepas in Johor, Northport and Westport at Port Klang, Selangor, Kuantan Port in Pahang, Bintulu Port in Sarawak and the Port of Labuan, Labuan.

6. INFORMATION ON OUR GROUP (Cont'd)**6.5.5 Other Services****6.5.5.1 Overview**

Our other services include the following:

- Sales, spare parts and services dealerships for commercial vehicles;
- General insurance agency services; and
- E-commerce retailing.

In addition to serving external customers, other services also support our integrated logistics business by supplying new commercial vehicles used by our fleet, maintaining and repairing our commercial vehicle fleet, and providing insurance coverage for our commercial vehicles.

6.5.5.2 Dealerships for sales, spare parts and services of commercial vehicles

Our dealership involves sales of commercial vehicles and spare parts, and provision of maintenance services as follows:

Our supplier	Brand and products	Territory	Dealership	Validity Period
Hap Seng Trucks Distribution Sdn Bhd ^{(1), (2)}	Mercedes-Benz commercial vehicles	Peninsular Malaysia	Sales, spare parts and services (3S)	12 months from 1 February 2011, with subsequent automatic renewals of additional 12 months ⁽³⁾
	Fuso commercial vehicles	Peninsular Malaysia	Sales, spare parts and services (3S)	12 months from 15 April 2021, with subsequent automatic renewals of additional 12 months ⁽³⁾

Notes:

- (1) Hap Seng Trucks Distribution Sdn Bhd is the General Distributor to Daimler AG for Mercedes-Benz and Fuso commercial vehicles in Malaysia.
- (2) Novated from Mercedes-Benz Malaysia Sdn Bhd to Hap Seng Trucks Distribution Sdn Bhd on 2 July 2018.
- (3) Until non-renewal or termination by us or Hap Seng Trucks Distribution Sdn Bhd.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

We sell complete prime movers, trucks and vans to customers. In addition, we have our in-house commercial vehicle workshops for the provision of maintenance services for the following:

- drivetrain, including engine and transmission system;
- electronic and electrical systems, including engine management computer, ignition, lighting and alarm systems, and batteries and alternators;
- body works on the cabin and superstructures including collision repairs and replacements, and painting;
- wheel, axle and frame alignment; and
- replacement and sales of spare parts and fittings.

We are also an authorised provider of maintenance services and sales of spare parts for Mercedes-Benz and Fuso brands of commercial vehicles. We also provide maintenance services for other brand of commercial vehicles. Part of our services include tyre retreading services which involves replacing the thread on used tyres. Our retreading workshop, retreading process and materials that we use are MS 224:2005 compliant.

As at the LPD, we have seven workshops with facilities for commercial vehicle repair and maintenance:

- Our main workshop located in Port Klang has facilities including bodyworks, spray-painting, sand blasting and tyre retreading;
- A workshop located in Pasir Gudang;
- A workshop within the container haulage areas in Butterworth and a workshop within the container within the container haulage area in Seberang Perai;
- One workshop in Bukit Beruntung, one in Sijangkang and one in Bukit Minyak inland yards.

6.5.5.3 General insurance agency services

Our general insurance agency business involves representing and selling insurance policies on behalf of our principal, The Pacific Insurance Berhad. As at the LPD, we are an insurance agent for general insurance policies, which includes motor vehicles, medical and other general insurance. The purchasers for our general insurance agency services mainly comprise our Group of companies, as well as our staff who purchase general insurance in their personal capacities. We do not market our general insurance agency services to the general public.

We have been appointed as an insurance agent by The Pacific Insurance Berhad since 5 January 2011, and the appointment is valid until it is terminated by us or The Pacific Insurance Berhad. Through Q-Team Risk Management, we are registered as a member with the General Insurance Association of Malaysia (PIAM).

6.5.5.4 E-commerce retailing

Our e-commerce retailing business involves selling goods to customers through our e-commerce website, which is only accessible to our staff. We commenced this business in FYE 2020 and as at the LPD, we are still evaluating the results from this business. This business is based on purchase orders from customers via our website. We will fulfil the purchase order and arrange for delivery after we have received full payment from the customer. The types of goods that we sell include fast-moving consumer goods (such as packaged food, beverages and household items) and electrical and electronic appliances. We purchase these goods from distributors and wholesalers, which we will store at our warehouse until they are sold. We maintain minimum stock for our e-commerce retailing business, whereby we only order goods upon confirmation of the orders from our customers. We carry out the e-fulfilment function in-house, while delivery is based on customers picking the goods up themselves or by using third parties for deliveries. As at the LPD, the customer base for our e-commerce retailing business mainly comprises our staff.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.6 Our supporting facilities and activities

6.5.6.1 Group central command centre

We have a group central command centre located in Port Klang, Selangor to monitor our commercial vehicle fleet in Malaysia. This command centre is manned every day on a 24-hour basis with staff working in three 8-hour shifts.

All of the prime movers, trucks and vans that we own are equipped with a monitoring and wireless transmission device to measure and monitor the following information:

- speed
- idle time;
- harsh acceleration and harsh braking;
- location and route travelled; and
- fuel level.

This information is gathered in real-time and periodically transmitted to the command centre.

For safety purposes, the device includes a panic button in the vehicle cabin for the driver to alert the command centre in the event of an emergency.

Members of the public can call to report incidents involving our commercial vehicles by calling the hotline number displayed on each vehicle. These calls are routed to our group central command centre, where our staff can collect information and take the appropriate follow-up action.

The information we gather at our command centre will be displayed and analysed to provide us with the following benefits:

- contact the driver to take corrective action;
- monitor the driving patterns of individual drivers, particularly inefficient or dangerous actions such as harsh braking and acceleration, for driver training and improvement;
- monitor driving speed to improve driving safety and compliance to road and highway speed limits;
- knowing the location of vehicles at all times;
- deviation from assigned routes to travel along non-designated routes;
- provide estimated time of arrival;
- immediate knowledge emergencies or other incidents along the route; and
- monitor the operating conditions of prime movers to facilitate planned maintenance and repair, where necessary.

Our central command centre

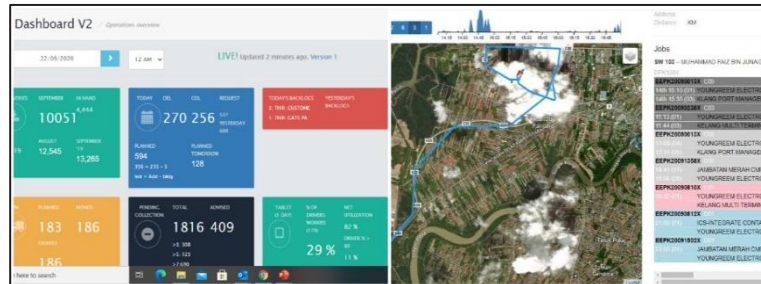


6. INFORMATION ON OUR GROUP (Cont'd)

Our group central command centre also directs the operation of our emergency response teams (“**ERT**”). We currently have four ERT, with one team assigned to each of our four regions in Peninsular Malaysia. Each ERT comprises two personnel (one of whom is trained to provide first aid), one pick-up truck, and tools to carry out tyre change and basic vehicle repairs. All of our ERT are on stand-by and are operational every day on a 24-hour basis. The ERT teams are directed by the group central command centre to render on-location assistance in the events such as breakdowns and accidents.

Our command centre also incorporates our Swift Haulage Portal which tracks customers' requests of transportation (“**ROT**”), from receipt of ROT to delivery of the containers to their final destinations. At any point in time, our customers will know the whereabouts of their containers. Our portal is designed for our authorised customers to access remotely via internet access using fixed or mobile devices on the status of their ROT.

Our Swift Haulage Portal for tracking customers' purchase orders



6.5.6.2 Fabrication, repair and maintenance of trailers and superstructures of commercial vehicle

We carry out fabrication, repair and maintenance of trailers, such as container trailers for transporting containers, enclosed box trailers and curtain-sider trailers. We also customize commercial vehicle superstructures. We carry out these activities to support our commercial vehicle fleet.

Our fabrication factory located in Bukit Minyak, Penang has an attached sand blasting and painting workshop.

Our fabrication of trailers



6. INFORMATION ON OUR GROUP (Cont'd)

6.5.7 Modes of Operation

For the FYE 2020 and FPE 2021, majority of our revenue was derived from services provided on an ad hoc basis, while services provided on contractual basis accounted for the remainder of our revenue.

Our modes of operation for our business activities are summarised below:

6.5.7.1 Container haulage

Service engagement and rates

Our services are engaged based on the following:

(a) Service contract

We enter into service contracts with certain customers. The service contract duration is usually 12 months. The service contract states the general terms and conditions for our services as well as other obligations between our customers and us. As and when they want us to provide the service, they will issue us a request for transportation (ROT). However, our service contract customers are under no obligation to utilise our services during the duration of the contract.

The service contract will stipulate, among others, the unit rates that we charge for providing the service. The unit rates are based on one of the following forms:

- base rate plus fuel adjustment factor based on the prevailing price of diesel;
- variable rates based on the prevailing price of diesel; or
- fixed rate for the duration of the service contract.

Charges for other services may also be included, depending on the customer.

We manage our margins by basing the unit rates for most of our service contracts either on a base rate plus fuel adjustment factor or variable rates based on the prevailing price of diesel. Only a small number of our service contracts are based on fixed rates.

(b) Request for transportation (ROT)

ROTs are issued by our service contract customers or are on ad hoc requests for specific services and are not tied to any other contracts or arrangements.

When we receive a ROT, we will provide a quotation for the service for consideration and confirmation by the potential customer. The confirmed ROT will specify, among others, pickup location and time, delivery destination, terms of service and agreed charges for the service.

Issuance of invoice

We will invoice the customer upon completion of the tasks.

Warranties and liabilities

We do not provide any warranties for our services. We bear liabilities for damage to the goods while in our care, where we have insurance coverage.

Any liability for loss or damage that may be borne by us in relation to providing container haulage services are limited by the condition of carriage, which our customers must accept before we transport their cargo. In general, the conditions of carriage for container haulage services limit the liability for any one claim at not exceeding RM5 per kg of the gross weight of the cargo and container, or not exceeding RM100,000 per claim, whichever is lower.

We have bailee's liability insurance for our container haulage to provide coverage against loss or damage of goods in transit or storage at our warehouses. Our insurance coverage is up to RM300,000 for any one occurrence and RM1.2 million in aggregate for all our logistic services, including container haulage, land transportation, warehousing and container depot, and freight forwarding within a 12-month period.

6. INFORMATION ON OUR GROUP (Cont'd)

6.5.7.2 Land transportation

Service engagement and rates

Our service engagement and rates are similar to those for container haulage.

Issuance of invoice

We will invoice the customer upon completion of the tasks.

Warranties and liabilities

We do not provide any warranties for our services. We have bailee's liability insurance for our land transportation to provide coverage against loss or damage of goods in transit. Our insurance coverage is up to RM300,000 for any one occurrence and RM1.2 million in aggregate for all our logistic services, including container haulage, land transportation, warehousing and container depot, and freight forwarding within a 12-month period.

6.5.7.3 Warehousing and container depot services

Service engagement and rates

Our services are engaged based on the following:

(a) Service contract

We enter into service contracts for our warehouse operations and management, container depot services, and e-fulfillment services. Service contracts will stipulate, among others, the unit rates charged for services provided (such as repacking, labelling and palletising for warehouse operations and management; container handling for depot services; and fulfilling an order for e-fulfillment services). Our service contracts are mainly for a duration of 12 months.

(b) Fixed term contract

We operate based on fixed-term contracts for the following services:

- leasing of warehouse and open yard space;
- leasing of designated storage space in a specified warehouse;
- warehouse operations and management services; and
- container depot services.

The duration of our fixed term contracts for warehousing and container depot services is between one year and three years.

Our fixed term contracts for the leasing of warehouse and open yard space, and leasing of designated storage space will stipulate, among others, the leasing charges, the defined area being leased out and any inclusions of fittings such as racking systems (if provided), and duration of the contract.

Our fixed term contracts for warehouse operations and management services will stipulate, among others, the fixed monthly operations and management fees, unit rates for other services that may be provided, and duration of the contract.

(c) Purchase orders (PO)

Customers for container depot services will issue PO to us when they require empty containers. The purchase order will specify, among others, the type and number of containers required, and the delivery destination and timing.

6. INFORMATION ON OUR GROUP (Cont'd)

Invoicing, deposits and charges

For service contracts concerning warehouse operations and management they are mainly based on fixed monthly rate, plus charges for additional services that may be provided.

For service contracts concerning e-fulfillment services, they are mainly based on a fixed monthly rate plus the number of items fulfilled.

For PO concerning container depot services, we will invoice the customer for container handling.

Warranties and liabilities

We do not provide any warranties for our services. We have bailee's liability insurance for our leasing of warehouse space to provide coverage against loss or damage of goods in storage at our warehouses. Our insurance coverage is up to RM300,000 for any one occurrence and RM1.2 million in aggregate for all our logistic services, including container haulage, land transportation, warehousing and container depot, and freight forwarding within a 12-month period.

6.5.7.4 Freight forwarding

Service engagement and rates

Our services are engaged based on the following:

(a) **Service contract**

We enter into service contracts with certain customers. The service contract duration is usually 12 months. The service contract states the general terms and conditions for our services, other obligations between our customers and us, and unit rates for services such as customs clearance and document submissions. As and when they want us to provide the service they provide us with a booking. However, our service contract customers are under no obligation to utilise our services during the duration of the contract and our Group is not obliged to accept the booking from our contract customers if the terms offered are not acceptable to the Group during the duration of the contract.

(b) **Bookings**

Bookings are from service contract customers or placed on ad hoc requests not tied to any contracts or arrangements. When we receive a booking, we will provide a quotation for the service for consideration by the potential customer. Once our quotation is accepted, it will serve as our sales order for the provision of service.

The bookings will specify, among others, the type and quantity of cargo, special handling or other considerations (if any), the modes of transportation involved, pick-up locations and timing, delivery destination, customs brokerage, terms of service and agreed charges for the service.

Issuance of invoice

We will invoice the customer upon completion of our scope as per the bookings.

6. INFORMATION ON OUR GROUP (Cont'd)

Warranties and liabilities

We do not provide any warranties for our services.

Any liability for loss or damage that may be borne by us in relation to providing freight forwarding services are limited by the condition of carriage, which our customers must accept before we transport their cargo. The condition of carriage is pre-agreed with customers and is based on the Federation of Malaysia Freight Forwarders' General Standard Trading Conditions. For freight forwarding services, our conditions of carriage limit our liability at RM2,800 per shipping unit or RM5 per kg of gross weight on the cargo lost or damaged, whichever is lower, up to a maximum of RM100,000 at the point of acceptance until delivery of the cargo.

We have bailee's liability insurance for our freight forwarding services to provide coverage against loss or damage of goods in transit or storage at our warehouses. Our insurance coverage is up to RM300,000 for any one occurrence and RM1.2 million in aggregate for all our logistics services, including container haulage, land transportation, warehousing and container depot, and freight forwarding within a 12-month period.

6.5.7.5 Other services

Our other services include 3S for commercial vehicles, general insurance agency and e-commerce retail.

(i) 3S for commercial vehicles

Service engagement and sales of products and rates

We have an agency contract with our principal for the sales of commercial vehicles and spare parts, and the provision of maintenance and repair services for their brand of commercial vehicles. The principal for our agency contract is also classified as our supplier.

We provide customers with the following types of services and products based on purchase or sales orders:

- sales of commercial vehicles;
- sales of spare parts for commercial vehicles; and
- provision of maintenance and repair of commercial vehicles and trailers.

The purchase or sales order will specify, among others, the type, nature and quantity of products and services provided, agreed price, payment terms, and delivery terms. Pricing of our products from our principal is based on the principals' cost plus a mark-up. Pricing for maintenance and repair services are stipulated by us.

Issuance of invoice

For sales of commercial vehicles, we invoice the customer after receiving the corresponding invoice from our principal.

For maintenance and repair services, we will invoice the customer upon completion of the work which commonly include spare parts and other consumables.

For sales of spare parts only, we will invoice the customers upon delivery of products or upon pick-up by the customers.

Warranties and liabilities

Warranties for the sales of commercial vehicles, sales of spare parts and provision of maintenance and repair services are provided by the principal namely Hap Seng Trucks Distribution Sdn Bhd. Any warranty claims that we receive in this respect are passed onto the principal.

6. INFORMATION ON OUR GROUP (Cont'd)

(ii) General insurance agency

Service engagement and rates

We have an agency contract with our principal for the provision of general insurance. In the agency contract, we represent the principal and we deal with the end-customers on behalf of our principal. The principal for our agency contracts is also classified as our supplier.

Insurance premiums are stipulated by our principal. We are paid a commission after our customers have paid their premiums.

(iii) E-commerce retail

Sales of products and rates

E-commerce retail is based on the products and their respective prices as listed on our e-commerce website. As the products listed on our e-commerce retail website are purchased by us from third party suppliers, their respective selling price is based on costs plus a mark-up.

Payments

Buyers pay upon their confirmation of purchase through our payment gateway provided on our website. We obtain payment from our payment gateway service provider.

Warranties and liabilities

Product warranties and liabilities, where applicable, are provided by the brand owner of the product or their representatives in Malaysia.

6.5.7.6 Claims for losses and damages and insurance claims

During the Financial Years Under Review and FPE 2021, the customers' claims in relation to losses or damages that we received are summarised in the following table:

	FYE 2018 RM	FYE 2019 RM	FYE 2020 RM	FPE 2021 RM
Customers' claims in relation to losses or damages:				
Customers' claims that are claimed against insurance	116,200	33,154	172,533	178,816
Customers' claims not claimable against insurance	1,280	10,334	20,513	17,027
Total customers' claims	117,480	43,488	193,046	195,843

During the Financial Years Under Review and FPE 2021, we received customers' claims for losses or damages for our container haulage, land transportation, warehousing and container depot and freight forwarding businesses due to loss or damage of customer's goods in transit or storage, and for delivery of goods to the wrong destination. For the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, 98.9%, 76.2%, 89.4% and 91.3% respectively of customers' claims were claimable against insurance and our insurance coverage was sufficient to cover these claims. The remaining 1.1%, 23.8%, 10.6% and 8.7% were not claimable against insurance as these claims were due to mishandling of goods or the individual value was less than the insurance excess amount.

6. INFORMATION ON OUR GROUP (Cont'd)

6.6 COMMERCIAL VEHICLES AND TRANSPORTATION EQUIPMENT

As at the LPD, we own and operate a fleet of commercial vehicles as well as related equipment to provide our container haulage, land transportation and container depot services as follows:

Our commercial vehicles in Malaysia	Number of units as at the LPD	Our transportation equipment in Malaysia	Number of units as at the LPD
Prime movers ⁽¹⁾	1,460 ⁽²⁾	Containers ⁽³⁾	503
Container trailers ⁽³⁾	5,400	ISO tanks ⁽⁴⁾	75
Box or curtain-sider trailers ⁽³⁾	811	Side loaders ⁽¹⁾	66
CNG tankers ⁽³⁾	42	Container stackers ⁽¹⁾	10
Trucks ⁽¹⁾	51		
Our commercial vehicles in Thailand		Our transportation equipment in Thailand	
Prime movers ⁽¹⁾	86	Containers ⁽³⁾	101
Container trailers ⁽³⁾	118		
Trucks ⁽¹⁾	2		

Notes:

- (1) Useful life of 10 years.
- (2) Includes 29 prime movers that are inactive and classified as held for sale as at the LPD. We categorise prime movers as inactive when they are not economical to operate due to high maintenance costs. We review the operational performance of each of our prime movers regularly to assess the vehicle's ability to generate revenue against its operating and maintenance costs. If the review concludes that a prime mover's operating and maintenance costs exceed its ability to generate revenue, it will be categorised as inactive and disposed of as per our disposal policy.
- (3) Useful life is until the commercial vehicle or equipment are not economical to operate due to high maintenance costs.
- (4) Useful life of 20 years.

As at the LPD, we employ a total of 1,477 drivers in Malaysia and 144 drivers in Thailand who are mainly assigned to provide container haulage and land transportation services.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)**6.7 SUMMARY OF BUSINESS ACTIVITIES OF THE SUBSIDIARY COMPANIES WITHIN OUR GROUP**

The business activities of the subsidiary companies within our Group during the Financial Years Under Review and up to the LPD are summarised in the following table:

Subsidiary companies within our Group	Container Haulage	Land Transportation	Warehousing and Container Depot	Freight Forwarding	Other Services	Investment Holding	Dormant/Inactive
Swift Haulage	Y	Y	Y	Y		Y	
Swift Integrated Logistics	Y	Y	Y	Y		Y	
Swift Consolidators				Y			
Agensi Tanjung Bruas				Y			
Sentiasa Hebat	Y						
Sentiasa Hebat (Penang)	Y						
Swift Commerce					Y ⁽¹⁾		
Earth Move International				Y			
Tanjong Express	Y	Y				Y	
Tanjong Express Logistic	Y						
Agenda Wira	Y			Y			
Delta Express				Y		Y	
Swift Logistics TA				Y			
Komunajaya					Y		
Q-Team					Y	Y	
Q-Team Risk Management					Y		
Fleet Engineering Services					Y		
Container Connections			Y			Y	
Northern Gateway Depot			Y				
Swift Crossland Logistics		Y		Y		Y	
Swift Haulage Services							Y ⁽²⁾
MILS Cold Hub							Y ⁽³⁾
Crossland Forwarders							Y
Top Tyres & Workshop							Y ⁽⁴⁾
Ann Joo Properties						Y	

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Swift Commerce commenced e-commerce retailing during FYE 2020.
- (2) Swift Haulage Services has ceased operations. The company's intended future business activities are to provide container haulage and land transportation services.
- (3) MILS Cold Hub has ceased operations. The company's intended future business activity is to provide cold chain logistics services
- (4) Top Tyres & Workshop has ceased operations, and the intention is to strike-off the company.

Please refer to Section 6.14 of this Prospectus for details on the licenses required to carry out these business activities, some of which may not be renewed after listing if the Bumiputera participation in our Company falls below 51%.

6.8 TYPES AND SOURCES OF MATERIALS, CONSUMABLES AND SERVICES

The following are the major types of materials, consumables and services that we purchased for our business operations for the Financial Years Under Review and FPE 2021:

Purchases of materials, consumables and services for FYE 2018

	Value of Purchases	Proportion of Total Purchases	Value of Purchases for Operations in Malaysia ⁽¹⁾	Value of Purchases for Operations in Thailand ⁽²⁾
	(RM'000)	(%)	(RM'000)	(RM'000)
Materials and consumables	101,516	53.3	89,399	12,117
Diesel	69,305	36.4	59,305	10,000
Spare parts, tyres and tyre retreading materials	30,643	16.1	28,526	2,117
Prime movers ⁽³⁾	1,568	0.8	1,568	-
Services	89,048	46.7	85,822	3,226
Third-party container haulage and land transportation	40,387	21.2	37,653	2,734
Road toll and depot gate charges	19,409	10.2	19,010	399
Rental charges	16,923	8.9	16,830	93
Sub-contracted labour and services	9,147	4.8	9,147	-
Commercial vehicle repair and maintenance ⁽⁴⁾	2,990	1.5	2,990	-
Other services ⁽⁵⁾	192	0.1	192	-
Total	190,564	100.0	175,221	15,343

Notes:

- (1) Purchases of fuel, materials and services for our operations in Malaysia.
- (2) Purchases of fuel, materials and services purchased for our operations in Thailand.
- (3) Prime movers for sale to other customers.
- (4) Repair and maintenance of our commercial vehicles by third-party service providers.
- (5) Other services include upkeep of machinery, equipment and yards.

6. INFORMATION ON OUR GROUP (Cont'd)**Purchases of materials, consumables and services for FYE 2019**

	Value of Purchases	Proportion of Total Purchases	Value of Purchases for Operations in Malaysia ⁽¹⁾	Value of Purchases for Operations in Thailand ⁽²⁾
	(RM'000)	(%)	(RM'000)	(RM'000)
Materials and consumables	142,230	62.6	129,411	12,819
Diesel	96,234	42.3	84,989	11,245
Spare parts, tyres and tyre retreading materials	42,416	18.7	42,416	-
Prime movers ⁽³⁾	3,580	1.6	2,006	1,574
Services	84,963	37.4	81,233	3,730
Road toll and depot gate charges	29,075	12.8	28,535	540
Third-party container haulage and land transportation	28,656	12.6	25,936	2,720
Rental charges	14,046	6.2	13,576	470
Sub-contracted labour and services	9,353	4.1	9,353	-
Commercial vehicle repair and maintenance ⁽⁴⁾	3,590	1.6	3,590	-
Other services ⁽⁵⁾	243	0.1	243	-
Total	227,193	100.0	210,644	16,549

Notes:

- (1) Purchases of fuel, materials and services for our operations in Malaysia.
- (2) Purchases of fuel, materials and services for our operations in Thailand.
- (3) Prime movers for sale to other customers.
- (4) Repair and maintenance of our commercial vehicles by third-party service providers.
- (5) Other services include upkeep of machinery, equipment and yards.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)
Purchases of materials, consumables and services for FYE 2020

	Value of Purchases	Proportion of Total Purchases	Value of Purchases for Operations in Malaysia ⁽¹⁾	Value of Purchases for Operations in Thailand ⁽²⁾
	(RM'000)	(%)	(RM'000)	(RM'000)
Materials and consumables	116,262	57.1	104,795	11,467
Diesel	77,057	37.9	67,833	9,224
Spare parts, tyres and tyre retreading materials	38,095	18.7	35,852	2,243
Prime movers ⁽³⁾	1,110	0.5	1,110	-
Services	87,270	42.9	81,818	5,452
Road toll and depot gate charges	29,500	14.5	28,828	672
Third-party container haulage and land transportation	24,457	12.0	19,773	4,684
Sub-contracted labour and services	19,331	9.5	19,331	-
Rental charges	9,780	4.8	9,684	96
Commercial vehicle repair and maintenance ⁽⁴⁾	3,315	1.6	3,315	-
Other services ⁽⁵⁾	887	0.5	887	-
Total	203,532	100.0	186,613	16,919

Notes:

- (1) Purchases of fuel, materials and services for our operations in Malaysia.
- (2) Purchases of fuel, materials and services for our operations in Thailand.
- (3) Prime movers for sale to other customers.
- (4) Repair and maintenance of other brands of commercial vehicles by external service providers.
- (5) Other services include upkeep of machinery, equipment and yards.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)**Purchases of materials, consumables and services for FPE 2021**

	Value of Purchases	Proportion of Total Purchases	Value of Purchases for Operations in Malaysia ⁽¹⁾	Value of Purchases for Operations in Thailand ⁽²⁾
	(RM'000)	(%)	(RM'000)	(RM'000)
Materials and consumables	60,050	63.8	53,844	6,206
Diesel	41,659	44.3	36,516	5,143
Spare parts, tyres and tyre retreading materials	18,391	19.5	17,328	1,063
Prime movers ⁽³⁾	-	-	-	-
Services	34,054	36.2	31,580	2,474
Road toll and depot gate charges	14,163	15.1	13,938	225
Third-party container haulage and land transportation	7,665	8.1	5,449	2,216
Sub-contracted labour and services	7,438	7.9	7,438	-
Rental charges	2,525	2.7	2,492	33
Commercial vehicle repair and maintenance ⁽⁴⁾	1,989	2.1	1,989	-
Other services ⁽⁵⁾	274	0.3	274	-
Total	94,104	100.0	85,424	8,680

Notes:

- (1) Purchases of fuel, materials and services for our operations in Malaysia.
- (2) Purchases of fuel, materials and services for our operations in Thailand.
- (3) Prime movers for sale to other customers.
- (4) Repair and maintenance of other brands of commercial vehicles by external service providers.
- (5) Other services include upkeep of machinery, equipment and yards.

Diesel was our largest category of purchases to operate our fleet of commercial vehicles in Malaysia and Thailand. Purchases of diesel accounted for 36.4%, 42.3%, 37.9% and 44.3% of our total purchases of materials, consumables and services for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. This is followed by purchases of other materials for our operations including spare parts, tyres and materials for tyre retreading which are used to support our container haulage and land transportation services. Purchases of these types of materials accounted for 16.1%, 18.7%, 18.7% and 19.5% of our total purchases of materials, consumables and services for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

Our largest purchases of services comprised road toll and depot gate charges (for FYE 2019, FYE 2020 and FPE 2021) and third-party container haulage and land transportation services (for FYE 2018). Road toll charges are the fees paid to toll road operators for using their toll roads, while depot gate charges are the fees paid to third-party container depot operators for picking up or dropping off empty containers at their container depots. Road toll and container depot charges accounted for 10.2%, 12.8%, 14.5% and 15.1% of our total purchases of materials, consumables and services for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. We mainly engage third-party container haulage and land transportation services when our commercial vehicles do not have containers or cargo on their return journeys, or when we do not have sufficient capacity at a particular point in time. Third-party container haulage and land transportation services accounted for 21.2%, 12.6%, 12.0% and 8.1% of our total purchases of materials, consumables and services for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. Our purchases of third-party container haulage and land transportation services declined from FYE 2018 to FYE 2019 mainly because the number of our own prime movers and trailers available increased during this period following the acquisitions of Tanjong Express Logistic and Komunajaya, thereby reducing our engagement of third-party service providers. Other services that we purchased included sub-contracted labour and services; rental of machinery, equipment warehouse and container depot, and other services for upkeep of machinery, equipment and yards.

During the Financial Years Under Review and FPE 2021, we have not faced any shortages in the availability of materials, consumables and services purchased for our operations in Malaysia and Thailand. In addition, we have not experienced any undue volatility in the prices of these materials, consumables and services in Malaysia and Thailand during this period.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)**6.9 CAPACITY AND UTILISATION****6.9.1 Container haulage services**

We provide container haulage services in Malaysia mainly by utilising our fleet of prime movers and trailers. In some cases, we engage third-party logistics services providers in Malaysia to support our container haulage services, mainly for trips where our prime mover and trailer will be empty on the return trip.

The methodology used to calculate capacity, actual usage and utilisation rates are for our own fleet of commercial vehicles only and are as follows:

- the average capacity is the average number of prime movers available during the year calculated on a monthly basis and averaged over the year;
- average usage is based on the average number of prime movers that were revenue generating during the year calculated on a monthly basis and averaged over the year. A prime mover is classified as revenue generating if it was actively engaged in serving customers or shunting trailers; and
- the utilisation rate is calculated by dividing the average usage by the average capacity.

Prime Movers for Container Haulage

	Average Capacity (units)	Average Usage (units)	Average Utilisation Rate (%)
FYE 2018	568	488	86
FYE 2019	905	774	86
FYE 2020	944	768	81
FPE 2021	939	788	84

6.9.2 Land transportation services

We provide land transportation services mainly by using our fleet of commercial vehicles, including prime movers, trailers and trucks that are operated by our own personnel. This includes using our prime movers in Malaysia to provide inland transportation and distribution services, and our prime movers that are registered in Malaysia and Thailand to provide cross-border transportation services. In some cases, we engage third-party logistics service providers to support our inland transportation and distribution services in Malaysia and our cross-border transportation services in Malaysia and Thailand, mainly for shipments where our commercial vehicle will not be carrying cargo on the return trip or if we do not have sufficient capacity at a particular time.

6. INFORMATION ON OUR GROUP (Cont'd)

The methodology used to calculate capacity, actual usage and utilisation rates for inland distribution and cross-border transportation services are for our own fleet of prime movers only and are as follows:

- the average capacity is the average number of prime movers available during the year calculated on a monthly basis and averaged over the year. This comprises prime movers registered in Malaysia and Thailand for inland distribution and cross-border transportation. Average capacity also subtracts the estimated number of off-road days required for vehicle repair and maintenance;
- average usage is based on the average number of prime movers that were revenue generating during the year calculated on a monthly basis and averaged over the year. A prime mover is classified as revenue generating if it was actively engaged in serving customers or shunting trailers; and
- the utilisation rate is calculated by dividing the average usage by the average capacity.

Prime Movers for Inland Transportation

	Average Capacity (units)	Average Usage (units)	Utilisation Rate (%)
FYE 2018			
Inland transportation and distribution	159	133	84
Cross-border transportation services (Malaysia)	19	18	93
Cross-border transportation services (Thailand)	67	64	96
FYE 2019			
Inland transportation and distribution	336	296	88
Cross-border transportation services (Malaysia)	28	25	90
Cross-border transportation services (Thailand)	68	60	89
FYE 2020			
Inland transportation and distribution	396	353	89
Cross-border transportation services (Malaysia)	30	26	88
Cross-border transportation services (Thailand)	77	66	86
FPE 2021			
Inland transportation and distribution	398	344	87
Cross-border transportation services (Malaysia)	41	37	90
Cross-border transportation services (Thailand)	82	77	94

6. INFORMATION ON OUR GROUP (Cont'd)

6.9.3 Warehousing services

For the Financial Years Under Review and FPE 2021, we provided warehousing services to customers at the SLC Warehouse, Port Klang Warehouse, Westport Warehouse, Vehicle Warehouse in Port Klang, Perai Warehouse, Tebrau Warehouse and Kota Kinabalu Warehouse.

The methodology for calculating capacity, actual usage and utilisation rate for these warehouses are as follows:

- the capacity of a warehouse is based on the storage space available for customers during the year.
- average usage is based on actual storage space used by customers during the year, divided by the number of days in the year. Utilised storage space is defined as space that a customer has secured by way of a confirmed contract for a specified period and for a specific area within the warehouse; and
- the utilisation rate is calculated by dividing the average usage by the capacity.

SLC Warehouse in Port Klang, Selangor

	Capacity (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018	200,000	130,000	65
FYE 2019	200,000	134,000	67
FYE 2020	200,000	178,000	89
FPE 2021	200,000	180,000	90

Port Klang Warehouse in Port Klang, Selangor

	Capacity (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018	100,000	100,000	100
FYE 2019	100,000	100,000	100
FYE 2020	100,000	100,000	100
FPE 2021	100,000	91,000	91

Westport Warehouse in Port Klang, Selangor

	Capacity (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018 ⁽¹⁾	212,000	173,840	82
FYE 2019 ⁽²⁾	159,433	159,433	100
FYE 2020 ⁽³⁾	54,300	54,300	100
FPE 2021 ⁽³⁾	54,300	54,300	100

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Westport Warehouse was operational throughout the whole of FYE 2018 with warehouse space capacity of 212,00 sq. ft throughout the year.
- (2) Westport Warehouse was operational throughout the whole of FYE 2019, with warehouse space capacity of 212,000 sq. ft. between January and August 2019, and reduced to 54,300 sq. ft. between September and December 2019 as we reduced the space that we leased from the facility owner.
- (3) Westport Warehouse was operational throughout the whole of FYE 2020 and FPE 2021 with warehouse space capacity of 54,300 sq. ft throughout the year/period.

Since the rental agreement for the Westport Warehouse has expired on 31 October 2021 and the construction of the new warehouse has yet to commence, we have temporarily rented a warehouse located in Port Klang Free Zone in order to avoid disrupting our warehousing services operations at the Westport Warehouse. We have relocated and commenced our operations at the temporary warehouse on 8 November 2021. Upon the completion of the new warehouse and issuance of the CCC, the operations at the temporary warehouse will be relocated to the new warehouse. For further information, please refer to business strategies and plans in Section 6.21.2.1 of this Prospectus.

Vehicle Distribution Centre in Port Klang, Selangor ⁽¹⁾

	Capacity ⁽²⁾ (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018 ⁽³⁾	274,318	274,318	100
FYE 2019 ⁽³⁾	274,318	274,318	100
FYE 2020 ⁽³⁾	274,318	274,318	100
FPE 2021 ⁽³⁾	274,318	274,318	100

Notes:

- (1) This facility is fully rented out to one customer for the storage of passenger cars, and comprises a warehouse and open yard area. The size of the warehouse is fixed with 274,318 sq. ft. storage capacity. The size of the open yard rented to the customer may change from time to time, depending on our and/or the customer's requirements. As at the LPD, the open yard area that was rented to the customer was 144,123 sq. ft.
- (2) The capacity of the warehouse.
- (3) The entire facility was rented out throughout FYE 2018, FYE 2019, FYE 2020 and FPE 2021.

Perai Warehouse in Penang

	Capacity (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018	113,000	113,000	100
FYE 2019	113,000	113,000	100
FYE 2020	113,000	106,000	94
FPE 2021	113,000	102,830	91

6. INFORMATION ON OUR GROUP (Cont'd)**Tebrau Warehouse in Johor**

	Capacity (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018	107,753	107,753	100
FYE 2019	107,753	107,753	100
FYE 2020	107,753	107,753	100
FPE 2021	107,753	107,753	100

Kota Kinabalu Warehouse in Sabah

	Capacity (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018	103,500	103,500	100
FYE 2019	103,500	103,500	100
FYE 2020	103,500	103,500	100
FPE 2021	103,500	103,500	100

Note:

- (1) Kota Kinabalu Warehouse has ceased operations on 30 June 2021 and has been demolished as at the LPD. We intend to construct a new warehouse on the land in future, depending on customer's demand.

Summary of all our Warehouses

	Capacity (sq. ft)	Average Usage (sq. ft)	Utilisation Rate (%)
FYE 2018	1,110,571	1,002,411	90
FYE 2019	1,058,004	992,004	94
FYE 2020	952,871	923,871	97
FPE 2021	952,871	913,711	96

Extension works are currently being undertaken at our Perai Warehouse and Tebrau Warehouse and are expected to be completed in the second quarter of 2022 and fourth quarter of 2021, respectively. Upon the completion of the extension, the capacity of our Perai Warehouse and Tebrau Warehouse will increase by approximately 109,000 sq. ft. (non-bonded) and 200,000 sq. ft. (non-bonded), respectively. Please refer to Section 11.4.5 of this Prospectus for further details.

For the Financial Years Under Review and FPE 2021, we were engaged to manage and operate four warehouses on behalf of the respective owners and/or tenants. As our revenue from managing and operating these warehouses are for services rendered and not the utilisation of warehousing space, these are not included in the discussion of warehouse capacity, usage and utilisation rate.

6. INFORMATION ON OUR GROUP (Cont'd)**6.9.4 Container depot services**

During the Financial Years Under Review and FPE 2021, we provided container depot services to customers at the Northport Container Depot, NGD Container Depot, Westport On-dock Container Depot, and Westport Container Depot.

The methodology for calculating capacity, actual usage and utilisation rate for these container depots are as follows:

- the capacity of a depot is based on the estimated number of containers (expressed in TEU) that can be stored at the depot at the same time, based on the land area available for storing containers and a maximum stacking height of seven containers.
- average usage is based on the actual number of containers (expressed in TEU) stored used during the year, divided by the number of days in the year; and
- the utilisation rate is calculated by dividing the average usage by the capacity.

Northport Container Depot at Port Klang, Selangor

	Capacity (TEU)	Average Usage (TEU)	Utilisation Rate (%)
FYE 2018	8,000	6,692	84
FYE 2019	8,000	6,224	78
FYE 2020	8,000	6,760	86
FPE 2021	8,000	6,464	81

NGD Container Depot at Port Klang, Selangor

	Capacity (TEU)	Average Usage (TEU)	Utilisation Rate (%)
FYE 2020 ⁽¹⁾	11,500	7,269	63
FPE 2021	11,500	5,086	44

Note:

- (1) NGD Container Depot was not owned and operated by us during FYE 2018 and FYE 2019. We acquired NGD Container Depot on 31 August 2020 (following the acquisition of Northern Gateway Depot on that date), and we continued the on-going container depot services from that date. Container storage capacity and average usage data are from September 2020 to December 2020, with container storage capacity of 11,500 TEU throughout this period.

Westport On-dock Container Depot at Port Klang, Selangor

	Capacity (TEU)	Average Usage (TEU)	Utilisation Rate (%)
FYE 2018	4,000	2,768	69
FYE 2019	4,000	3,246	81
FYE 2020	4,000	3,429	86
FPE 2021	4,000	2,666	67

6. INFORMATION ON OUR GROUP (Cont'd)**Westport Container Depot at Port Klang, Selangor**

	Capacity (TEU)	Average Usage (TEU)	Utilisation Rate (%)
FYE 2018 ⁽¹⁾	3,500	1,341	38
FYE 2019 ⁽¹⁾	3,500	1,619	46
FYE 2020 ⁽²⁾	3,875	2,611	67
FPE 2021 ⁽³⁾	5,000	2,906	58

Notes:

- (1) Westport Container Depot was operational throughout the whole of FYE 2018 and FYE 2019, with container storage capacity of 3,500 TEU throughout this period.
- (2) Westport Container Depot was operational throughout the whole of FYE 2020. Capacity was 3,500 TEU between January and September 2020, and 5,000 TEU between October and December 2020.
- (3) Westport Container Depot was operational throughout the whole of FPE 2021, with container storage capacity of 5,000 TEU throughout this period.

6.9.5 Freight forwarding, project logistics and inland specialised transportation services

In general, measurements of capacity and utilisation do not apply to our sea, air and land freight forwarding as the main portion of the activities are performed by commercial vehicles, ships or aircraft that are owned and operated by other service providers.

Similarly, measurements of capacity and utilisation do not apply to our project logistics services as most of the activities are performed using ships, aircraft, heavy transportation vehicles, machinery and equipment that are owned and operated by other service providers.

As for inland specialised transportation services for CNG, we only provide these services to one customer based on a fixed-term contract where we utilise our own CNG tankers to serve this customer. Our CNG tankers are regarded as fully utilised as we receive a fixed payment for providing this service, as well as variable payments based on the services provided (based on the number and nature of the deliveries made). Therefore, the measurements of capacity and utilisation for specialised land transportation service is not applicable.

(The rest of this page has been intentionally left blank)

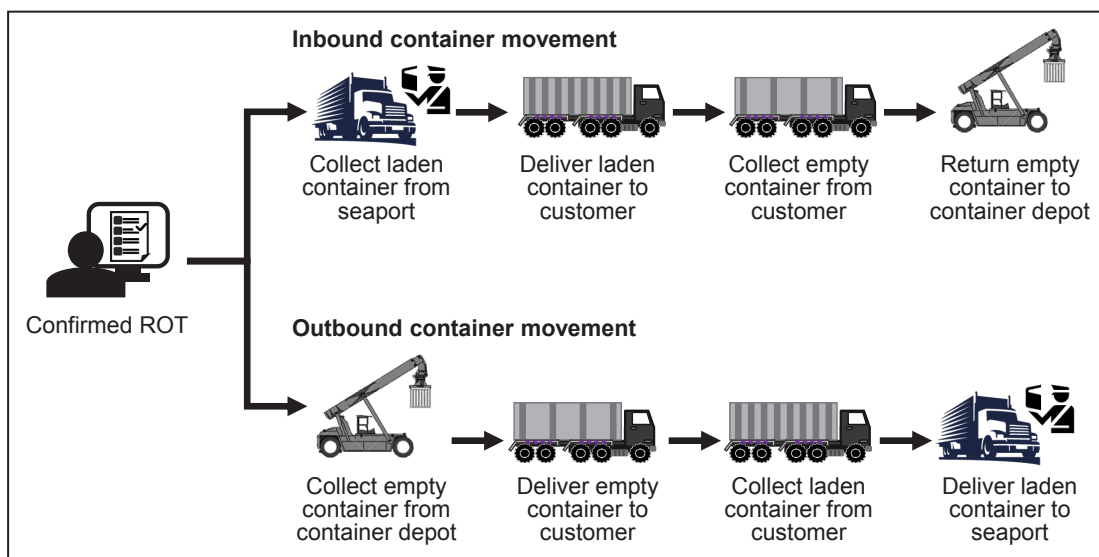
6. INFORMATION ON OUR GROUP (Cont'd)

6.10 PROCESS FLOW

6.10.1 Container haulage services

Our container haulage services comprise inbound and outbound container movement where the tasks performed are similar. The main difference is that inbound container movement involves the delivery of a laden container from a seaport to a customer's premises and subsequently the return of an empty container to a container depot, whereas outbound container movement involves the delivery of an empty container from a container depot to the customer's premises, followed by transportation of the laden container to a seaport. Our process flow for providing container haulage services is summarised in the following diagram:

Process flow for the provision of container haulage services



Confirmed ROT and pay custom and port charges

A ROT is placed by the customer via email or our web portal, Haulage Management System ("HMS"). Details required while placing the ROT include, among others, pickup location and delivery destination, nature of the cargo and delivery timeframe. For inbound container movement, the customer is required to provide us with the Gatepass which allow us to take possession of the container from the stipulated seaport, and stipulate the number of days required for unloading. For outbound container movement, the customer is required to provide us with the Container Movement Order ("CMO") which consists of details including the size and type of the container as well as the date and location for the collection of the container, and the number of days required for loading.

Upon receiving all the necessary details, the ROT will be confirmed and the route planned for the container movement.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

Inbound container movement

The steps for carrying out inbound container movement are as follows:

- **Collect laden container from seaport:** The assigned driver is briefed on the pickup and delivery locations, planned route and customer requirements, and the laden container is collected from the seaport stipulated by the customer. Customs and port procedures are carried out to enable the release of the containers. The details of the vehicle assigned for the shipment are provided to the customer.
- **Deliver laden container to customer:** The laden container collected from the seaport is driven along the planned route and delivered to the destination, where it is dropped off for the specified number of days for unloading.
- **Collect empty container from customer:** The customer will place a Ready for Collection ("RFC") request via our web portal, HMS or email once the container has been unloaded. Upon accepting the RFC, a driver will be assigned to collect the empty container.
- **Return empty container to container depot:** The empty container is returned to a designated container depot.

Outbound container movement

The steps for carrying out outbound container movement are as follows:

- **Collect empty container from container depot:** An empty container is collected from a container depot designated by our planning department.
- **Deliver empty container to customer:** The empty container is delivered to the customer's location and dropped off for the specified number of days for loading.
- **Collect laden container from customer:** When the laden container is ready for collection, the customer will place a RFC request via our web portal, HMS or email. Upon accepting the RFC, a driver will be assigned for the shipment and briefed on the pickup and delivery locations, planned route and customer requirements. The details of the vehicle assigned for the shipment are provided to the customer.
- **Collect laden container to seaport:** The driver will collect the sealed laden container and deliver it to the seaport along the planned route. The details of the vehicle assigned for the shipment are provided to the customer.

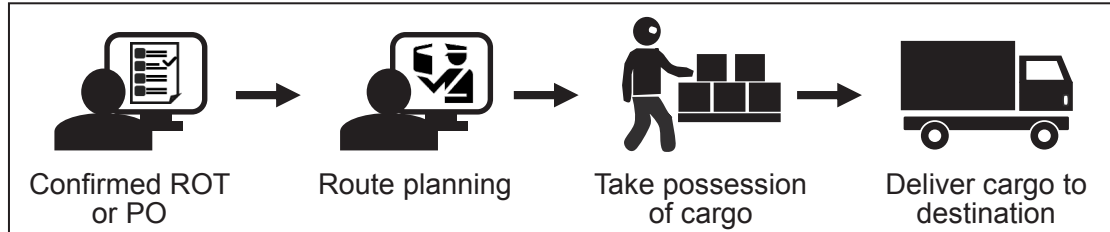
(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.10.2 Inland transportation and distribution services

Our process flow for providing inland transportation and distribution services is summarised in the following diagram:

Process flow for provision of inland transportation and distribution services



Confirmed ROT or PO

The customer places a confirmed ROT or PO by email or through our web portal. Information provided by the customer as part of the ROT or PO includes, among others, the pickup location and delivery destination or destinations, nature of cargo and delivery timeframe.

Route planning

The customer will either specify the delivery route that we have to follow, or we will plan the route subject to confirmation by the customer.

Take possession of the cargo

We take possession of the cargo, commonly by pickup from a location specified by the customer, or sometimes by the customer dropping off the cargo to one of our inland yards or other facilities. The cargo is checked against the customer's documentation and loaded onto our commercial vehicle.

Deliver cargo to destinations

The cargo is transported along the planned route and delivered to the specified destination or destinations.

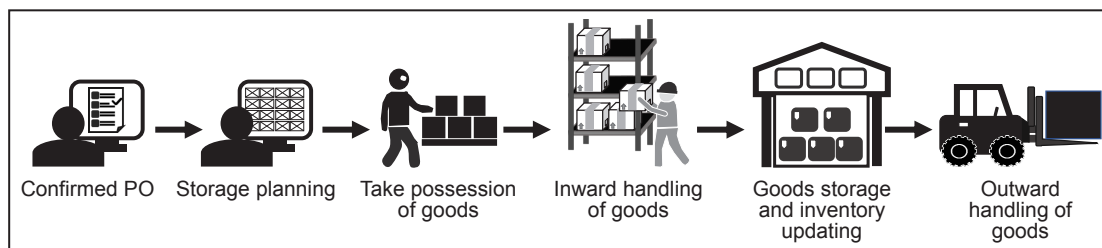
(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.10.3 Warehouse storage services

Our process flow for warehouse storage services is summarised in the following table:

Process flow for the provision of warehousing storage services



Confirmed PO

The customer places a confirmed PO for the storage of goods via email, including information on the goods including type and quantity (goods manifest) to be stored, storage requirements and storage period.

Storage planning

We will allocate space to store the customer's goods at our warehouse, based on factors such as the type and quantity of goods stored, storage requirements (if any) and space availability at our warehouses.

Take possession of goods

We take possession of the goods either through delivery by the customer to the designated warehouse, or we collect from the customer's location. If the customer delivers the goods to our warehouse, they will provide us with a delivery order which includes the goods manifest, which we check against the physical goods delivered and the goods manifest provided in the PO. If we were to collect the goods from the customer's warehouse, we will check the goods loaded onto our vehicle against the goods manifest provided in the PO.

Inward handling of goods

Goods received at the warehouse are checked against the goods manifest provided in the PO.

Goods storage and inventory updating

The details of the goods are updated into our warehouse management system, which will allocate the required storage space and generate lot identification codes to track the goods. The goods are stored in the allocated storage space. It is monitored and tracked daily.

Outward handling of goods

The customer will issue a release order or collection order ("**RO/CO**") to us when they want to remove their goods from storage. We will collect the specified goods based on the RO/CO. If required, we will also carry out kitting, repacking, labelling and palletising. The customer may pick up the goods from the warehouse, or we will deliver them to another destination.

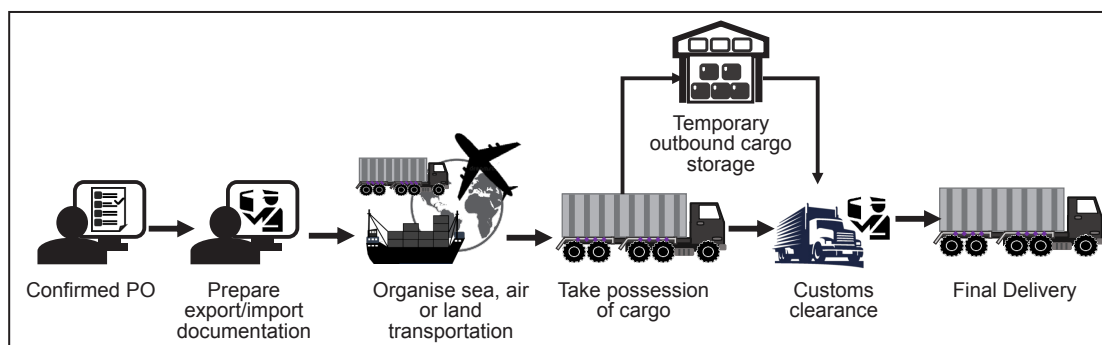
6. INFORMATION ON OUR GROUP (Cont'd)

6.10.4 Sea, air and land freight forwarding

In general, our process flow for providing sea, air and land freight logistics services are similar, as the tasks performed are similar. The main difference is that with sea freight forwarding, the sea transportation component predominates in terms of distance covered and/or cost incurred, whereas the air or land transportation component predominates in air or land freight forwarding respectively.

The following diagram summarises our process flow for providing sea, air and land freight forwarding:

Provision of sea, air and land freight forwarding



Confirmed PO

The customer will issue a confirmed PO to us via email, which will specify, among others, the pickup location, details of cargo, final destination and identities of the consignor and consignee.

Prepare export/import documentation

We will prepare the documentation required for the end-to-end transportation of the cargo to the final destination. This includes the cargo's invoice, bill of lading, customs documentation, and any other documentation that may be required by the carrier, and country of export and import. The accuracy of all of the information disclosed in these documents is the responsibility of the customer.

Organise sea, air or land transportation

We will secure space for the cargo on container ships for sea freight, scheduled cargo or passenger flights for air freight, or engage land transportation services providers for land freight. Securing space is carried out with their respective agents. Organising sea, air or land freight forwarding takes into consideration factors such as space availability on carrier, arrival and departure time of carrier, number of transit points, and total end-to-end time and cost.

Take possession of cargo

The cargo is either delivered to one of our facilities or collected from a location designated by our customers.

Temporary outbound cargo storage

In some cases, our sea, air or land freight forwarding includes temporary in-transit outbound cargo storage. We will either store the cargo at one of our warehouses or a third-party warehouse. To avoid congestion, seaports and airports provide very limited time for goods to be at their premises before they are placed on the carrier.

6. INFORMATION ON OUR GROUP (Cont'd)

Customs clearance

For international sea and air freight forwarding shipments, we will represent our customers in clearing their cargo through customs and port authorities of the originating and destination countries. We also compute and pay duties, taxes and other charges on behalf of our customers (we subsequently recover all such payments from customers).

Final delivery

We will organise the final delivery of the cargo to the destination specified by the customer, either through our owned in-house resources if the destination is in Peninsular Malaysia or by engaging a third-party service provider for foreign countries.

6.11 MARKETING ACTIVITIES

Our core business activities are in providing logistics services comprising container haulage, land transportation, warehousing and container depot services, and freight forwarding. As a result of the wide range of logistics services that we offer, we have a diverse customer base that consists of, among others, operators in the oil, gas and petrochemicals, manufacturing, food and beverages and distributive trades industries, as well as logistics service providers.

Our marketing strategy and activities to address business opportunities are focused on the following:

Market positioning

- Position ourselves as an integrated logistics service provider as well as a one-stop logistics service centre where we offer customers the convenience and efficiency of dealing with a single provider for a range of their logistics needs, including container haulage, land transportation, warehousing and container depot, and freight forwarding. We offer specialised services such as point-to-point land transportation, point-to-multipoint distribution, e-fulfilment, inland specialised transportation such as those for CNG, project logistics for heavy and/or oversized cargo, and cross-border land transportation to Malaysia, Singapore, Thailand, Vietnam, Cambodia, Myanmar, Laos and the southern border of China.
- Market our strengths in container haulage and land transportation through the sheer size of our commercial fleet operations which includes 1,460 prime movers, 5,400 container trailers, 811 box or curtain-sider trailers, 42 CNG tankers and 51 trucks registered in Malaysia, and 86 prime movers, 118 container trailers and 2 trucks registered in Thailand as at the LPD. Our commercial vehicles are operated by our in-house team of 1,477 drivers in Malaysia and 144 drivers in Thailand as at the LPD. Our large fleet and pool of drivers provide assurance to our customers that we will have the resources available to transport their cargo.
- Highlight our network of operational facilities supporting our integrated logistics business, which as at the LPD include six warehouses with combined storage capacity of 849,371 sq. ft. of floor space, four container depots with total capacity of 28,500 TEU, and other facilities including eight container haulage yards, six inland yards and two cross-border yards.
- Emphasise our proven capability to plan and execute complex and unconventional cargo movements demonstrated through our project logistics business. This involves organising the shipment of cargo that requires specialised vehicles and handling equipment for heavy and/or over-sized cargo, or cargo that requires special arrangements.

6. INFORMATION ON OUR GROUP (Cont'd)

Marketing activities

- Provide our customers with remote access to our Swift Haulage Portal to enable them to monitor their cargo in real time, and to highlight any issues if required.
- Carry out sales and marketing utilising our network of sales offices located in various states and territory to be close to our customers. As at the LPD, we have a total of 19 offices in Malaysia, comprising 3 offices in Port Klang and 1 office each in Klang, the Kuala Lumpur International Airport and Rawang in Selangor; Ayer Keroh in Melaka; Butterworth, Bayan Lepas, Seberang Perai and Bukit Minyak in Penang; Tebrau and Pasir Gudang in Johor; Kerteh in Terengganu; Kuantan in Pahang; Bintulu and Miri in Sarawak; Kota Kinabalu in Sabah; and Labuan; and 2 offices in Thailand, located in Bangkok and Sadao.
- Proactively contact and conduct sales visits to existing and potential customers with the aim of securing sales and cross selling our services to existing customers.
- Submit bids for tenders to handle the logistics requirements of prospective and existing customers.
- Follow-up on customer referrals received from existing contacts or customers by conducting sales visits.
- Maintain membership in WCA World which is a global association for freight forwarders with over 10,062 member offices in 193 countries as at October 2021. Through this membership, we are in the directory for foreign freight forwarders to locate us to assist in their logistics requirement especially for resources and services in Malaysia.

As at the LPD, we have a total of 26 dedicated sales personnel who are responsible for our Group's sales and marketing activities. In addition, each of our business units have their own sales teams to carry out their sales and marketing activities. The heads of the business units will conduct sales and marketing activities for their respective units, as well as cross-sell relevant services from other business units.

During the Financial Years Under Review and up to the LPD, we have not participated in any local or overseas exhibitions, conferences or other networking and marketing events.

6.12 RESEARCH AND DEVELOPMENT

We do not carry out and research and development activities as it is not relevant to the nature of our business.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)**6.13 SCHEDULED WASTE**

We generate wastes that are classified as Scheduled Waste under the Environmental Quality (Scheduled Wastes) Regulations 2005 during the normal course of some of our business activities, such as carrying out commercial vehicle maintenance and fabrication of trailers and bodyworks, which are listed in the following table:

Scheduled Waste Code	Description
SW 305	Spent lubricating oil
SW 408	Contaminated soil, debris or matter resulting from cleaning-up of a spill of chemical, mineral oil or scheduled wastes
SW 409	Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes
SW 410	Rags, plastics, papers or filters contaminated with scheduled wastes

We have appointed the following companies, which are licenced by the Department of Environment, to dispose of these Scheduled Wastes:

- Alam Aliran Kualiti Sdn Bhd;
- Anggun Kitar Resources Sdn Bhd;
- Pentas Flora Sdn Bhd; and
- Riyaland Sdn Bhd.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.14 MAJOR APPROVALS, LICENCES AND PERMITS OBTAINED

Details of major approvals, licences and permits applicable to our Group as at the LPD are as follows:

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	Agensi Tanjung Bruas	Forwarding agent licence and shipping agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: MF0026 & MS0006	Issuance date: N/A Validity Period: 10 December 2019 to 9 December 2021 ⁽¹⁾	<ol style="list-style-type: none"> The licence will be suspended or withdrawn in the event the company or its employees have breached or deviated from the terms of this approval. The company has been provided with SMK Public Bond Registration no M19/10000127/19 (MF0026) and M19/10000128/19 (MS0006). The company shall not act as an agent for any client without a letter of authorisation from the said client. Applications for the renewal of this licence must be submitted no later than 90 days from its expiry. The company must inform Customs of any change of company information, directorship, shareholding, managerial staff and supporting staff within 14 days of such change. The licence may not be rented or be used by any other party. The company shall not change its name, address or shareholding without the consent of Customs. 	Complied ⁽⁷⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>8. The Bumiputera participation in the company involving shareholdings, board of directors, management staff and supporting staff respectively shall not be less than 51% ("51% Bumiputera Participation Condition"). This condition does not apply if the company is acting solely as a shipping agent.</p> <p>9. Pursuant to the Customs Agents Manual issued under Section 90 of the Customs Act 1967 updated as at 22 February 2021, subsidiaries of companies which are listed on Bursa Securities will remain subject to the 51% Bumiputera Participation Condition save for companies which were registered as forwarding agents between 1976 and 1990 which will be subject to a 30% Bumiputera participation in equity, board of directors, management staff and supporting staff.</p> <p>10. Paragraph 3.4(iii) of the Customs Agents Manual further states that shipping agents are not subject to the 51% Bumiputera Participation Condition unless they are also registered as a forwarding agent.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
2.	Agenda Wira	Operator licence pursuant to the Land Public Transport Act 2010	APAD	Licence No.: 512643-V(LA) Reference No.: L144058	Issuance date: 14 October 2020 Validity period : 14 October 2020 to 21 March 2022	<p>1. General Conditions:</p> <p>a) The licence must be renewed at least 90 days from its expiry.</p> <p>b) The licence may not be transferred without APAD's prior written consent.</p> <p>2. Pursuant to the SPAD (now known as APAD) Licensing Guidelines, the Bumiputera shareholding of the holder of operator licence shall be at least 30%.</p> <p>3. Section 70(1) of the Land Public Transportation Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors.</p> <p>4. Section 72(3)(a) of the Land Public Transportation Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport immediately of any change of control of the licence holder.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
3.	Agenda Wira	Service permit issued as a component of its operator licence set out in item 2 above, certifying that the company has been authorised to carry out business activities in the entirety of Peninsular Malaysia	APAD	Licence No.: L011761 Reference No.: 512643V(LA)	Issued on 26 April 2012 Validity period: N/A ⁽²⁾	Nil	N/A
4.	Agenda Wira	Forwarding agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: BF1178	Issuance Date: N/A Validity Period: 15 June 2021 to 1 April 2023	<p>1. The licence will be suspended or withdrawn in the event the company or its employees have breached or deviated from the terms of this approval.</p> <p>2. The company has been provided with SMK Public Bond Registration no 10000603/21.</p> <p>3. The company shall not act as an agent for any client without a letter of authorisation from said client.</p> <p>4. Any applications for the renewal of this approval must be submitted to the State Customs Director no later than 14 days before its expiry.</p> <p>5. The company must inform Customs of any change of company information such as company address, directorship, shareholding, managerial staff and supporting staff within 7 days of such change.</p> <p>6. The licence may not be rented or be used by any other party.</p>	Complied ⁽⁷⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>7. The company may not change the status of its business without Custom's permission.</p> <p>8. The company must meet Bumiputera participation condition of at least 51% ("51% Bumiputera Participation Condition") at all times in accordance with the guidelines currently imposed.</p> <p>9. Pursuant to the Customs Agents Manual issued under Section 90 of the Customs Act 1967 updated as at 22 February 2021, subsidiaries of companies which are listed on Bursa Securities will remain subject to the 51% Bumiputera Participation Condition save for companies which were registered as forwarding agents between 1976 and 1990 which will be subject to a 30% Bumiputera participation in equity, board of directors, management staff and supporting staff.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
5.	Delta Express	Operator licence pursuant to the Land Public Transport Act 2010	APAD	Licence No.: 407682V(LA) Reference No.: L094327	Issuance date: 14 January 2017 Validity Period: 14 January 2017 to 1 April 2022	<ol style="list-style-type: none"> General Conditions: <ol style="list-style-type: none"> The licence must be renewed at least 90 days from its expiry. The licence may not be transferred without APAD's prior written consent. Pursuant to the SPAD (now known as APAD) Licensing Guidelines, the Bumiputera shareholding of the holder of operator licence shall be at least 30%. Section 70(1) of the Land Public Transportation Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors. Section 72(3)(a) of the Land Public Transportation Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport of any change of control of the licenced operator. 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
6.	Delta Express	Service permit issued as a component of its operator licence set out in item 5 above, certifying that the company has been authorised to carry out business activities in the entirety of Peninsular Malaysia	APAD	Licence No.: L079172 Reference No: 407682V(LA)	Issued on 18 January 2017 Validity period: N/A ⁽²⁾	Nil	N/A
7.	Delta Express	Forwarding agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: BF0457	Issuance date: N/A Validity Period: 1 November 2019 to 31 October 2021 ⁽³⁾	<ol style="list-style-type: none"> The licence will be suspended or withdrawn in the event the company or its employees have breached or deviated from the terms of this approval. The company has been provided with SMK Public Bond Registration no 10000489/19. The company shall not act as an agent for any client without a letter of authorisation from the said client. Applications for the renewal of this licence must be submitted no later than 90 days from its expiry. The company must inform Customs of any change of company information, directorship, shareholding, managerial staff and supporting staff within 14 days of such change. The licence may not be rented or be used by any other party. The company shall not change its name, address or shareholding without the consent of Customs. 	Complied ⁽⁷⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>8. The Bumiputera participation in the company involving shareholdings, board of directors, management staff and supporting staff respectively shall not be less than 51% ("51% Bumiputera Participation Condition").</p> <p>9. Pursuant to the Customs Agents Manual issued under Section 90 of the Customs Act 1967 updated as at 22 February 2021, subsidiaries of companies which are listed on Bursa Securities will remain subject to the 51% Bumiputera Participation Condition save for companies which were registered as forwarding agents between 1976 and 1990 which will be subject to a 30% Bumiputera participation in equity, board of directors, management staff and supporting staff.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
8.	Komunajaya	Certificate of registration (Category A Engineering Workshop) (<i>Sijil Pendaftaran Bengkel Kejuruteraan Kategori A</i>) certifying that company has registered with the commission's automotive engineering division for the purposes manufacturing vehicle body, repairing and making technical modifications for trailers (<i>Pembinaan Badan Baru, Pembaikan dan Pengubahsuaian Teknikal bagi semua jenis traler sahaja</i>).	JPJ	Licence No.: BKA654P021J023	Issuance date: 23 October 2020 Expiry Date: 22 October 2022	The Certificate is subject to the company procuring a business premises licence for the relevant premises, and will be withdrawn in the event of any applicable conditions and/or laws are contravened.	Complied
9.	Q-Team	Certificate of registration (Workshop for the repair of Automobile vehicles involved in accidents) (<i>Sijil Pendaftaran Bengkel Pembaikan Kemalangan Kenderaan Automobil</i>) certifying that the company registered with the commission's automotive engineering division for the purposes of making body repair for automotive vehicles involved in accidents (<i>Pembaikan Kenderaan kemalangan, body repair</i>)	JPJ	Licence No.: BKA655B219J236	Date of issue: 5 February 2020 Expiry Date: 4 February 2022	The Certificate is subject to the company procuring a business premises licence for the relevant premises, and will be withdrawn in the event of any applicable conditions and/or laws are contravened.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
10.	Sentiasa Hebat	Operator licence pursuant to the Land Public Transport Act 2010	APAD	Licence No.: 632959-D(LA) Reference No.: L099815	Date of issue: 1 November 2017 Validity Period: 1 November 2017 to 10 November 2022	<ol style="list-style-type: none"> General Conditions: <ol style="list-style-type: none"> The licence must be renewed at least 90 days from its expiry. The licence may not be assigned or transferred without APAD's prior written consent. Pursuant to the SPAD (now known as APAD) Licensing Guidelines, the Bumiputera shareholding of the holder of operator licence shall be at least 30%. Section 70(1) of the Land Public Transportation Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors. Section 72(3)(a) of the Land Public Transportation Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport of any change of control of the licenced operator. 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
11.	Sentiasa Hebat	Service permit issued as a component of its operator licence set out in item 10 above, certifying that the company has been authorised to carry out business activities in the entirety of Peninsular Malaysia	APAD	Licence No.: L088019 Reference No: 632959D(LA)	Issued on 8 November 2017 Validity period: N/A ⁽²⁾	Nil	N/A
12.	Swift Haulage	Operator licence pursuant to the Land Public Transport Act 2010	APAD	Licence No.: 533234V(LA) Reference No.: LP016432	Issuance date: 13 April 2021 Validity Period: 12 April 2021 to 21 August 2023	<p>1. General Conditions:</p> <p>a) The licence must be renewed at least 90 days from its expiry.</p> <p>b) The licence may not be assigned or transferred without APAD's prior written consent.</p> <p>2. Pursuant to the SPAD (now known as APAD) Licensing Guidelines, the Bumiputera shareholding of the holder of operator licence shall be at least 30%.</p> <p>3. Section 70(1) of the Land Public Transportation Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors.</p> <p>4. Section 72(3)(a) of the Land Public Transportation Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport of any change of control of the licenced operator.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
13.	Swift Haulage	Service permit issued as a component of its operator licence set out in item 12 above, certifying that the company has been authorised to carry out business activities in the entirety of Peninsular Malaysia	APAD	Licence No.: L051424 Reference No: 533234V(LA)	Issued on 30 August 2013 Validity period: N/A ⁽²⁾	Nil	N/A
14.	Swift Haulage	Forwarding agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: BF1209	Issuance date: N/A Validity Period: 28 February 2018 to 27 February 2023	<ol style="list-style-type: none"> The licence will be suspended/withdrawn in the event the company or its employees have breached or deviated from the terms of this approval. The company has been provided with SMK Public Bond Registration no 10000035/18. The company shall not act as an agent for any client without a letter of authorisation from the said client. Application for the renewal of this approval must be made no later than 90 days from the expiry date. The company must inform Customs of any change of company information, directorship, shareholding, managerial staff and supporting staff within 14 days of such change. The licence may not be rented or be used by any other party. 	Complied ⁽⁷⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>7. The company shall not change its name, address or shareholding without the consent of Customs.</p> <p>8. The Bumiputera participation in the company involving shareholdings, board of directors, management staff and supporting staff respectively shall not be less than 51% ("51% Bumiputera Participation Condition").</p> <p>9. By a letter dated 3 February 2021, Customs confirmed, among others, that companies which have been granted International Integrated Logistics Services Provider ("IILS") status by the Malaysian Investment Development Authority ("MIDA") are exempted from the Bumiputera Participation Condition until 31 December 2021.</p> <p>10. Pursuant to the Customs Agents Manual issued under Section 90 of the Customs Act 1967 updated as at 22 February 2021, forwarding agents which are listed on Bursa Securities will not be subject to the 51% Bumiputera Participation Condition.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
15.	Swift Haulage	Approval letter from MIDA confirming Swift Haulage's status as an Integrated Logistics Services Provider ("ILS") and International Integrated Logistics Services Provider ("ILS").	MIDA	Licence No.: 200/9/1/111(ILS) 200/9/18/63 (ILS)	Date of issue: 2 June 2016 Validity period: N/A	<ol style="list-style-type: none"> The company is required to carry out forwarding, warehousing activities and one additional value-added service (e.g., repacking, labelling and bulk breaking) The company must own and operate warehousing space of at least 9,300 sq. m and maintain at least 240 commercial transportation vehicles. The company must obtain the customs agent licence from the Royal Malaysia Customs. 	Complied
16.	Swift Integrated Logistics	Operator licence pursuant to the Land Public Transport Act 2010	APAD	Licence No.: 112036P(LA) Reference No.: L120349	Issuance Date: 30 September 2020 Validity Period: 30 September 2020 to 30 January 2024	<ol style="list-style-type: none"> General Conditions: <ol style="list-style-type: none"> The licence must be renewed at least 90 days from its expiry. The licence may not be assigned or transferred without APAD's prior written consent. Pursuant to the SPAD (now known as APAD) Licensing Guidelines, the Bumiputera shareholding of the holder of operator licence shall be at least 30%. Section 70(1) of the Land Public Transportation Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the Board of Directors. 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
17.	Swift Integrated Logistics	Service permit issued as a component of its operator licence set out in item 16 above, certifying that the company has been authorised to carry out business activities in the entirety of Peninsular Malaysia	APAD	Licence No.: L080466 Reference No: 112036-P(LA)	Issued on 4 December 2017 Validity period: N/A ⁽²⁾	4. Section 72(3)(a) of the Land Public Transportation Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport of any change of control of the licenced operator. Nil	N/A
18.	Swift Integrated Logistics	Shipping agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: TS0105	Issuance date: N/A Validity Period: 24 March 2021 to 23 March 2023	1. The licence will be suspended/withdrawn in the event the company or its employees have breached or deviated from the terms of this approval. 2. The company shall not act as an agent for any client without a letter of authorisation from the said client. 3. The company must provide a General Bond of RM10,000.00 as collateral by utilising the Customs application form No. 18. 4. Application for the renewal of this approval must be made no later 90 days from its expiry.	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>5. Notification and supporting documents must be provided to the Director of State Customs for any change of company information, Board of Directors, shareholding, managerial staff and supporting staff within 14 days of such change</p> <p>6. The licence may not be rented or be used by any other party.</p> <p>7. The company shall not change its name, address or shareholding without the consent of Customs.</p> <p>8. The Bumiputera participation in the company involving shareholdings, board of directors, management staff and supporting staff shall not be less than 51% ("51% Bumiputera Participation Condition"). This condition does not apply if the company is acting solely as a shipping agent.</p> <p>9. Paragraph 3.4(iii) of the Customs Agents Manual further states that shipping agents are not subject to the 51% Bumiputera Participation Condition unless they are also registered as a forwarding agent.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
19.	Swift Integrated Logistics	Forwarding agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: BF0898	Issuance date: N/A Validity Period: 26 March 2020 to 31 March 2022	<ol style="list-style-type: none"> The licence will be suspended/withdrawn in the event the company or its employees have breached or deviated from the terms of this approval. The company has been provided with SMK Public Bond Registration no 10000141/20 The company shall not act as an agent for any client without a letter of authorisation from the said client. Application for the renewal of this approval must be made no later than 90 days from the expiry date. The company must inform Customs of any change of company information, directorship, shareholding, managerial staff and supporting staff within 14 days of such change. The licence may not be rented or be used by any other party. The company shall not change its name, address or shareholding without the consent of Customs. The Bumiputera participation in the company involving shareholdings, board of directors, management staff and supporting staff shall not be less than 51% ("51% Bumiputera Participation Condition"). 	Complied ⁽⁷⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
20.	Swift Integrated Logistics	Public bonded warehouse licence pursuant to Section 65 of the Customs Act 1967 in respect of the public bonded warehouse located at: PLO 137 & 138, Jalan Angkasa Mas Utama, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor; and PLO 516, Jalan Keluli 3, Kawasan Perindustrian Pasir Gudang, 81700 Pasir Gudang, Johor. The licence allows the company to warehouse goods liable to customs duties at the warehouses specified in the licence.	Customs	Licence No.: J10-G1-000000006/08	Issuance Date: 8 March 2021 Validity Period: 1 April 2021 to 31 March 2023	<p>9. Pursuant to the Customs Agents Manual issued under Section 90 of the Customs Act 1967 updated as at 22 February 2021, subsidiaries of companies which are listed on Bursa Securities will remain subject to the 51% Bumiputera Participation Condition save for companies which were registered as forwarding agents between 1976 and 1990 which will be subject to a 30% Bumiputera participation in equity, board of directors, management staff and supporting staff.</p> <p>1. General Conditions: a) The company is required to inform and obtain approval in writing from the Assistant Director-General of Customs, Zone/State Director of Customs, should there be any changes in the company's name, board of directors or the equity holdings within 14 days from the date of such change. b) The renewal application of the licence must be submitted at least 90 days from the expiry of this licence. c) The licence may be revoked in the event the company breaches any terms and/or conditions imposed by Customs.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
21.	Swift Integrated Logistics	Public bonded warehouse licence pursuant to Section 65 of the Customs Act 1967 in respect of the public bonded warehouse located at: Lot 23, Lebuhan Sultan Mohamed 1, Kawasan Perusahaan PKNS Fasa 2, Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor. The licence allows the company to warehouse goods liable to customs duties at the warehouses specified in the licence.	Customs	Licence No.: B32-G1-00000001/99	Issuance Date: 22 April 2020 Validity Period: 1 May 2020 to 30 April 2022	<p>2. Item 4.1.2 of the Public Bonded Warehouse Requirements reflect that licence holders are required to maintain at least 30% Bumiputera shareholdings.</p> <p>1. General Conditions: a) The company is required to inform and obtain approval in writing from the Assistant Director-General of Customs, Zone/State Director of Customs, should there be any changes in the company's name, board of directors or the equity holdings within 7 days from the date of such change. b) The renewal application of the licence must be submitted at least 1 month from the expiry of this licence. c) The licence may be revoked in the event the company breaches any terms and/or conditions imposed by Customs.</p> <p>2. Item 4.1.2 of the Public Bonded Warehouse Requirements reflect that licence holders are required to maintain at least 30% Bumiputera shareholdings.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
22.	Swift Integrated Logistics	<p>Public bonded warehouse licence pursuant to Section 65 of the Customs Act 1967 in respect of the public bonded warehouse located at:</p> <p>Lot 2939-2980, ACKU Industrial Area, Jalan Bagan Lalang, 13400 Mak Mandin, Butterworth, Pulau Pinang</p> <p>The licence allows the company to warehouse goods liable to customs duties at the warehouses specified in the licence.</p>	Customs	Licence No.: P32-G1-00000001/05	<p>Issuance Date: 25 June 2021</p> <p>Validity Period: 30 June 2021 to 29 June 2023</p>	<p>1. General Conditions:</p> <p>a) The company is required to inform and obtain approval in writing from the Assistant Director-General of Customs, Zone/State Director of Customs, should there be any changes in the company's name, board of directors or the equity holdings within 14 days from the date of such change.</p> <p>b) The renewal application of the licence must be submitted at least 90 days prior to the expiry of this licence.</p> <p>c) The licence may be revoked in the event the company breaches any terms and/or conditions imposed by Customs.</p> <p>d) The company is required to inform and obtain the approval from the Customs should there be any changes in equity of the company.</p> <p>2. Item 4.1.2 of the Public Bonded Warehouse Requirements reflect that licence holders are required to maintain at least 30% Bumiputera shareholdings.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
23.	Swift Integrated Logistics	<p>Certificate of Registration with Ministry of Finance.</p> <p>The certificate permits the company to participate in the Malaysian Government's supplier selection process, and includes the category codes for the provision of the following services:</p> <ul style="list-style-type: none"> • Shipping Agents; • Lorry Transportation; • Forwarding Agents; • Packaging and Storage; and • Multimodal Transport Operator 	MOF	<p>Certificate No: K11719392302563107</p> <p>Reference No: 357-00025566</p>	<p>Date of Registration: 7 July 2020</p> <p>Validity Period: 7 July 2020 to 3 August 2023</p>	<p>1. General Conditions:</p> <p>a) The company must inform the MOF in the event of any changes in the company information through the "Update Profile Information" module at www.e-perolehan.gov.my within 21 days from the date of such change.</p> <p>b) The certificate is to be renewed within 3 months from its expiry.</p> <p>2. Companies registered with the MOF for the provision of shipping agent services are required to ensure that the company is controlled by Malaysians, and that no less than 51% of the equity shareholding, board of directors, management, staff, organization chart/structure and management functions are held by Bumiputeras.</p> <p>3. A company must be registered under the relevant category codes for lorry transportation, forwarding agents and packaging and storage services in order to qualify/register as a multimodal transport operator.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
24.	Swift Integrated Logistics	<p>Certificate of Registration with Ministry of Finance.</p> <p>The certificate certifies that the company has been recognised as a Bumiputera company by the MOF</p>	MOF	<p>Certificate No: BP11719392302 563107</p> <p>Reference No: 357-00025566</p>	<p>Date of Registration: 7 July 2020</p> <p>Validity Period: 7 July 2020 to 3 August 2023</p>	<p>1. General Conditions:</p> <p>a) The company must at all times ensure that there is no less than 51% Bumiputera participation on share capital, directorship, head of executives, managing directors or senior management, key posts, and staff members (at management and employee levels)</p> <p>b) Bumiputras must hold the majority positions of roles that deal with the operations of the company, supervision of the company's business direction company, management of the company's finances, decision making for and on behalf of the company, and representing the company in any meetings or official business of the company.</p> <p>c) The company must inform the Ministry as soonest possible in the event of any changes relating to the conditions listed in items 1 and 2 above. Any such changes must be updated through the "Update Profile Information" module at www.e-perolehan.gov.my within 21 days from the date of such change. Failure to take the abovementioned actions may cause the Ministry to doubt the authenticity on the company's status as a Bumiputera company.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
25.	Swift Integrated Logistics	<p>Certificate issued pursuant to Section 6 (3) of the Petroleum Development Act 1974.</p> <p>The Certificate allows the company to provide Petroleum NGV transportation services to Petronas via the use of lorries equipped with storage tanks in Peninsular Malaysia</p>	KPDNKK	<p>Licence No.: 13204</p> <p>PDA Serial No: 033928</p>	<p>Issuance Date: 9 December 2019</p> <p>Validity Period: 27 December 2019 to 26 December 2021⁽⁴⁾</p>	<p>The MOF will withdraw the company's status as a Bumiputera company and cancel such status in the e-Perolehan system in the event of a breach of the above-mentioned conditions, or if the management of the company and any contracts obtained are transferred to a third party.</p> <ol style="list-style-type: none"> General Conditions: <ol style="list-style-type: none"> The company must obtain KPDNKK's approval prior to any change in its business structure, change of partnerships or change in business premises. Any applications for the renewal of the certificate must be submitted no later than 3 months from its expiry. The company must obtain KPDNKK's approval prior to any changes in the company structure (including change of shareholding, directorship, ownership and petroleum supplier). A company applying for this certificate must have at least 30% Bumiputera shareholding. 	Complied ⁽⁴⁾

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
26.	Swift Integrated Logistics	<p>The company is licenced by Petronas under Regulation 3 of the Petroleum Regulations 1974</p> <p>This licence includes the SWEC for the provision of the following goods and services:</p> <ul style="list-style-type: none"> • Warehouse Management Services; Packaging and Bagging; • Sale and Supply of Containers; • General storage services- Open Yard; • Sale of Container Accessories & Parts; • Road Tanker Services; • Leasing/Rental of Container Boxes; • Trucking Services; • Haulage Services; • Other Shipping Agency Services; and • Freight Forwarding Services. 	Petroleum Nasional Berhad (Petronas)	Licence No: 112036P	<p>Certificate Generated: 30 November 2020</p> <p>Validity Period: 27 October 2020 to 16 November 2023</p>	<p>1. General Conditions:</p> <p>a) The company must apply for the renewal of the licence 3 months before its expiry.</p> <p>b) The company is required to register, obtain a licence, permit or authorisation from the relevant authority to carry out the services or supply of product or material used in its operations and activities.</p> <p>c) The licence is not transferable.</p> <p>d) The licence will be revoked if the company is found to be in the process of liquidation, winding-up or dissolution.</p> <p>e) The company should take immediate action to adhere to the special conditions imposed as stated in the appendix of the certificate and to inform Petronas on the progress of this action.</p> <p>f) The company must inform Petronas on any changes related to the company's information such as company name, equity ownership, board of directors and management staff within 7 days of such change. Failure to do so may result in the revocation of the licence.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>g) The company, either by itself, through its employees, directors, agents or its employees is not allowed to perform any act or in any way directly or indirectly admit that it is a partner or have any connection/relationship with Petronas and/or its subsidiaries, UNLESS AND EXCEPT company is allowed to use reference [Company] is licenced by PETRONAS [No. licence], under Act 3 Petroleum Act 1974</p> <p>h) The licence may be revoked, suspended or blacklisted at any time if any of the above conditions, general conditions of Petronas licence and registration and any other conditions set in the Petronas Licence and Registration General Guidelines are not fulfilled.</p> <p>2. The respective SWECs for Swift Integrated Logistics must meet 51% minimum Bumiputera requirements in the company in respect of its equity participation, board of directors, management staff and employees respectively, except the following SWEC which requires a minimum Bumiputera requirement as follows:</p> <p>a) Road Tanker Services – 30%</p> <p>b) Trucking Services – 30%</p> <p>c) Sale and supply of containers – Nil</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
27.	Swift Integrated Logistics	Free Commercial Zone KLIA Operating Licence certifying that Swift Integrated Logistics has fulfilled the requirements of the FCZ Operating Licence to operate the office and warehouse at Lot C15, Block C, MAB Kargo Freight Forwarders Complex, Free Commercial Zone, KLIA Cargo Village, 64000 Sepang, Selangor Darul Ehsan.	Malaysia Airports (Sepang) Sdn Bhd	Licence No: FCZ/MABK/OFF /WHS/0074(M)	Expiry Date: 14 July 2022	<p>Flexibility is given for a "Berhad" public-listed company or a private company which is at least 51% owned by a "Berhad" public-listed company to hold a minimum of 35% Bumiputera equity for SWECs with minimum 51% Bumiputera requirement. However, the Bumiputera requirement at the Board of Directors, Management and Employees levels shall follow the respective SWEC's requirement.</p> <p>1. Conditions:</p> <p>(a) The licence holder is required to renew the licence within 2 months from its expiry.</p> <p>(b) The licence holder is required to notify the free zone authority in the event of any changes or amendments to its company profile.</p> <p>(c) The licence cannot be transferred, assigned or be used by any other party.</p> <p>(d) The licence may be revoked if the licence holder violates any of the regulations or terms and conditions imposed under this licence.</p> <p>(e) The free zone authority reserves the right to amend, add or impose additional terms and conditions as deemed necessary.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
28.	Swift Logistics TA	Shipping agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: BS0008	Validity Period: 1 January 2021 to 31 December 2025	<p>(f) The licence holder shall maintain liability insurance of at least RM100,000 in regards to the operations of its warehouse.</p> <ol style="list-style-type: none"> The licence will be suspended/withdrawn in the event the company or its employees have breached or deviated from the terms of this approval. The company has been provided with SMK Public Bond Registration no 10000679/20. The company shall not act as an agent for any client without a letter of authorisation from the said client. Application for the renewal of this approval must be made no later than 90 days from the expiry date. The company must inform Customs of any change of company information, directorship, shareholding, managerial staff and supporting staff within 14 days of such change. The licence may not be rented or be used by any other party. The company shall not change its name, address or shareholding without the consent of Customs. 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
29.	Swift Logistics TA	Forwarding agent licence pursuant to Section 90 of the Customs Act 1967	Customs	Licence No.: BF0243	Validity Period: 27 December 2019 to 31 December 2021 ⁽⁵⁾	<p>8. The Bumiputera participation in the company involving shareholdings, board of directors, management staff and supporting staff shall not be less than 51% ("51% Bumiputera Participation Condition"). This condition does not apply if the company is acting solely as a shipping agent.</p> <p>9. Paragraph 3.4(iii) of the Customs Agents Manual states that shipping agents are not subject to the 51% Bumiputera Participation Condition unless they are also registered as a forwarding agent.</p>	Complied ⁽⁷⁾
						<p>1. The licence will be suspended/withdrawn in the event the company or its employees have breached or deviated from the terms of this approval.</p> <p>2. The company has been provided with SMK Public Bond Registration no 10000694/19.</p> <p>3. The company shall not act as an agent for any client without a letter of authorisation from the said client.</p> <p>4. Applications for the renewal of this licence must be submitted no later than 90 days from its expiry.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>5. The company must inform Customs of any change of company information, directorship, shareholding, managerial staff and supporting staff within 14 days of such change.</p> <p>6. The licence may not be rented or be used by any other party.</p> <p>7. The company shall not change its name, address or shareholding without the consent of Customs.</p> <p>8. The Bumiputera participation in the company involving shareholdings, board of directors, management staff and supporting staff shall not be less than 51% ("51% Bumiputera Participation Condition").</p> <p>9. Pursuant to the Customs Agents Manual issued under Section 90 of the Customs Act 1967 updated as at 22 February 2021, subsidiaries of companies which are listed on Bursa Securities will remain subject to the 51% Bumiputera Participation Condition save for companies which were registered as forwarding agents between 1976 and 1990 which will be subject to a 30% Bumiputera participation in equity, board of directors, management staff and supporting staff.</p>	

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
30.	Swift Logistics TA	Free Commercial Zone KLIA Operating Licence certifying that Swift Logistics TA has fulfilled the requirements of the FCZ Operating Licence to operate the office and warehouse at Lot C15, Block C, MAB Kargo Freight Forwarders Complex, Free Commercial Zone, KLIA Cargo Village, 64000 Sepang, Selangor Darul Ehsan.	Malaysia Airports (Sepang) Sdn Bhd	Licence No: FCZ/MABK/OFF /WHS/0075(S1)	Expiry Date: 14 July 2022	<p>1. Conditions:</p> <p>a) The licence holder is required to renew the licence within 2 months from its expiry.</p> <p>b) The licence holder is required to notify the free zone authority in the event of any changes or amendments to its company profile.</p> <p>c) The licence cannot be transferred, assigned or be used by any other party.</p> <p>d) The licence may be revoked if the licence holder violates any of the regulations or terms and conditions imposed under this licence.</p> <p>e) The free zone authority reserves the right to amend, add or impose additional terms and conditions as deemed necessary.</p> <p>The licence holder shall maintain liability insurance of at least RM100,000 in regards to the operations of its warehouse.</p>	Complied
31.	Swift Logistics TA	Free Commercial Zone (Penang Free Commercial Zone) certifying that Swift Logistics TA has fulfilled the requirements of the FCZ Operating Licence.	Malaysia Airports Sdn Bhd	Certificate No: FCZ/OL/013/2021	<p>Date of Issue: 5 January 2021</p> <p>Expiry Date: 31 December 2021⁽⁶⁾</p>	<p>The licence holder is required to provide 30 days' notice prior to any changes of address or cessation of operations in the Penang Free Commercial Zone.</p>	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
32.	Tanjong Express	Operator licence pursuant to the Land Public Transport Act 2010	APAD	Licence No.: 221288M(LA) Reference No.: L083850	Date of issue: 1 February 2017 Validity Period: 27 January 2017 to 19 June 2022	<ol style="list-style-type: none"> General Conditions: <ol style="list-style-type: none"> The licence must be renewed at least 90 days from its expiry. The licence may not be assigned or transferred without APAD's prior written consent. Pursuant to the SPAD (now known as APAD) Licensing Guidelines, the Bumiputera shareholding of the holder of operator licence shall be at least 30%. Section 70(1) of the Land Public Transportation Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors. Section 72(3)(a) of the Land Public Transportation Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport of any change of control of the licenced operator. 	Complied
33.	Tanjong Express	Service permit issued as a component of its operator licence set out in item 32 above, certifying that the company has been authorised to carry out business activities in the entirety of Peninsular Malaysia	APAD	Licence No.: L043361 Reference No.: 221288M(LA)	Issued on 23 May 2013 Validity period: N/A ⁽²⁾	Nil	N/A

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
34.	Tanjong Express Logistic	Operator licence pursuant to the Land Public Transport Act 2010	APAD	Licence No.: 376278-T(LA) Reference No.: L129378	Issuance Date: 20 January 2020 Validity Period: 20 January 2020 to 3 April 2025	<ol style="list-style-type: none"> General Conditions: <ol style="list-style-type: none"> The licence must be renewed at least 90 days from its expiry. The licence may not be assigned or transferred without APAD's prior written consent. Pursuant to the SPAD (now known as APAD) Licensing Guidelines, the Bumiputera shareholding of the holder of operator licence shall be at least 30%. Section 70(1) of the Land Public Transportation Act 2010 provides that a licenced operator shall obtain the approval of the Director General of Land Public Transport before participating in the business or agreement that would cause a change in the equity structure or change in the board of directors. Section 72(3)(a) of the Land Public Transportation Act 2010 provides that a licenced operator shall inform the Director General of Land Public Transport of any change of control of the licenced operator. 	Complied

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Company	Description of approval / licence / permit	Authority	Licence / Reference no.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
35.	Tanjong Express Logistic	Service permit issued as a component of its operator licence set out in item 34 above, certifying that the company has been authorised to carry out business activities in the entirety of Peninsular Malaysia	APAD	Licence No.: L012883 Reference No.: 376278T(LA)-1	Issued on 25 May 2012 Validity period: N/A ⁽²⁾	Nil	N/A

Notes:

- (1) Agensi Tanjung Bruas is finalising the documents required by Customs for the renewal of its forwarding agent licence.
- (2) As each service permit is issued as a component of an operator licence, the service permits will be valid for the same period as the validity period of the relevant operator licence.
- (3) Delta Express has submitted the renewal application for this licence on 22 September 2021, and the renewal process is ongoing as at the LPD.
- (4) Swift Integrated Logistics has submitted its application on 27 July 2021 to seek approval from KPDNKK for the change in ownership and shareholding structure upon Listing, and the processing of the application is still in progress. Additionally, Swift Integrated Logistics submitted the renewal application form for the licence certificate on 28 September 2021 and made further update through the online application system on 1 October 2021, and the renewal process is ongoing as at the LPD. If the approval for the change in ownership and shareholding structure upon the Listing is not granted by KPDNKK, it will hinder the renewal of the licence certificate. Without a valid licence certificate, Swift Integrated Logistics will not be able to continue the provision of Petroleum NGV transportation services to Petronas. For the Financial Years Under Review and FPE 2021, the revenue and gross profit from providing the Petroleum NGV transportation services under this licence certificate contributed 1.97%, 1.47%, 1.49% and 0.94% to our Group's total revenue, and 3.15%, 2.98%, 2.83% and 1.80% of our Group's gross profit.
- (5) Swift Logistics TA has submitted the documents for the renewal application of its forwarding agent licence on 1 October 2021, and the renewal process is ongoing as at the LPD.
- (6) Swift Logistics TA intends to submit the renewal application one month prior to the expiry of the FCZ operating licence upon obtaining clearance to enter the authority's office to be granted by Malaysia Airport Sdn Bhd.
- (7) Please refer to the statement below for further information on the 51% Bumiputera Participation Condition.

6. INFORMATION ON OUR GROUP (Cont'd)

In respect of the forwarding agent licences issued by Customs, Customs imposes a 51% Bumiputera Participation Condition for all companies save for companies which were registered as forwarding agents between 1976 and 1990 which are subject to a 30% Bumiputera participation in equity, board of directors, management staff and supporting staff. However, Customs has confirmed, vide a letter dated 3 February 2021, that among others, companies which have been granted International Integrated Logistics Services Provider ("ILS") status by the Malaysian Investment Development Authority ("MIDA") are exempted from the 51% Bumiputera Participation Condition until 31 December 2021.

Pursuant to the Customs Agents Manual issued under section 90 of the Customs Act 1967 updated as at 22 February 2021, companies that are listed on Bursa Securities are exempted from 51% Bumiputera Participation Condition. However, subsidiaries of companies which are listed on Bursa Securities will remain subject to the 51% Bumiputera Participation Condition (save for companies which were registered as forwarding agents between 1976 and 1990 which will be subject to a 30% Bumiputera participation in equity, board of directors, management staff and supporting staff). As such, should Agensi Tanjung Bruas, Agenda Wira, Delta Express, Swift Integrated Logistics and Swift Logistics TA not be able to meet the 51% Bumiputera Participation Condition after Listing, their forwarding licences will be suspended or withdrawn.

Notwithstanding the above, as Swift Haulage will be a company listed on Bursa Securities upon Listing, its forwarding license will not be subject to the 51% Bumiputera Participation Condition. Should the forwarding licences of Agensi Tanjung Bruas, Agenda Wira, Delta Express, Swift Integrated Logistics and Swift Logistics TA be suspended or withdrawn, our Group intends to transfer our forwarding business to Swift Haulage which has the necessary licence to conduct the business.

In respect of the shipping licences issued by Customs to Agensi Tanjung Bruas, Swift Integrated Logistics and Swift Logistics TA, in the event that they no longer hold forwarding agent licences and they act solely as shipping agents, the 51% Bumiputera Participation Condition will not apply to their shipping licenses.

In respect of the Certificates of Registration with the Ministry of Finance issued by MOF to Swift Integrated Logistics, should the Bumiputera participation on, amongst others, share capital be less than 51%, then the status of Swift Integrated Logistics as a Bumiputera company will be withdrawn. In such an instance, Swift Integrated Logistics will no longer be able to participate in the government's supplier's selection process for the provision of shipping agent services, forwarding agent services and in turn, the multimodal transport operator services.

For the Financial Years Under Review and FPE 2021, the revenue and gross profit from providing logistics services under our Certificates of Registration with the Ministry of Finance described above contributed 1.0%, 0.5%, 0.3% and less than 0.1% of our Group's total revenue, and 2.9%, 1.6%, 1.0% and 0.2%, of our Group's gross profits, for FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

Aside from the permits, licences and certificates listed above, our Group also maintains business premises licences for its premises in various locations where it conducts its business activities as well as fire certificates for premises that it owns. These business premises licences and fire certificates are renewable on an annual basis. The application and renewal process is an ongoing process and at any one point in time, there will be premises which are in the midst of applying for or renewing their business premises licences and/or fire certificates. As at LPD, our Group is in the midst of applying/renewing 6 business premise licences and 4 fire certificates.

6. INFORMATION ON OUR GROUP (Cont'd)

Our Board does not foresee any hindrance in applying for or renewing the permits, licences, and certificates set out above as and when they become due and has not encountered any issues to renew these permits, licences and certificates in the past. In this respect, our Board also does not foresee that there would be any material adverse effect on our Group's operations arising from the renewal process as our Group actively engages with the respective authorities to ensure the renewal of its permits, licences and certificates.








Our Group has an internal process to monitor and track the renewal of all approvals including the permits, licences and certificates applicable to our Group. The Group Legal and Corporate Services as well as the administration department of the respective companies within the Group will closely monitor the validity of our approvals including permits, licences and certificates and the timing for submission of renewal applications to ensure all the approvals, including permits and licences and certificates are renewed in a timely manner prior to their expiry. Upon submission of the renewal application, our Group will actively liaise and follow up closely with the relevant authorities on the progress of the renewal. Upon renewal, we will maintain the supporting records of all approvals, including permits, licences and certificates in both hard copy and electronic formats to ensure that the relevant files are complete and available for review.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.15 INTELLECTUAL PROPERTY RIGHTS, PATENTS, TRADEMARKS AND REGISTRATIONS

As at the LPD and save as disclosed below, our Group does not have any other intellectual property rights, patents, trademarks and registrations:

No.	Trade mark	Issuing authority	Registered owner / Name of Applicant	Trademark number / Application number	Validity Period / Application Date	Description	Status
1.		Intellectual Property Corporation of Malaysia	Swift Haulage	TM2019034671	19 September 2019 to 19 September 2029	Class 39 ⁽¹⁾	Registered
2.		Intellectual Property Corporation of Malaysia	Swift Haulage	TM2019034672	19 September 2019 to 19 September 2029	Class 39 ⁽²⁾	Registered
3.		Intellectual Property Corporation of Malaysia	Tanjong Express	2012006049	13 April 2012 to 13 April 2022	Class 39 ⁽³⁾	Registered
4.		Intellectual Property Corporation of Malaysia	Swift Haulage	TM2019036632	4 October 2019	Class 39 ⁽⁴⁾	Appeal ongoing ⁽⁵⁾
5.		Intellectual Property Department of Thailand	Swift Haulage	190136387	28 October 2020	Class 39 ⁽⁶⁾	Pending registration
6.		Intellectual Property Department of Thailand	Swift Haulage	190136388	28 October 2020	Class 39 ⁽⁷⁾	Pending registration
7.		Intellectual Property Department of Thailand	Swift Haulage	190136389	28 October 2020	Class 39 ⁽⁸⁾	Pending registration

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Courier services; freight services; freighting of ships, planes, railways, automobiles, motor vehicles, trucks; freight transportation; freight brokerage; packaging of freight; freight and cargo services; cargo transportation; cargo forwarding services; cargo agency services; leasing of cargo containers; storage of cargo before and after transportation; information services relating to the movement of cargo; cargo tracking services; storage services; storage of freight; storage of cargo; warehouse management; rental of warehouses; rental of storage containers; organization and handling of returned consignments (returns management); packing and packaging services; delivery services; transportation logistics; transportation services; taxi services; arranging transportation by land, sea and air; information services relating to transportation of goods; limousine services; all included in class 39.
- (2) Courier services; freight services; freighting of ships, planes, railways, automobiles, motor vehicles, trucks; freight transportation; freight brokerage; packaging of freight; freight and cargo services; cargo transportation; cargo forwarding services; cargo agency services; leasing of cargo containers; storage of cargo before and after transportation; information services relating to the movement of cargo; cargo tracking services; storage services; storage of freight; storage of cargo; warehouse management; rental of warehouses; rental of storage containers; organization and handling of returned consignments (returns management); packing and packaging services; delivery services; transportation logistics; transportation services; taxi services; arranging transportation by land, sea and air; information services relating to transportation of goods; limousine services; all included in class 39.
- (3) Transport; packaging and storage of goods; travel arrangement, warehousing, sea and airfreight and all other related services to logistics; all included in class 39.
- (4) Courier services; freight services; freighting of ships, planes, railways, automobiles, motor vehicles, trucks; freight transportation; freight brokerage; packaging of freight; freight and cargo services; cargo transportation; cargo forwarding services; cargo agency services; leasing of cargo containers; storage of cargo before and after transportation; information services relating to the movement of cargo; cargo tracking services; storage services; storage of freight; storage of cargo; warehouse management; rental of warehouses; rental of storage containers; organization and handling of returned consignments (returns management); packing and packaging services; delivery services; transportation logistics; transportation services; taxi services; arranging transportation by land, sea and air; information services relating to transportation of goods; limousine services; all included in class 39.
- (5) Pursuant to MyIPO's refusal letter dated 2 July 2020, MyIPO informed that it has rejected trademark application no RM2019036632 to register the trademark in Swift Haulage's name as MyIPO was of the view that such registration could cause confusion to arise due to its similarities with trademark registration no 2012006049 (i.e. item 3). Swift Haulage has, through its trademark agent Kass International Sdn Bhd ("KASS"), submitted a letter of appeal dated 26 August 2020 against MyIPO's decision for non-registration of this trademark, and enclosed a letter of consent issued by Tanjong Express consenting to Swift Haulage's registration of the trademark. As at LPD, the MyIPO appeal is ongoing with MyIPO to revert with the results of appeal. Notwithstanding the above, the non-registration of this trademark will not have a material impact on our activities as a similar trademark is currently held within the Group.

6. INFORMATION ON OUR GROUP (Cont'd)

- (6) Courier services; freight services; freighting of ships, planes, railways, automobiles, motor vehicles, trucks; freight transportation; packaging of freight; freight and cargo services; storage services; warehouse management; packing and packaging services; delivery services; transportation logistics; transportation services.
- (7) Courier services; freight services; freighting of ships, planes, railways, automobiles, motor vehicles, trucks; freight transportation; packaging of freight; freight and cargo services; storage services; warehouse management; packing and packaging services; delivery services; transportation logistics; transportation services.
- (8) Courier services; freight services; freighting of ships, planes, railways, automobiles, motor vehicles, trucks; freight transportation; packaging of freight; freight and cargo services; storage services; warehouse management; packing and packaging services; delivery services; transportation logistics; transportation services.

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)**6.16 MATERIAL DEPENDENCY ON COMMERCIAL CONTRACTS / AGREEMENTS / INTELLECTUAL PROPERTY RIGHTS / LICENCES OR PERMITS / BUSINESS PROCESSES**

Save for the major licences in Section 6.14 and trademarks in Section 6.15 above, the business and profitability of our Group are not materially dependent on any contracts, intellectual property rights, licences and permits, and production or business processes as at the LPD.

6.17 EMPLOYEES

As at the LPD, we have a total workforce of 3,284 employees. The following table sets out the breakdown of our employees in our Group based on job function as at the LPD:

Malaysia

Category	No. of employees
Management	154
Executive	383
Clerical	726
Technical and Non-Clerical	305
Drivers	1,477
Foreign Workers	32
Total	3,077

Thailand

Category	No. of employees
Management	8
Executive	6
Clerical	42
Technical and Non-Clerical	4
Drivers	144
Foreign Workers	3
Total	207

As at the LPD, our Group has employed:

- 32 foreign workers with valid working permits as contractual workers in Malaysia; and
- 3 Malaysians (seconded to Thailand) with 3 valid work permits.

As the application and renewal of the work permits are ongoing process, there will be foreign workers that are in the midst of applying or renewing their work permits at any one point in time. As at the LPD, our Group has renewed the work permits for 8 foreign workers employed in Malaysia, which are currently pending the issuance of work permits from the Immigration Department of Malaysia.

Our Group provides accommodations for our foreign workers and the accommodations provided are in accordance with the standards under the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 ("EMSHAAA 1990") and the Employees' Minimum Standards of Housing, Accommodations and Amenities (Accommodation and Centralized Accommodation) Regulations 2020. Our Group has rented 5 apartment units located in Port Klang and 2 apartment units in Pulau Indah, Klang as employee accommodations. Our Group had submitted applications to the Department of Labour Peninsular Malaysia pursuant to the EMSHAAA 1990 to certify these premises with certificates of accommodation and the processing of the applications is still in progress.

The employees of Swift Integrated Logistics, Swift Haulage and Tanjong Express Logistic are represented by 3 in-house unions, namely:

- Kesatuan Pekerja-Pekerja Swift Integrated Logistics;
- Kesatuan Pekerja-Pekerja Swift Haulage; and
- Kesatuan Pekerja-Pekerja Tanjong Express Logistic.

We enjoy a good relationship with the in-house unions, and we have not been engaged in any major industrial disputes since the commencement of our operations.

6. INFORMATION ON OUR GROUP (Cont'd)

6.18 MAJOR CUSTOMERS

Our top 5 major customers for the Financial Years Under Review and FPE 2021 are as follows:

FYE 2018

Major customers	Principal activities of major customers	Main type of services provided by our Group	Projects / Locations	RM'000	% of total revenue ⁽¹⁾	Length of business relationship (years) ⁽²⁾
Group A of companies ⁽³⁾	Exploration of oil and gas, the marketing of petroleum and petroleum products and investment holding ⁽⁴⁾	Container haulage, land transportation, warehousing and freight forwarding	Malaysia	⁽⁵⁾ 91,908	18.5	8
Customer Y ⁽⁶⁾	Manufacturing and distribution of industrial and other gasses, and other products and services ⁽⁷⁾	Land transportation and freight forwarding	Malaysia	39,760	8.0	4
Customer Z ⁽⁸⁾	Operation of retail outlets ⁽⁷⁾	Land transportation	Malaysia	11,722	2.4	10
Customer AA ⁽⁹⁾	Manufacturing, export and import of stainless steel and other metal products ⁽⁷⁾	Container haulage and freight forwarding	Malaysia	10,880	2.2	5
Tasco Berhad	Integrated logistics solutions provider ⁽¹⁰⁾	Container haulage, land transportation, and warehousing and depot	Malaysia	8,994	1.8	5
Total				163,264	32.9	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2019

Major customers	Principal activities of major customers	Main type of services provided by our Group	Projects / Locations	RM'000	% of total revenue ⁽¹¹⁾	Length of business relationship (years) ⁽²⁾
Group A of companies ⁽³⁾	Exploration of oil and gas, the marketing of petroleum and petroleum products and investment holding ⁽⁴⁾	Container haulage, land transportation and warehousing	Malaysia	⁽¹²⁾ 101,307	16.6	9
Customer Z ⁽⁸⁾	Operation of retail outlets ⁽⁷⁾	Land transportation	Malaysia	27,976	4.6	11
Customer Y ⁽⁶⁾	Manufacturing and distribution of industrial and other gasses, and other products and services ⁽⁷⁾	Land transportation	Malaysia	21,001	3.4	5
Customer AB ⁽¹³⁾	Marketing, distribution and sale of food and beverage products ⁽⁷⁾	Container haulage and land transportation	Malaysia	13,761	2.3	8
Xinyi Energy Smart (Malaysia) Sdn Bhd	Manufacturing and selling float glass ⁽⁷⁾	Container haulage and freight forwarding	Malaysia	13,396	2.2	2
Total				177,441	29.1	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2020

Major customers	Principal activities of major customers	Main type of services provided by our Group	Projects / Locations	RM'000	% of total revenue ⁽¹⁴⁾	Length of business relationship (years) ⁽²⁾
Group A of companies ⁽³⁾	Exploration of oil and gas, the marketing of petroleum and petroleum products and investment holding ⁽⁴⁾	Container haulage, land transportation, warehousing and freight forwarding	Malaysia	⁽¹⁵⁾ 95,006	17.1	10
Customer Z ⁽⁸⁾	Operation of retail outlets ⁽⁷⁾	Land transportation	Malaysia	24,665	4.4	12
Xinyi Energy Smart (Malaysia) Sdn Bhd	Manufacturing and selling float glass ⁽⁷⁾	Container haulage and freight forwarding	Malaysia	14,022	2.5	3
Customer AB ⁽¹³⁾	Marketing, distribution and sale of food and beverage products ⁽⁷⁾	Container haulage and land transportation	Malaysia	11,110	2.0	9
Customer AC ⁽¹⁶⁾	Fast moving consumer goods ⁽⁷⁾	Container haulage and freight forward	Malaysia	9,348	1.7	5
Total				154,151	27.7	

6. INFORMATION ON OUR GROUP (Cont'd)

FPE 2021

Major customers	Principal activities of major customers	Main type of services provided by our Group	Projects / Locations	RM'000	% of total revenue ⁽¹⁷⁾	Length of business relationship (years) ⁽²⁾
Group A of companies ⁽³⁾	Exploration of oil and gas, the marketing of petroleum and petroleum products and investment holding ⁽⁴⁾	Container haulage, land transportation, warehousing and freight forwarding	Malaysia	⁽¹⁸⁾ 35,218	14.2	11
Customer Z ⁽⁸⁾	Operation of retail outlets ⁽⁷⁾	Land transportation	Malaysia	14,390	5.8	13
Xinyi Energy Smart (Malaysia) Sdn Bhd	Manufacturing and selling float glass ⁽⁷⁾	Container haulage and freight forwarding	Malaysia	8,648	3.5	4
Customer AB ⁽¹³⁾	Marketing, distribution and sale of food and beverage products ⁽⁷⁾	Container haulage and land transportation	Malaysia	5,977	2.4	10
Tasco Berhad	Integrated logistics solutions provider ⁽¹⁰⁾	Container haulage, land transportation, and warehousing and depot	Malaysia	4,931	2.0	8
Total				69,164	27.9	

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Our Group's total revenue for FYE 2018 was RM496.979 million.
- (2) Length of business relationship is determined as at the respective FYE 2018, FYE 2019 and FYE 2020.
- (3) The ultimate holding company of the Group A of companies, which principally operates in Malaysia, is a multinational non-listed petroleum company with business interests in 35 countries. We have not disclosed the names of our customers under Group A of companies as we are bound by the confidentiality provisions under the fixed term service contracts with the respective companies, which are standard provisions, and we are unable to obtain unanimous consent from them to be named in this Prospectus.
- (4) Based on information from the latest available annual report of the ultimate holding company of the Group A of companies.
- (5) For FYE 2018, our customers that are part of the Group A of companies, all of which principally operate in Malaysia, comprised the following:

Group A of companies	Principal activities	RM'000	% of total revenue
Customer B	Marketing of petrochemical products	44,492	8.95
Customer C	Production and sale of ethylene oxide derivatives, propylene derivatives and related chemical products	13,296	2.68
Customer D	Promoting and retailing of natural gas for vehicles	9,855	1.98
Customer E	Production and sale of low-density polyethylene pellets	8,746	1.76
Customer F	Marketing of crude oil and trading in crude oil and petroleum	4,888	0.98
Customer G	Production and sale of polyethylene	4,301	0.87
Customer H	Development and ownership of Refinery and Petrochemical Integrated Complex	3,338	0.67
Customer I	Production and sale of ethylene	1,658	0.33
Customer J	Processing and transmission of natural gas	599	0.12
Customer K	Wholesale distribution of petroleum and petroleum products	286	0.06
Customer L	Production and sale of ethylene oxide, ethylene glycol and other	186	0.04
Customer M	Shipping and shipping related activities	118	0.02

6. INFORMATION ON OUR GROUP (Cont'd)

Group A of companies	Principal activities	RM'000	% of total revenue
Customer N	Production and sale of ammonia, syngas and carbon monoxide	74	0.01
Customer O	Investment holding, manufacturing and trading of lubricant products	42	0.01
Customer P	Production and sale of aromatics products	15	0.01
Customer Q	Developing, constructing, owning, operating and maintaining an integrated floating natural gas liquefaction, storage and off loading facility	9	*
Customer R	Production and sale of methyl tertiary butyl ether and propylene	3	*
Customer S	Production and sale of ammonia and urea	2	*
Total		91,908	18.49

- (6) Customer Y, which principally operates in Malaysia, is part of the group of companies under a multinational industrial gas company, which is listed on the New York Stock Exchange and the Frankfurt Stock Exchange, and has market presence in more than 100 countries. We have not disclosed the name of Customer Y as we are bound by the confidentiality provisions under the fixed term service contracts with the company, which are standard provisions, and we are unable to obtain consent from Customer Y to be named in this Prospectus.
- (7) Based on information from CCM.
- (8) Customer Z, which principally operates in Malaysia, is part of the group of companies under a private Thai conglomerate involved in agro-industry and food, retail and distribution, media and telecommunications, e-commerce and digital business, property development, automotive and industrial products, pharmaceuticals, as well as finance and investments, with investments in 21 countries. We have not disclosed the name of Customer Z as we are bound by the confidentiality provisions under the fixed term service contracts with the company, which are standard provisions, and we are unable to obtain consent from Customer Z to be named in this Prospectus.
- (9) Customer AA, which principally operates in Malaysia, is part of the group of companies under a multinational stainless steel manufacturing company, which is listed on the Madrid Stock Exchange, and has market presence in 81 countries. We have not disclosed the name of Customer AA as we are bound by the confidentiality provisions under the fixed term service contracts with the company, which are standard provisions, and we are unable to obtain consent from Customer AA to be named in this Prospectus.
- (10) Based on information from Tasco Berhad's latest available annual report.

6. INFORMATION ON OUR GROUP (Cont'd)

(11) Our Group's total revenue for FYE 2019 was RM610.201 million.

(12) For FYE 2019, our customers that are part of the Group A of companies, all of which principally operate in Malaysia, comprised the following:

Group A of companies	Principal activities	RM'000	% of total revenue
Customer B	Marketing of petrochemical products	67,974	11.14
Customer T	Supply and service of utilities and common facilities and infrastructures	9,494	1.56
Customer D	Promoting and retailing of natural gas for vehicles	8,951	1.47
Customer C	Production and sale of ethylene oxide derivatives, propylene derivatives and related chemical products	8,190	1.34
Customer H	Development and ownership of Refinery and Petrochemical Integrated Complex	3,502	0.57
Customer U	Production and sale of ethylene, propylene and other hydrocarbon by-products	1,809	0.30
Customer J	Processing and transmission of natural gas	662	0.11
Customer L	Production and sale of ethylene oxide, ethylene glycol and other related by-products	235	0.04
Customer Q	Developing, constructing, owning, operating and maintaining an integrated floating natural gas liquefaction, storage and off loading facility	158	0.03
Customer O	Investment holding, manufacturing and trading of lubricant products	155	0.02
Customer N	Production and sale of ammonia, syngas and carbon monoxide	89	0.01
Customer V	Production and sale of polyethylene	62	0.01
Customer P	Production and sale of aromatics products	19	*
Customer K	Wholesale distribution of petroleum and petroleum products	7	*
Customer W	Production and sale of methyl tertiary butyl ether and propylene	#	*
Customer X	Management of a petroleum discovery centre	#	*
Total		101,307	16.60

6. INFORMATION ON OUR GROUP (Cont'd)

(13) Customer AB, which principally operates in Malaysia, is part of the group of companies under a multinational food and beverages company, which is listed on the SIX Swiss Exchange in Switzerland, and has market presence in 186 countries. We have not disclosed the name of Customer AB as we are bound by the confidentiality provisions under the fixed term service contracts with the company, which are standard provisions, and we are unable to obtain consent from Customer AB to be named in this Prospectus.

(14) Our Group's total revenue for FYE 2020 was RM555.838 million.

(15) For FYE 2020, our customers that are part of the Group A of companies, all of which principally operate in Malaysia, comprised the following:

Group A of companies	Principal activities	RM'000	% of total revenue
Customer B	Marketing of petrochemical products	69,268	12.46
Customer T	Supply and service of utilities and common facilities and infrastructures	11,734	2.11
Customer D	Promoting and retailing of natural gas for vehicles	7,568	1.36
Customer H	Development and ownership of Refinery and Petrochemical Integrated Complex	2,444	0.44
Customer C	Production and sale of ethylene oxide derivatives, propylene derivatives and related chemical products	1,526	0.28
Customer E	Production and sale of low-density polyethylene pellets	814	0.15
Customer J	Processing and transmission of natural gas	623	0.11
Customer O	Investment holding, manufacturing and trading of lubricant products	506	0.09
Customer U	Production and sale of ethylene, propylene and other hydrocarbon by-products	192	0.04
Customer L	Production and sale of ethylene oxide, ethylene glycol and other related by-products	191	0.03
Customer N	Production and sale of ammonia, syngas and carbon monoxide	72	0.01
Customer K	Wholesale distribution of petroleum and petroleum products	47	0.01
Customer P	Production and sale of aromatics products	13	*
Customer M	Shipping and shipping related activities	8	*
Total		95,006	17.09

6. INFORMATION ON OUR GROUP (Cont'd)

- (16) Customer AC, which principally operates in Malaysia, is part of the group of companies under a multinational consumer goods company, which is listed on London Stock Exchange, Euronext Amsterdam and New York Stock Exchange, and has market presence in over 190 countries. We have not disclosed the name of Customer AC as we are bound by the confidentiality provisions under the fixed term service contracts with the company, which are standard provisions, and we are unable to obtain consent from Customer AC to be named in this Prospectus.
- (17) Our Group's total revenue for FPE 2021 was RM248.533 million.
- (18) For FPE 2021, our customers that are part of the Group A of companies, all of which principally operate in Malaysia, comprised the following:

Group A of companies	Principal activities	RM'000	% of total revenue
Customer B	Marketing of petrochemical products	27,204	10.95
Customer T	Supply and service of utilities and common facilities and infrastructures	3,545	1.43
Customer D	Promoting and retailing of natural gas for vehicles	2,331	0.94
Customer H	Development and ownership of Refinery and Petrochemical Integrated Complex	970	0.39
Customer O	Investment holding, manufacturing and trading of lubricant products	560	0.23
Customer J	Processing and transmission of natural gas	280	0.11
Customer C	Production and sale of ethylene oxide derivatives, propylene derivatives and related chemical products	231	0.09
Customer N	Production and sale of ammonia, syngas and carbon monoxide	35	0.01
Customer L	Production and sale of ethylene oxide, ethylene glycol and other related by-products	33	0.01
Customer E	Production and sale of low-density polyethylene pellets	20	0.01
Customer P	Production and sale of aromatics products	5	*
Customer K	Wholesale distribution of petroleum and petroleum products	4	*
Customer M	Shipping and shipping related activities	#	*
Customer AD	Ownership of offshore floating terminals	#	*
Total		35,218	14.17

6. INFORMATION ON OUR GROUP (Cont'd)

- * Negligible.
- # Less than RM1,000.

The Group A of companies accounted for RM91.9 million (18.5%), RM101.3 million (16.6%), RM95.0 million (17.1%) and RM35.2 million (14.2%) of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. We provide them with a range of services, namely container haulage, land transportation, warehousing and container depot, and freight forwarding. We are not dependent on Group A for the Financial Years Under Review on the basis that the group constitutes individual companies, each of whom makes autonomous decisions on logistics. Furthermore, we do not allocate prime movers and containers trailers exclusively to Group A, and they can be used to serve other customers. Revenue derived from the CNG tankers that are currently used solely to the Group A of companies accounted for 1.98%, 1.47%, 1.36% and 0.94% of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. If these CNG tankers are not used to provide services to the Group A of companies, they can be redeployed to other customers that require CNG tankers, as this has been done in the past.

Our largest customer within the Group A of companies namely Customer B accounted for RM44.5 million (9.0%), RM68.0 million (11.1%), RM69.3 million (12.5%) and RM27.2 million (11.0%) of our total revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. We are not dependent on this customer based on the following reasons:

- our business with them is for the provision of container haulage, land transportation and warehousing services and individually, each of these services accounted for 2.0% to 5.0% of our total revenue during the Financial Years Under Review and FPE 2021;
- for the provision of container haulage, we do not allocate prime movers and container trailers exclusively to Customer B and they can be used to serve other customers; and
- the increase in our revenue from this customer for FYE 2020 was for the provision of logistics services for a one-off plant maintenance project.

As for the remaining individual companies within the Group A of companies, we are not dependent on them by virtue of their low revenue contribution of between less than 0.01% and 2.68% of our total revenue during the Financial Years Under Review and FPE 2021. Similarly, this applies to the remaining 4 customers within the top 5 customers for the Financial Years Under Review and FPE 2021 with revenue contribution of between 1.7% and 8.0% of our total revenue. As at the LPD, we serve a customer base for logistics services of approximately 1,809 companies which will help to minimise any dependency on any one single customer.

As at the LPD, none of our Directors, Promoters and / or substantial shareholders has any interest, direct or indirect, in any of our major customers.

6. INFORMATION ON OUR GROUP (Cont'd)

6.19 MAJOR SUPPLIERS

Our top 5 major suppliers for the Financial Years Under Review and FPE 2021 are as follows:

FYE 2018

Major suppliers	Principal activities of major suppliers	Main types of products / services offered	RM'000	% of total purchases ⁽¹⁾	Length of business relationship (years) ⁽²⁾
Shell group	International energy company engaged in the principal aspects of the oil and gas industry ⁽³⁾	Diesel	⁽⁴⁾ 40,755	21.4	6
Supplier A ⁽⁷⁾	Domestic marketing of petroleum products ⁽⁸⁾	Diesel	⁽⁹⁾ 28,293	14.8	9
Supplier B ⁽¹⁰⁾	Assembly and distribution of motor vehicles, and related services ⁽⁵⁾	Prime movers, spare parts and maintenance services	28,204	14.8	8
Volvo Malaysia	Trading in commercial vehicles, spare parts and other products, and related services ⁽⁵⁾	Spare parts and maintenance services	9,132	4.8	10
Hap Seng Trucks Distribution Sdn Bhd ⁽¹¹⁾	Wholesale distribution of trucks and vans, and sales of spare parts (including importation and assembly) ⁽⁵⁾	Prime movers, spare parts and maintenance services	6,118	3.2	1
Total			112,502	59.0	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2019

Major suppliers	Principal activities of major suppliers	Main types of products / services offered	RM'000	% of total purchases⁽¹²⁾	Length of business relationship (years)⁽²⁾
Shell group	International energy company engaged in the principal aspects of the oil and gas industry ⁽³⁾	Diesel	⁽⁴⁾ 39,886	17.6	7
Supplier A ⁽⁷⁾	Domestic marketing of petroleum products ⁽⁸⁾	Diesel	28,624	12.6	10
Hap Seng Trucks Distribution Sdn Bhd ⁽¹¹⁾	Wholesale distribution of trucks and vans, and sales of spare parts (including importation and assembly) ⁽⁵⁾	Prime movers, spare parts and maintenance services	21,277	9.4	2
Volvo Malaysia Sdn Bhd	Trading in commercial vehicles, spare parts and other products, and related services ⁽⁵⁾	Spare parts and maintenance services	19,730	8.7	11
Pandamaran Synergy Petroleum Sdn Bhd	Trading of diesel, petrol, lubricants, fuel oil related products, and transportation services ⁽⁵⁾	Diesel	9,960	4.4	4
Total			119,477	52.7	

6. INFORMATION ON OUR GROUP (Cont'd)

FYE 2020

Major suppliers	Principal activities of major suppliers	Main types of products / services offered	RM'000	% of total purchases⁽¹³⁾	Length of business relationship (years)⁽²⁾
Pandamaran Synergy Petroleum Sdn Bhd	Trading of diesel, petrol, lubricants, fuel oil related products, and transportation services ⁽⁵⁾	Diesel	22,968	11.3	5
Supplier A ⁽⁷⁾	Domestic marketing of petroleum products ⁽⁶⁾	Diesel	17,121	8.4	11
Shell group	International energy company engaged in the principal aspects of the oil and gas industry ⁽³⁾	Diesel	⁽⁴⁾ 14,584	7.2	8
Sutra (AZ) Sdn Bhd	Manpower and equipment supply ⁽⁵⁾	Sub-contracted labour services	8,437	4.1	2
Chevron Malaysia Limited	Marketing of petroleum products ⁽⁵⁾	Diesel	7,109	3.5	2
Total			70,219	34.5	

6. INFORMATION ON OUR GROUP (Cont'd)

FPE 2021

Major suppliers	Principal activities of major suppliers	Main types of products / services offered	RM'000	% of total purchases ⁽¹⁴⁾	Length of business relationship (years) ⁽²⁾
Pandamaran Synergy Petroleum Sdn Bhd	Trading of diesel, petrol, lubricants, fuel oil related products, and transportation services ⁽⁵⁾	Diesel	15,938	16.9	6
Shell group	International energy company engaged in the principal aspects of the oil and gas industry ⁽³⁾	Diesel	⁽⁴⁾ 6,371	6.8	9
Supplier A ⁽⁷⁾	Domestic marketing of petroleum products ⁽⁶⁾	Diesel	3,478	3.7	12
Chevron Malaysia Limited	Marketing of petroleum products ⁽⁵⁾	Diesel	3,476	3.7	3
Adtine Container Services Sdn Bhd	Container repair and other services ⁽⁵⁾	Container repair services	2,608	2.8	6
Total			31,871	33.9	

Notes:

- (1) Our Group's total purchases for FYE 2018 was RM190.564 million.
- (2) Length of business relationship is determined as at the respective FYE 2018, FYE 2019 and FYE 2020.
- (3) Based on information from latest available annual report of the ultimate holding company of the Shell group.

6. INFORMATION ON OUR GROUP (Cont'd)

(4) For the Financial Years under Review, our suppliers that are part of the Shell group comprised the following:

Shell group	Principal activities	Country of operation	FYE 2018		FYE 2019		FYE 2020		FPE 2021	
			RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases	RM'000	% of total purchases
Shell Malaysia Trading Sdn Bhd	Blending of lubricant oils and marketing of petroleum products ⁽⁵⁾	Malaysia	30,524	16.0	29,424	13.0	6,923	3.4	1,988	2.1
The Shell Company of Thailand Limited	Marketing of oil and chemical products, and other activities ⁽⁶⁾	Thailand	10,231	5.4	10,462	4.6	7,661	3.8	4,383	4.7
Total			40,755	21.4	39,886	17.6	14,584	7.2	6,371	6.8

(5) Based on information from CCM.

(6) Based on information from The Shell Company of Thailand Limited's website.

(7) Supplier A, which principally operates in Malaysia, is part of the Group A of companies as described in Section 6.18 of this Prospectus. As we are bound by the confidentiality provisions under the fixed term supply contracts with the respective companies, which are standard provisions, and we are unable to obtain unanimous consent from Group A of companies to be named in this Prospectus, we have not disclosed the name of Supplier A.

(8) Based on information from Supplier A's latest available annual report.

(9) Some of the purchases of diesel from Supplier A in FYE 2018 were through Redberry Sdn Bhd, a media and advertising company, whereby our Group enjoyed rebates of RM0.04 per litre of diesel purchased between 1 July 2018 and 1 February 2019.

(10) Supplier B, which principally operates in Malaysia, is part of the group of companies under a multinational automotive company, which is listed on the Frankfurt Stock Exchange, and has market presence worldwide. We have not disclosed the name of Supplier B as we are bound by the confidentiality provisions under the fixed term supply contracts with the respective companies, which are standard provisions, and we are unable to obtain consent from Supplier B to be named in this Prospectus.

(11) Our dealership for Mercedes-Benz and Fuso commercial vehicles and spare parts was novated from Supplier B to Hap Seng Trucks Distribution Sdn Bhd on 2 July 2018.

(12) Our Group's total purchases for FYE 2019 was RM227.193 million.

(13) Our Group's total purchases for FYE 2020 was RM203.532 million.

(14) Our Group's total purchases for FPE 2021 was RM94.104 million.

During the Financial Years Under Review, we were not dependent on any individual supplier for our business operations based on the value of purchases of materials, consumables and services. Although the Shell group collectively was our largest supplier for the FYE 2018 (21.4%) and FYE 2019 (17.6%), the third largest supplier (7.2%) for the FYE 2020 and the second largest supplier (6.8%) for FPE 2021, these were relating to the supply of diesel fuel, which is readily available in the market. Our suppliers during the Financial Years Under Review and FPE 2021 were mainly for diesel fuel.

As at the LPD, none of our Directors, Promoters and / or substantial shareholders has any interest, direct or indirect, in any of our major suppliers.

6. INFORMATION ON OUR GROUP (Cont'd)

6.20 PROPERTIES, PLANT AND EQUIPMENT

6.20.1 Properties owned

A summary of the material land and buildings owned by our Group for our operations as at the LPD is as follows:

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
1.	H.S.(D) 116350, PT 162, Bandar Sultan Sulaiman, Klang, Selangor/ Lot 11, Jalan Sultan Mohd 2, Kawasan Industri Bandar Sultan Suleiman, Pelabuhan Klang, Selangor	Fleet Engineering Services	Industry/ Industry	3-storey office and single- storey workshop Age of building: 24 years	This alienated land cannot be transferred, leased or charged except with the consent of the state authority/ Charged to AmlInvestment Bank Berhad by Fleet Engineering Services vide: (i) Presentation No. 714/2021 presented 5 January 2021 (Approval letter 330/2021); and (ii) Presentation No. 715/2021 presented 5 January 2021 (Approval letter 331/2021). Charged to Eon Bank Berhad vide Presentation No. 102929/2011.	Leasehold for 99 years / expiring 30 June 2105	Land area: 196,021 Built up area: 71,204	30 December 1997	12,994.54

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
					<p>The abovementioned Charge was transferred to Hong Leong Bank Berhad pursuant to Court Vesting Order 24 NCC-175-2011 (vide Presentation No. 66875/2011 presented 19 December 2011).</p> <p>The land is the subject matter of a Private Caveat in favour of Eon Bank Berhad registered vide Presentation No. 21211/2010.</p> <p>The abovementioned Caveat was transferred to Hong Leong Bank Berhad of Court Vesting Order 24NCC-175-2011 (vide Presentation No. 52103/2011 presented 7 October 2011).</p>				

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
2.	H.S.(D) 116379, PT 198, Bandar Sultan Sulaiman, Klang, Selangor Lot 11, Jalan Sultan Mohamed 4, Bandar Sultan Suleiman, 42000, Pelabuhan Klang, Selangor	Swift Haulage Sdn Bhd	Industry/ Industry	Haulage yard	This alienated land cannot be transferred, leased or charged except with the consent of the state authority	Leasehold for 99 years / expiring 30 June 2105	Land area: 127,628 Built up area: Nil	N/A ⁽¹⁾	6,571.13
3.	H.S.(D) 116353, PT 167, Bandar Sultan Sulaiman, Klang, Selangor Lot 3, Jalan Sultan Mohamed 5, Kawasan Perindustrian Bandar Sultan Suleiman, Pelabuhan Klang, Selangor	Swift Haulage	Industry/ Industry	2 ½ storey office, haulage yard and single-story warehouse Age of building: 8 years	This alienated land cannot be transferred, leased or charged except with the consent of the state authority/ Charged to United Overseas Bank (Malaysia) Bhd by Swift Haulage vide: (i) Presentation No. 18179/2015 presented 2 March 2015 (Approval letter 6455/2015); (iii) Presentation No. 18180/2015 presented 2 March 2015 (Approval letter 6456/2015); and	Leasehold for 99 years / expiring 30 June 2105	Land area 348,481 Built up area: 128,373	12 September 2013	28,417.91

¹ CF/CCC not required as no building has been erected on the land

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
4.	PN 117749, Lot 87989, Mukim Klang, Selangor Lot 87989, Jalan Perigi Nenas 8/7, Seksyen 7, Taman Perindustrian Pulau Indah, 42000 Port Klang, Selangor	Swift Haulage	Industry / This land shall be used for industrial purposes only	Haulage yard and container depot	(iv) Presentation No. 82897/2020 presented 26 November 2020 (Approval Letter 32156/2020) This alienated land cannot be sold, leased or transferred in any manner whatsoever including by way of using all types of agreement for the purpose of relinquishing or selling the land without the consent of the state authority/ Charged to AmInvestment Bank Berhad by Swift Haulage vide: (i) Presentation No. 17362/2021 presented 8 March 2021 (Approval letter no 7054/2021); and (ii) Presentation No. 17363/2021 presented 8 March 2021 (Approval letter no 7157/2021).	Leasehold for 99 years / expiring 30 March 2097	Land area 2,553,770 Built up area: Nil	N/A ⁽²⁾	76,020.53

² CF/CCC not required as no building has been erected on the land

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
5.	GRN 66327, Lot 2939, Mukim 16, Seberang Perai Utara, Pulau Pinang Lot 2939-2980, Lorong Perusahaan Sg Lonkan 6, Kawasan Perusahaan Sg Lonkan, 13400 Butterworth, Penang	Swift Integrated Logistics	Industry / This land shall be used for industrial purpose only	Single-story warehouse, double-storey office-cum- canteen, single-story workshop with a double- storey office section and haulage yard Age of building: 25 years	The land shall not be subdivided into building lots without the written permission of the state authority/ Nil/ Charged to AmInvestment Bank Berhad by Swift integrated Logistics vide: (i) Presentation No. 0799SC2020022564 presented 2 October 2020; and (ii) Presentation No. 0799SC2020022569 presented 2 October 2020.	Freehold	Land area: 9,365 Combined built up area: 152,991 ⁽³⁾	17 April 1996	55,134.52 ⁽⁴⁾

³ The built-up area of 152,991 sq. ft represents the total built up area of the buildings located on Lots 2939-2941, 2946-2954 and 2978 -2980, which are located adjacent to each other.

⁴ The total NBV as at 31 May 2021 of the properties located on Lots 2939-2941, 2946-2954 and 2978-2980, which are located adjacent to each other, amounted to RM55,134,517.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
6.	GRN 66328, 66329, 66334-66341 Lots 2940, 2941, 2946- 2953 Mukim 16, Seberang Perai Utara, Pulau Pinang Lot 2939-2980, Lorong Perusahaan Sg Lonkan 6, Kawasan Perusahaan Sg Lonkan, Butterworth, Penang	Swift Integrated Logistics	Industry / This land shall be used for industrial purpose only	Single-storey warehouse, double-storey office-cum- canteen, single-storey workshop with a double- storey office section and haulage yard Age of building: 25 years	Nil/ Charged to Bank Amlnvestment Berhad by Swift Integrated Logistics vide: (i) Presentation No. 0799SC2020022564 presented 2 October 2020; and (ii) Presentation No. 0799SC2020022569 presented 2 October 2020.	Freehold	Combined land area: 640,184 ⁽⁵⁾ Combined Built up area: 152,991 ⁽³⁾	17 April 1996	55,134.52 ⁽⁴⁾
7.	GRN 66342, Lot 2954, Mukim 16, Seberang Perai Utara, Pulau Pinang Lot 2939-2980, Lorong Perusahaan Sg Lonkan 6, Kawasan Perusahaan Sg Lonkan, Butterworth, Penang	Swift Integrated Logistics	Industry / This land shall be used for industrial purpose only	Single-storey warehouse, double-storey office-cum- canteen, single-storey workshop with a double- storey office section and haulage yard Age of building: 25 years	Nil/ Charged to Bank Amlnvestment Berhad by Swift Integrated Logistics vide: (i) Presentation No. 0799SC2020022564 presented 2 October 2020; and (ii) Presentation No. 0799SC2020022569 presented 2 October 2020	Freehold	Land Area: 76,069 Combined built up area: 152,991 ⁽³⁾	17 April 1996	55,134.52 ⁽⁴⁾

⁵ The combined land area of 637,277 sq. ft represents the total land area of Lots 2940, 2941 and 2946-2953 which are located adjacent to each other.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
8.	GM 1015-1017 Lots 2978-2980 Mukim 16, Seberang Perai Utara, Pulau Pinang Lot 2939-2980, Lorong Perusahaan Sg Lonkan 6, Kawasan Perusahaan Sg Lonkan, Butterworth, Penang	Swift Integrated Logistics	Industry / This land shall be used for industrial purpose only and shall be developed together with the adjacent lot	Single-storey warehouse, double-storey office-cum- canteen, single-storey workshop with a double- storey office section and haulage yard Age of building: 25 years	A part of the land has been leased to Tenaga Nasional Berhad for a term of 30 years expiring 14 February 2025 vide Presentation No. 0799SC1996006629 presented 26 April 1996. This alienated land cannot be partitioned, transferred, leased, sublease or in any manner whatsoever disposed of without the consent of the state authority/ Nil	Freehold	Combined land area: 23,982 ⁽⁶⁾ Combined built up area: 152,991 ⁽³⁾	17 April 1996	55,134.52 ⁽⁴⁾

⁶ The land area of 23,982 sq. ft represents the total land area of the lands located at Lots 2978-2980, which are located adjacent to each other.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
9.	PM 183, Lot 7518, Mukim Bukit Baru, Melaka Tengah, Melaka Lot 2113-1 Jalan PAK 2/1, Kawasan Perindustrian Ayer Keroh, 75450 Ayer Keroh, Melaka.	Swift Integrated Logistics	Industry / This land shall be used for industrial purpose only	Haulage yard and single- storey office Age of building: 28 years	This land cannot be transferred or leased except with the consent of the state authority/ This restriction is exempted for first buyer. Charged to United Overseas Bank (Malaysia) Berhad by Swift Integrated Logistics Presentation No. 0401SC20177008202 presented 26 December 2017.	Leasehold for 99 years / expiring 24 May 2091	Land area: 241,327 Built up area: 2,809	18 May 1993	3,749.15
10.	H.S.(D) 116365, PT 181, Bandar Sultan Sulaiman, Klang, Selangor/ No 23, Lebuhr Sultan Mohamad Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor	Swift Integrated Logistics	Industry / Industry	3-storey office, single- storey warehouse annexed to the 3-storey office block and haulage yard Age of building: 28 years	This alienated land cannot be transferred, leased or charged except with the consent of the state authority/ Charged to AmlInvestment Bank Berhad by Swift Integrated Logistics vide: (i) Presentation No. 720/2021 (presented January 2021); and	Leasehold for 99 years / expiring 30 June 2105	Land Area: 2,232,952 Built up area: 590,534	8 April 1993 (original structure) 19 September 1995 (renovations)	133,155.03

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
					(ii) Presentation No. 721/2021 (presented January 2021 (Approval letter 335/2021))				
11.	CL 015317263 Menggatal, District of Kota Kinabalu, Sabah No. 3, Kampung Kapa, Batu 6 1/2, Jalan Tuaran, 88450, Kota Kinabalu, Sabah	Swift Integrated Logistics	Agriculture	Vacant Yard	The Land is expressly and only for the purpose of the cultivation of agricultural crop of economic value. Charged to United Overseas Bank (Malaysia) Sdn Bhd vide: (i) Memo MC1709010227 presented September 2017; and (ii) Memo MC2012010147 presented December 2020.	Leasehold for 99 years / expiring 21 October 2068	Land area: 36,590 Built up area: Nil	N/A ⁽⁷⁾	14,496.73 ⁽⁸⁾

⁷ No CCC/CF is required as no structure has been erected on this land.

⁸ The NBV of RM14,496,730.00 is the aggregate NBV as at 31 May 2021 of the properties located on CL 015317263, CL 015325112 and CL 015091737 which are located adjacent to each other.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
12.	CL 015325112 No. 3, Kampung Kapa, Batu 6 1/2, Jalan Tuaran, 88450, Kota Kinabalu, Sabah Menggatal, District of Kota Kinabalu, Sabah	Swift Integrated Logistics	N/A	Vacant yard	Charged to United Overseas Bank (Malaysia) Sdn Bhd vide: (i) Memo MC1709010224 presented September 2017; and 11 (ii) Memo MC2012010149 presented December 2020. 10	Leasehold for 99 years / expiring 25 April 2061	Land area: 32,103 Built up area: Nil	N/A ⁽⁹⁾	14,496.73 ⁽⁸⁾
13.	CL 015091737 Menggatal, District of Kota Kinabalu, Sabah No. 3, Kampung Kapa, Batu 6 1/2, Jalan Tuaran, 88450 Kota Kinabalu, Sabah	Swift Integrated Logistics	N/A	Vacant	Charged to United Overseas Bank (Malaysia) Sdn Bhd vide: (i) Memo MC1709010222 presented September 2017; and 11 (ii) Memo MC2012010148 presented December 2020. 10	999 Years expiring 24 June 2926	Land area: 184,258	N/A ⁽⁹⁾	14,496.73 ⁽⁸⁾

⁹ No CCC/CF required as no structure has been erected on this land.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
14.	GRN 290794, Accessory Plots A107, A108 A109 and A113 68056, Mukim Kapar, Klang, Selangor Suite 8.01, 88 Jalan Batai Laut 4/KU1, Taman Intan, 41300 Klang, Selangor	Swift Integrated Logistics	Retail / Retail Building	Strata Office Unit Space Age of building: 11 years	Nil/ Charged to AmBank Islamic Berhad vide Presentation No. 61362/1029 (GO) presented on 26 September 2019	Freehold	Built up area: 13,993	27 August 2009	5,384.23
15.	GRN 290794, Accessory Plots A110, A111 A112 and A114 68056, Mukim Kapar, Klang, Selangor Suite 8.02, 88 Jalan Batai Laut 4/KU1, Taman Intan, 41300 Klang, Selangor	Persada Bina / Swift Logistics TA ⁽¹⁰⁾	Retail Building	Strata Office Unit Space Age of building: 11 years	Nil/ Charged to United Overseas Bank (Malaysia) Bhd vide Presentation No. 12621/2015(GD) presented on 28 April 2015	Freehold	Built up area: 14,089	27 August 2009	5,082.24

¹⁰ This property is an office space held under a strata title, and was the subject matter of the sale and purchase agreement dated 19 March 2020 between Persada Bina (as Vendor) and Swift Logistics TA (as Purchaser). The SPA has been completed and Persada Bina is in the midst of transferring the strata title to Swift Logistics TA.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
16.	GRN 209203, Lot 10488 Seksyen 20, Bandar Serendah, Ulu Selangor, Selangor No. 17 (PT 8553), Jalan Kamunting 2, Perindustrian Jalan Kamunting, Bukit Beruntung, 48300 Rawang, Selangor	Tanjong Express	Industry / Industry	Single-storey open-sided workshop with a double- storey office, and land transportation yard Age of building: 7 years	Nil/ Charged to Public Bank Berhad by Tanjong Express vide Presentation No. 42053/2017 presented on 25 May 2017	Freehold	Land Area: 66,704 Built up area: 23,789	26 June 2014	5,815.36

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
17.	HS(D) 26396, PT 345, Mukim 13, Seberang Perai Tengah, Pulau Pinang ⁽¹¹⁾ 1020, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang	Tanjong Express	Industry / The first registered owner after the Penang Development Corporation shall: (a) within 2 years from the date of the registered transfer or within a specified period of time approved by the state authority, erects a factory building or factory buildings on the alienated land in accordance with the plan approved by the local authority and shall maintain the buildings that have been erected to the satisfaction of the local authority.	3-storey office block with an annexed single-storey, workshop, land transportation yard Age of building: 12 years	This alienated land cannot be transferred, charged, leased or sublease, rented or dealt in any manner whatsoever without the written consent from the state authority/ This alienated land cannot be partitioned or subdivided This alienated land and any buildings on the land cannot be used for any purpose other than that approved by the Penang Development Corporation and the state authority/ Charged to AmBank (M) Berhad by Tanjong Express vide: (i) Presentation No. 0799SC2006004881 presented 2 March 2006;	Leasehold for 60 years / expiring 29 October 2058	Land Area: 131,363 Built up area: 67,460	4 March 2009	17,193.53 ⁽¹²⁾

¹¹ This land is the subject matter of a conditional sale and purchase agreement ("SPA") dated 19 April 2021 between Tanjong Express (as vendor) and MEP Enviro Technology Sdn Bhd (as purchaser). The SPA is expected to complete by the fourth quarter of 2021.

¹² The NBV of RM17,193,530.00 is the aggregate NBV as at 31 May 2021 of the properties located on PT 345 and Lot 6838 of Mukim 13, which are located adjacent to each other.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
			(b) clean, dispose of or cause the cleaning or disposal of trade effluents in a form or manner that satisfies the relevant authorities		(ii) Presentation No. 0799SC2007007235 presented 30 March 2007; (iii) Presentation No. 0799SC2008012714 presented 23 April 2008;				
			(c) pay and settle all taxes, rates of revenue payments and other payments assessed at the time of the grant of land or any relevant parts imposed by Seberang Perai City Council/ City Council of Penang Island		(iv) Presentation No. 0799SC2010037321 presented 20 October 2010; and (v) Presentation No. 0799SC2012018986 presented 31 May 2012. Charged to AmBank Islamic Berhad by Tanjong Express Sdn Bhd vide;				
			(d) ensure that 30% of the workers for each rank of management taken in for the purposes of business of this alienated land shall be made up of Bumiputera		(i) Presentation No. 0799SC2014008246 presented 18 March 2014; (ii) Presentation No. 0799SC2018014654 presented 5 June 2018; and				

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
			(e) comply with all the terms and conditions contained in the sale and purchase agreement signed between the registered owners after the Penang Development Corporation		(iii) Presentation No. 0799SC2019014220 presented 17 May 2019.				

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
18.	PN 7671, Lot 6838, Mukim Seberang Tengah, Pinang ⁽¹³⁾ Plot 174 b, Jalan Perindustrian, Bukit Minyak Park, Simpang Pulau Malaysia	Tanjong Express	Industry/ (a) This land shall be used for industrial purpose only (b) The registered owner after the Penang Development Corporation shall within 2 years from the date of the registered transfer or within a specified period of time approved by the state authority, erect a factory building or factory buildings on this alienated land in accordance with the plan approved by the local authority.	Transportation yard	This alienated land cannot be transferred, charged, leased or sublease, rented or dealt in any manner whatsoever without the written consent from the state authority/ Charged to RHB Bank Berhad by Tanjong Express vide: (i) Presentation No. 0799SC2011010901 presented 11 April 2011; and (ii) Presentation No. 0799SC201513351 presented 23 April 2015.	Leasehold for 60 years expiring 6 November 2067	Land Area: 129,253 Built up area: Nil	N/A ⁽¹⁴⁾	17,193.53 ⁽¹³⁾

¹³ This land is the subject matter of a conditional sale and purchase agreement ("SPA") dated 19 April 2021 between Tanjong Express (as vendor) and MEP Enviro Technology Sdn Bhd (as purchaser). The SPA is expected to complete by the fourth quarter of 2021.

¹⁴ CF/CCC is not required as no building has been erected on the land.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
			(c) ensure that 30% of the workers for each rank of management taken in for the purposes of business of this alienated land shall be made up of Bumiputera						
19.	PN 98092, Lot 19298, Bandar Sijangkang, Kuala Langat, Selangor PT 79/Lot 19298, Jalan Sijangkang Utama 1, Kawasan Perindustrian Sijangkang, Telok Panglima Garang, 42500 Telok Panglima Garang, Selangor	Tanjong Express	Industry/ Industry	Double-storey Office and Transportation yard	This land can be transferred, leased or charged after obtaining the consent from the state authority/ Charged to CIMB Islamic Bank Berhad by Tanjong Express vide Presentation No. 40074/2018 presented 3 May 2018.	Leasehold for 99 years / expiring 9 April 2094	Land Area: 108,877 Built up area: 9,600	Pending issuance of CCC ⁽¹⁵⁾	7,352.98

¹⁵ Tanjong Express has commenced the process of procuring the approval building plans from the Majlis Perbandaran Kuala Langat and the Fire Department, and as at LPD, is awaiting the issuance of the CF/CCC by the architect which is likely to take approximately 6 months as the progress has been delayed due to the restrictions under the MCO.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
20.	GRN 209204, Lot 10489 Seksyen 20, Bandar Serendah, Ulu Selangor, Selangor No. 15 (PT 8554), Jalan Kamunting 2, Perindustrian Jalan Kamunting, Bukit Beruntung, 48300 Rawang, Selangor	Tanjong Express Logistic	Industry/ Industry	Transportation yard	Nil/ Nil	Freehold	Land Area: 66,704 Built up area: Nil	N/A ⁽¹⁶⁾	4,489.16
21.	GRN 209197 and GRN 209198, Lot 10480 and Lot 10481, Seksyen 20, Bandar Serendah, Ulu Selangor, Selangor/ No. 8 (PT 8545), Jalan Kamunting 2, Perindustrian Jalan Kamunting, Bukit Beruntung, 48300 Rawang, Selangor	Tanjong Express Logistic	Industry/ Industry	Parking yard	Nil/ Charged to AmBank Islamic Berhad by Tanjong Express Logistic vide: (i) Presentation No. 111874/2018 presented 6 December 2018; and (ii) Presentation No. 111875/2018 presented 6 December 2018.	Freehold	Land Area: 120,567 ⁽¹⁷⁾ Built up area: 9,147 ⁽¹⁸⁾	25 March 2019	10,205.66

¹⁶ CF/CCC is not required as no building has been erected on the land.

¹⁷ The land area of 120,567 sq.ft represents the combined land area of GRN 209197 and GRN209198, which are located adjacent to each other.

²⁰ The built-up area of 9,147 sq.ft represents the combined built up area of GRN 209197 and GRN209198, which are located adjacent to each other.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
					Charged to Eon Bank Berhad vide Presentation No. 44645/2002; The abovementioned Charge was transferred to Hong Leong Bank Berhad pursuant to Court Vesting Order 24NCC-175-2011 (vide Presentation No. 20917/2016 presented 21 April 2016)				

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
22.	PN 3316, Lot 5021, Mukim Seberang Perai Tengah, Pulau Pinang 3064, Lorong Jelawat 1, Seberang Jaya, 13700 Perai, Pulau Pinang	Tanjong Express Logistic	Industry/ The registered owner after the Penang Development Corporation shall: (a) within 2 years from the date of the registered transfer or within a specified period of time approved by the state authority, erects a factory building or factory buildings on the alienated land in accordance with the plan approved by the local authority and shall maintain the buildings that have been erected to the satisfaction of the local authority.	Double-storey office, haulage yard and single-storey workshop Age of building: 11 years	This alienated land cannot be transferred, charged, leased or dispose of without the written consent from the state authority This alienated land cannot be partitioned or subdivided/ Charged to AmBank Islamic Berhad by Tanjong Express Logistics vide Presentation No. 0799SC2019007588. A private registered caveat in favour of AmBank Islamic Berhad over the land was entered/registered vide Presentation No. 0799B2018012861 presented 7 December 2018.	Leasehold for 60 years / expiring 3 December 2050	Land area: 166,647 Built up area: 14,331	20 August 2010	7,784.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
			(b) clean, dispose of the or cause the cleaning or disposal of trade effluents in a form or manner that satisfies the relevant authorities						
			(c) pay and settle all taxes, rates of revenue payments and other payments assessed at the time of the grant of land or any relevant parts imposed by Seberang Perai City Council						
			(d) ensure that 30% of the workers for each rank of management taken in for the purposes of business of this alienated land shall consist of Bumiputera						

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Registered/ Beneficial owner	Category of land use/ Express conditions of land use	Description/ Existing use/ Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure/ Date of expiry of lease	Land/ Built- up area (sq. ft.)	Date of issuance of CF / CCC	NBV as at 31 May 2021 RM'000
23.	PN 20510, Lot 21687, Bandar Sultan Sulaiman, Klang, Selangor Lot 21687, Jalan Pelabuhan Klang Utara, Kawasan Perindustrian Selat Klang Utara, 42000 Pelabuhan Klang, Selangor	Sentiasa Hebat	Industry / Industry	Haulage yard	This alienated land cannot be transferred, leased or charged except with the consent of the state authority/ Charged to Malayan Banking Berhad by Sentiasa Hebat vide Presentation No. 3397/2015 presented 20 January 2015 (Approval Letter 1409/2015)	Leasehold for 99 years expiring 13 July 2088	518,390 sq. ft Built up area: Nil	N/A ⁽¹⁹⁾	33,165.31

(The rest of this page has been intentionally left blank)

¹⁹ CF/CCC is not required as no building has been erected on the land.

6. INFORMATION ON OUR GROUP (Cont'd)

6.20.2 Properties leased by our Group

A summary of the material land and buildings leased by our Group as at the LPD is as follows:

No.	Title details/ Property address	Lessor	Lessee	Category of land use/ Express conditions of land use	Description/ Existing use Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure	Land area/ Built-up area (sq. ft.)	Date of issuance of CF / CCC	Consideration (RM'000)
1.	H.S.(D) 473445, PTD 97072 (PLO 137 & PLO 138), Mukim Tebrau, Johor Bahru, Johor PLO 137-138, Jalan Angkasa Mas Utama, Kawasan Perindustrian Tebrau II, 81100, Johor Bahru	Johor Corporation	Swift Integrated Logistics	Industry / (a) This land shall be used as a medium industrial area for industry, warehousing, container handling and storage and other related use, built according to the plan approved by the relevant local authorities.	3-storey office, 2-storey office annexed with a single-storey warehouse, single-storey canteen, single-storey workshop land transportation yard. Age of building: 23 years	The alienated land may not be transferred, leased or charged by the landowner subsequent to Johor Corporation except with the consent of the state authority Charged to United Overseas Bank Malaysia Bhd by Swift Integrated Logistics vide:	An initial period of 13 years, expiring on 7 July 2023; and A subsequent period of 30 years expiring 7 April 2053	Land area: 894,287 Built-up area 140,225	24 January 1998 Pending issuance of CCC for recently constructed warehouse ⁽²⁰⁾	44,672.16

²⁰ Swift Integrated Logistics has applied for a CCC in respect of the warehouse measuring 200,000 sq. ft. constructed on this land parcel. The CCC application was submitted on 1 May 2021 and the CCC is expected to be issued by the first quarter of 2022.

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Lessor	Lessee	Category of land use/ Express conditions of land use	Description/ Existing use Approximate age building	Restrictions in interest/ Material encumbrance(s)	Tenure	Land area/ Built-up area (sq. ft.)	Date of issuance of CF / CCC	Consideration (RM'000)
				(b) All contamination and pollution caused by these activities shall be channeled or disposed to areas designated by the relevant local authorities. (c) All policies and conditions set and enforced by the relevant local authorities from time to time shall be observed.		Presentation No. 17032/2018 registered on 11 March 2018 (Approval Letter 2566/2018); and Presentation No. 80362/2020 presented on 29 November 2020 (Approval Letter 19428/2020).				

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Lessor	Lessee	Category of land use/ Express conditions of land use	Description/ Existing use Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure	Land area/ Built-up area (sq. ft.)	Date of issuance CF / CCC	Consideration (RM'000)
2.	H.S.(D) 247730, PTD 119780, Mukim Plentong, Johor Bahru, Johor PLO 516, Jalan Keluli 3, Kawasan Perindustrian Pasir Gudang, Johor	Johor Corporation	Swift Integrated Logistics	Industry/ (a) This land shall be used as a moderate industrial area for factory purposes and other related use, built according to the plan approved by the relevant local authorities. (b) All contamination and pollution caused by these activities shall be channelled or disposed to areas designated by the relevant local authorities.	Haulage yard, single-storey workshop and single-storey office building Age of building: 25 years	The alienated land may not be transferred, leased or charged by the landlord/(developer) except with the consent of the state authority Charged to United Overseas Bank (Malaysia) Berhad by Swift Integrated Logistics vide Presentation No. 17037/2018 presented 11 March 2018 (Letter of Approval 3573/2018 and 3572/2018); Charged to AmInvestment Bank Berhad by Swift Integrated Logistics vide: (i) Presentation No. 69157/2020 presented 21 October 2020 (Letter of Approval no 16547/2020 and 16548/2020; and	An initial term of 30 years, expiring April 2025 An extended period of 30 years, expiring 13 April 2055	Land area: 217, 800 Built-up area 21,837	9 December 1996 22 March 2021	7,336.75

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Lessor	Lessee	Category of land use/ Express conditions of land use	Description/ Existing use Approximate age building	Restrictions in interest/ Material encumbrance(s)	Tenure	Land area/ Built-up area (sq. ft.)	Date of issuance of CF / CCC	Consideration (RM'000)
3.	HSD 7490, PT 4127, Mukim Sungai Laka, Kubang Pasu, Kedah/ Plot 9, Kawasan Perindustrian Bukit Kayu Hitam, 06050 Bandar Bukit Kayu Hitam, Kedah	Perbadanan Kemajuan Negeri Kedah	Tanjong Express	(c) All policies and conditions set and enforced by the relevant local authorities from time to time shall be observed. Industry/ Nil	Vacant	(ii) Presentation No. 69158/2020 presented 21 October 2020 (Letter of Approval no 16547/2020 and 16548/2020) The alienated land may only be used as a site for industrial buildings only. Charged to RHB Bank Berhad by Tanjong Express vide: (i) Presentation No. 17656/2007 presented 19 September 2007; and (ii) Presentation No. 6498/2011 presented 13 April 2011	An initial term of 60 years, expiring 9 April 2065.	Land area: 128,822 Built up area: Nil	N/A ⁽²¹⁾	1,081.23

²¹ CF/CCC is not required as no building has been erected on the land

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Title details/ Property address	Lessor	Lessee	Category of land use/ Express conditions of land use	Description/ Existing use Approximate age of building	Restrictions in interest/ Material encumbrance(s)	Tenure	Land area/ Built-up area (sq. ft.)	Date issuance of CF / CCC	Consideration (RM'000)
						Charged to RHB Islamic Bank Berhad by Tanjong Express vide: Presentation No. 7570/2015 presented 22 April 2015 (Letter of Approval no 197/2015)				

(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.20.3 Properties rented by our Group

A summary of the material land and buildings rented by our Group as at the LPD is as follows:

No.	Property address	Landlord	Tenant	Description and existing use	Tenure	Land area/ Built-up area (sq. ft.)	Rental per annum RM'000
1.	Lot 18, Lebu Sultan Mohamed 1, Kawasan Perusahaan Bandar Sultan Sulaiman, 42000 Port Klang, Selangor	North Logistics (M) Sdn Bhd	Container Connections	Container Depot	2 years expiring November 2022	Land area: 557,132	2,206.23
2.	Westport CT4, Pulau Indah, 42009, Port Klang, Selangor	Westports Malaysia Sdn Bhd	Container Connections	Container Depot	3 years expiring December 2022	Land area: 230,869	Range between 400.00 to 430.00
3.	Malaysia Airlines Freight Forwarders Complex Lot C15, Block C, Free Commercial Zone, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan	MAB Kargo Sdn Bhd	Swift Integrated Logistics	1 ½ storey office with a mezzanine	2 years expiring December 2022	Built up area: 3,513	200.26
4.	Unit 1.2.01 & Unit 1.2.02 located at Admin Complex, Tok Bali Supply Base, Jalan Tok Bali, 16700 Pasir Puteh, Kelantan, Malaysia	TB Supply Base Sdn Bhd	Swift Integrated Logistics	6-storey office	1 year expiring January 2022	Built up areas: Unit 1.2.01: 295 Unit 1.2.02: 258	37.00

6. INFORMATION ON OUR GROUP (Cont'd)

No.	Property address	Landlord	Tenant	Description and existing use	Tenure	Land area/ Built-up area (sq. ft.)	Rental per annum RM'000
5.	Lot 8855, Jalan Pelabuhan Kelang Utara, Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Supreme City Sdn Bhd	Northern Gateway Depot	Container Depot	2 years expiring 20 September 2022	Land area: 202,728	600.00
6.	Plot P821 and part of Plot P832, Precinct 8, Jalan FZ 1-P8, Port Klang Free Zone/KS12 42920, Pulau Indah, Selangor.	Port Klang Free Authority; Port Klang Free Zone Sdn Bhd	Swift Haulage	Single-storey warehouse pending commencement of construction work	30 years expiring March 2051	Land area: 300,564	1,316.46
7.	Precinct 1, Jalan FZ3-P1, part of P146 and P147, Port Klang Free Zone/KS12, 42920 Pulau Indah	Superb Logistics Sdn Bhd	Swift Haulage	General cargo warehouse	18 months expiring on 10 April 2023	45,560 square feet	1,114.51

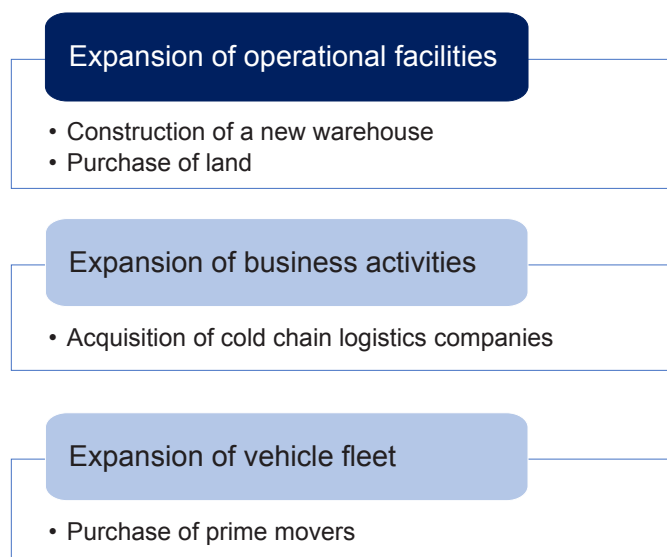
(The rest of this page has been intentionally left blank)

6. INFORMATION ON OUR GROUP (Cont'd)

6.21 BUSINESS STRATEGIES AND PLANS

6.21.1 Overview of our Business Strategies and Plans

Moving forward, our business strategy is focused on leveraging from our core competencies and strengths in integrated logistics as a platform to address business opportunities and grow our business. From that perspective, our business strategies will be based on strengthening and expanding our operational facilities including warehousing and container depot as well as expanding our fleet operations. This is summarised in the following diagram:



We intend to implement the above business strategies between 2021 and 2022, as further detailed in the sections below. In light of the reintroduction of the COVID-19 pandemic containment measures, we may experience a delay in implementing these business strategies in accordance with the expected timeline. Please refer to Section 8.1.3 of this Prospectus for further details on the impact of the prolonged COVID-19 pandemic on our business and financial performance.

6.21.2 Expansion of Operational Facilities

6.21.2.1 Construction of a new warehouse

As part of our business strategy, we intend to construct a new warehouse on a piece of leasehold land of approximately 300,564 sq. ft. in the Port Klang Free Zone in Selangor. The leasehold land tenure is for a period of 30 years commencing from 31 March 2021. Our plan is to build an ambient temperature warehouse for the storage of general goods with approximately 178,000 sq. ft. of floor storage and racking space.

Upon completion of the warehouse construction, we will relocate our existing warehousing operations at the Westport Warehouse, which is currently a rented premise, to this new warehouse. The anticipated benefits of the relocation include the following:

- The new warehouse has a larger capacity with a planned floor space of approximately 178,000 sq. ft. compared to the Westport Warehouse, which has 54,300 sq. ft.;
- The larger capacity would enable us to serve our existing and potential customers as the Westport Warehouse was fully utilised in the FYE 2019, FYE 2020 and FPE 2021; and

6. INFORMATION ON OUR GROUP (Cont'd)

- This new warehouse will enable us to address business opportunities in providing warehousing services to potential as well as existing customers within the Port Klang Free Zone.

The cost of relocating our existing warehousing operations from the Westport Warehouse to the new warehouse is estimated at approximately RM0.3 million. The relocation, including transfer of customers' goods from the Westport Warehouse to the new warehouse, will take approximately 20 working days. We do not anticipate any material disruptions to our business operations as the relocation will be carried out progressively.

During the FYE 2020, we also operated approximately 354,300 sq. ft of warehousing space (SLC Warehouse, Port Klang Warehouse and Westport Warehouse) within the vicinity of Port Klang with a utilisation rate of approximately 94%.

Since the rental agreement for the Westport Warehouse has expired on 31 October 2021 and the construction of the new warehouse has yet to commence, we have temporarily rented a warehouse located in Port Klang Free Zone in order to avoid disrupting our warehousing services operations at the Westport Warehouse. We have relocated and commenced our operations at the temporary warehouse on 8 November 2021. Upon the completion of the new warehouse and issuance of the CCC, the operations at the temporary warehouse will be relocated to the new warehouse.

As at the LPD, we have executed the lease agreement and we have submitted the building plan for approval, while construction has not commenced as yet. However, since the approval for the sub-structural works has been obtained from Majlis Perbandaran Klang, we have commenced the sub-structural works for the construction of the warehouse. The indicative timeline for the construction of the new warehouse is as follows:

Indicative Timeline	Milestones
Fourth quarter of 2020	Submission of development plan and building plan application to the local authority.
First quarter of 2021	Execution of lease agreement with lessor has been finalised, pending signature from the lessor. ⁽¹⁾
Third quarter of 2021	Commencement of sub-structural works upon approval from Majlis Perbandaran Klang.
Fourth quarter of 2021	Expected approval for building plan and commencement of construction works of the new warehouse.
Second quarter of 2022	<p>Completion of construction of new warehouse completed including installation of racking system and purchase of warehouse equipment. ⁽¹⁾</p> <p>Expected issuance of CCC for the new warehouse. ⁽²⁾</p> <p>Operations from the Westport Warehouse will be fully relocated to the new warehouse. ⁽³⁾</p> <p>Commencement of operations.</p>

Notes:

- (1) On condition that construction works are permitted with the easing of the restrictions and there are no prolonged interruptions from containment measures relating to the COVID-19 pandemic. In the event of any extension of the restrictions relating to the COVID-19 pandemic, this could have an impact on the timing of completion of the new warehouse which is scheduled to be completed by second quarter of 2022.
- (2) We expect that the issuance of the CCC will take 2 months from the completion of construction works.

6. INFORMATION ON OUR GROUP (Cont'd)

- (3) We expect to take approximately 20 working days from the issuance of the CCC to fully relocate operations from Westport Warehouse to the new warehouse.

The estimated cost of constructing the new warehouse is estimated at RM28.6 million, which is broken down as follows:

	Total Estimated Cost (RM'000)	Source of Funds for Remaining Amount	
		Internally Generated Funds/Bank Borrowings (RM'000)	IPO Proceeds (RM'000)
Architecture and engineering	300	-	300
Building construction	26,850	-	26,850
Racking and storage systems	1,000	-	1,000
Other equipment ⁽¹⁾	415	-	415
TOTAL	28,565	-	28,565

Note:

- (1) Other equipment includes information technology infrastructure, closed-circuit television system and office equipment.

6.21.2.2 Purchase of land

On 28 May 2021, we entered into a share sale agreement to acquire the entire equity interest in Ann Joo Properties, a company involved in investment holding and letting of real property, for total consideration of RM10.0 million. The acquisition of Ann Joo Properties has been completed on 15 July 2021.

Ann Joo Properties has, among others, leased the Bandar Sultan Sulaiman Land from the developer, PKNS. The Bandar Sultan Sulaiman Land is approximately 1,263,231 sq. ft. in size, and it is a leasehold land with land tenure valid until 30 June 2105. It is currently leased out to 2 external tenants.

As part of the lease agreement for the Bandar Sultan Sulaiman Land, Ann Joo Properties has the option to purchase the Bandar Sultan Sulaiman Land from PKNS ("**Option to Purchase**"). The salient terms and conditions related to the Option to Purchase are as follows:

- Ann Joo Properties may exercise the Option to Purchase after the rental for the lease has been paid in full to PKNS.
- To exercise the Option to Purchase, Ann Joo Properties shall give a notice in writing to PKNS no later than 12 months from the expiry date of the lease agreement i.e., 20 November 2022.
- Upon the receipt of such notice, PKNS may offer the land to Ann Joo Properties at a price and upon terms to be determined by PKNS subject to the consent of the relevant authorities.

6. INFORMATION ON OUR GROUP (Cont'd)

On 6 July 2021, PKNS issued its offer letter to Ann Joo Properties to purchase the Bandar Sultan Sulaiman Land at a price of approximately RM59.4 million ("**Offer Price**"), which was duly accepted by Ann Joo Properties on 19 July 2021, and is subject to the definitive agreement to be entered into by PKNS and Ann Joo Properties later. Prior to PKNS' offer, Ann Joo Properties had procured an independent valuation on the Bandar Sultan Sulaiman Land which supports the reasonableness of the Offer Price. Subsequent to the acceptance of the Offer Price, Ann Joo has made the 1st tranche payment to PKNS amounting to RM8.9 million, which is equivalent to 15% of the Offer Price. It should be noted that this Offer Price is separate from the RM10.0 million for the purchase of the entire equity interest in Ann Joo Properties. The salient terms under the offer letter dated 6 July 2021 include, amongst others, the following:

- (i) Ann Joo Properties shall pay the 2nd tranche payment which is equivalent to 15% of the Offer Price to PKNS on execution of the definitive agreement.
- (ii) Ann Joo Properties shall pay the final tranche payment which is equivalent to 70% of the Offer Price to PKNS within 3 months from the execution of the definitive agreement.
- (iii) The construction of any building on the Bandar Sultan Sulaiman Land shall commence upon the approval of the local authority.
- (iv) Ann Joo Properties must obtain prior written consent from PKNS for change in equity structure or shareholding of Ann Joo Properties before the purchase consideration is paid in full to PKNS and perfection of transfer of the Bandar Sultan Sulaiman Land to Ann Joo Properties. The Company has sought for the consent from PKNS on 8 July 2021. Subsequently, PKNS has confirmed in its letter dated 13 July 2021 that it has no objection to Swift Haulage being the shareholder of Ann Joo Properties as the said land is not a Malay Reserved Land. PKNS has provided us with a confirmation that the requirement to obtain the consent of PKNS for any change in the shareholding structure of Ann Joo Properties does not extend to the change in the shareholding structure of our Company.
- (v) The title for the Bandar Sultan Sulaiman Land shall be delivered to Ann Joo Properties upon the payment of the purchase consideration in full, management charges (if any) and any charges related to the land, upon the execution of the definitive agreement and compliance of the terms and conditions as stated in the offer letter and definitive agreement.
- (vi) In the event of termination of the definitive agreement in accordance with the offer letter and definitive agreement, the rights of Ann Joo Properties under the lease agreement will not be affected and Ann Joo Properties shall remain as the lessee until the expiry of the lease agreement on 20 November 2022.

On 26 August 2021, Ann Joo Properties has entered into the PKNS SPA for the acquisition of the Bandar Sultan Sulaiman Land from PKNS. In addition to the salient terms under the offer letter dated 6 July 2021 as set out above, which forms part of the PKNS SPA, the acquisition of the Bandar Sultan Sulaiman Land is subject to, among others, the following conditions under the PKNS SPA:

- (i) PKNS shall apply for the state's approval for the transfer of ownership of the Bandar Sultan Sulaiman Land to Ann Joo Properties ("**Transfer Approval**")⁽¹⁾ within 14 working days from the date of the stamping of the PKNS SPA, or upon receipt of the complete set of documentation required for the application from Ann Joo Properties, whichever is the later, and subject to compliance with any circulars and/or regulations of the land office or the requirement for appointment with the land office in relation to the application;
- (ii) Ann Joo Properties shall submit to the Economic Planning Unit ("**EPU**") an application for the acquisition of Bandar Sultan Sulaiman Land ("**EPU Approval**") within 14 days from the date of receipt of the Transfer Approval⁽²⁾; and
- (iii) In the event the Transfer Approval or EPU Approval, as the case may be, is not obtained by the respective party set out in (i) and (ii) above within 90 days from the date of application for such approval, the period to obtain approval shall be extended for a further 30 days ("**Extended Period**"). In the event the Transfer Approval or EPU Approval, is not obtained by the respective party within the Extended Period, Ann Joo

6. INFORMATION ON OUR GROUP (Cont'd)

Properties (in the case of the Transfer Approval) or PKNS (in the case of the EPU Approval), shall have the right to terminate the PKNS SPA and upon termination of the PKNS SPA, Ann Joo Properties will be entitled to a refund of the payment made to PKNS without interest within 30 days from the date of the termination notice.

Notes:

- (1) The Selangor Land and Mines Office provided PKNS with a confirmation of the Transfer Approval vide a letter dated 1 October 2021.
- (2) The Garis Panduan Perolehan Hartanah issued by the EPU ("**Garis Panduan EPU**"), which came into effect on 1 March 2014, states that EPU's approval is required for acquisition of property with a purchase consideration of RM20.0 million and above, between a Bumiputera and/or government agency interest and a company with less than 30% Bumiputera equity holding. PKNS' solicitors have confirmed to us that EPU Approval is not required in view that Ann Joo Properties is a wholly-owned subsidiary of our Company, and our Company meets the minimum 30% Bumiputera equity holding requirement of the Garis Panduan EPU. However, for the purpose of facilitating the land ownership transfer process at the relevant land office, the EPU's concurrence on the fulfilment of the equity requirement will be sought. The application to the EPU was submitted on 3 November 2021 with mutual consent from both parties.

We expect to complete the acquisition of the Bandar Sultan Sulaiman Land by the fourth quarter of 2021, following which we intend to continue leasing the Bandar Sultan Sulaiman Land to the 2 existing tenants. For information, the tenancy agreements with the 2 existing tenants expire on 15 January 2022 and 28 February 2022, respectively. After the expiry of the tenancy agreements, we intend to use the land to expand our existing container haulage, land transportation and/or warehousing and container depot services. Part of the Bandar Sultan Sulaiman Land is used as a container depot by one of the current tenants, and consequently we can use it as a container haulage yard, inland yard or container depot without carrying out further development. However, should our plans be delayed, we propose to extend the tenancy to the 2 existing tenants accordingly.

In the event of termination of the PKNS SPA, we shall obtain a refund in accordance with the PKNS SPA and shall continue to look for other opportunity to acquire land, which is suitable for our expansion plans. In the meantime, Ann Joo Properties shall continue to lease the Bandar Sultan Sulaiman Land from PKNS until the expiry date of the lease agreement on 20 November 2022. Upon the expiry of the tenancy agreements with the 2 existing tenants on 15 January 2022 and 28 February 2022 respectively, we shall offer to extend the tenancy agreements with the tenants until the expiry date of the lease agreement. Consequently, the IPO proceeds, which was initially earmarked for the purchase of Bandar Sultan Sulaiman Land, will be placed in interest-bearing short-term deposits or money market instruments with licensed financial institutions until the proceeds are used to acquire another land.

The total cost of acquiring the entire equity interest of Ann Joo Properties and the Bandar Sultan Sulaiman Land is estimated at approximately RM69.4 million, which is segmented as follows:

	Total Estimated Cost (RM'000)	Source of Funds for Remaining Amount	
		Internally Generated Funds/Bank Borrowings (RM'000)	IPO Proceeds (RM'000)
Acquisition of Ann Joo Properties	10,000	10,000	-
Acquisition of Bandar Sultan Sulaiman Land	59,372 ⁽¹⁾	17,812 ⁽²⁾	41,560 ⁽²⁾
TOTAL	69,372	27,812	41,560

6. INFORMATION ON OUR GROUP (Cont'd)

Notes:

- (1) Based on the Offer Price accepted by Ann Joo Properties on 19 July 2021.
- (2) The source of funds shall be RM41.6 million from IPO proceeds with the balance sourced from internally generated funds and/or bank borrowings, which may be equal to or more than RM17.8 million. Pending the receipt of our IPO proceeds, we may proceed with the settlement of the final tranche payment for the Bandar Sultan Sulaiman Land by utilising our internally generated funds/banking facilities. Therefore, when the IPO proceeds that we have allocated for this purpose are received, we will use the proceeds allocated to replenish our internally generated funds/repay the banking facilities.

6.21.3 Expansion of Business Activities

6.21.3.1 Acquisition of cold-chain logistics companies

On 16 June 2021, our wholly-owned direct subsidiary, Swift Integrated Logistics have acquired 50.0% equity interest of Hypercold Logistics and 15.0% equity interest of Platinum Coldchain Sdn Bhd ("**Platinum Coldchain**"). Save for having common shareholders namely, Swift Integrated Logistics and Tasco Yusen Gold Cold Sdn Bhd, there is no other relationship between Hypercold Logistics and Platinum Coldchain. Hypercold Logistics and Platinum Coldchain are currently involved in providing cold-chain logistics services in Sabah. This is in line with our intention in providing cold chain logistics services in Sabah, East Malaysia.

Cold-chain logistics involve the storage and transportation of goods that require temperature control such as fresh produce and seafood, perishable food and beverage products and pharmaceutical products. As at the LPD, Hypercold Logistics owns and operates a cold-chain warehouse in Kota Kinabalu, Sabah and 6 refrigerated trucks while Platinum Coldchain owns 6 refrigerated trucks that are rented to and operated by Hypercold Logistics.

Part of our future plans is to expand on Hypercold Logistics' existing cold-chain facilities by expanding its cold-chain storage capacity from approximately 3,000 pallets to approximately 4,500 pallets. The total estimated cost of this expansion is RM6.0 million, of which our portion is RM3.0 million based on 50.0% equity interest. As at the LPD, Hypercold Logistics has obtained the approval for the building plan to construct the additional cold-chain warehouse space but has yet to commence construction. We plan to begin construction works in December 2021 and expect to complete construction by the third quarter of 2022. Our Group does not have any other plans for Platinum Coldchain as our Group only has 15.0% equity interest in the company and it is categorised as other investment.

The anticipated benefits of acquiring Hypercold Logistics and Platinum Coldchain include the following:

- expand the scope of our integrated logistics services operations to provide cold-chain logistics, which we currently do not provide;
- expand our business operations in Sabah, where we currently provide inland distribution, warehousing and freight forwarding services;
- increase our base of operational facilities in Kota Kinabalu through the addition of the Hypercold Logistics cold-chain warehouse; and
- secure the use of 12 refrigerated trucks to provide cold-chain logistics services in Sabah.

6. INFORMATION ON OUR GROUP (Cont'd)

The indicative timeline to acquire the equity interests in the companies and expand the cold-chain warehouse is as follows:

Indicative Timeline	Milestones
Second quarter of 2021	Complete the acquisition of 50.0% equity interest in Hypercold Logistics and 15.0% equity interest in Platinum Coldchain.
Fourth quarter of 2021	Commence construction work to expand the Hypercold Logistics cold-chain warehouse.
Third quarter of 2022	Complete the expansion of the Hypercold Logistics cold-chain warehouse.

Our portion of expanding the cold-chain warehouse is estimated at RM3.0 million, which is as follows:

	Total Estimated Cost (RM'000)	Expenditure as at the LPD (RM'000)	Source of Funds for Remaining Amount	
			Internally Generated Funds/Bank Borrowings (RM'000)	IPO Proceeds (RM'000)
Expansion of Hypercold Logistics' cold chain warehouse ⁽¹⁾	3,000		3,000	-
TOTAL	3,000	-	3,000	-

Note:

- (1) The total estimated cost of the expansion is RM6.0 million, of which our portion is RM3.0 million based on 50.0% equity interest in the company.

6.21.4 Expansion of our Vehicle Fleet**6.21.4.1 Purchase of prime movers**

Part of our strategy is to purchase new prime movers for our business operations in Malaysia throughout 2022 with the aim of expanding our commercial vehicle fleet. These prime movers are similar to the ones that we currently own and operate to provide our integrated logistics services.

As at the LPD, our integrated logistics was supported by our extensive fleet operations including 1,460 prime movers registered in Malaysia and 86 prime movers registered in Thailand. For the FYE 2020, the average utilisation rate of prime movers for our container haulage operations and inland transportation and distribution operations in Malaysia were 81% and 89% respectively, while the average utilisation rate of prime movers for our cross-border transportation for Malaysia and Thailand were 88% and 86% respectively. In this respect, the acquisition of new prime movers will provide us with the capacity to grow our container haulage, and land transportation business operations.

We intend to purchase 30 new prime movers, which are estimated to cost RM12.0 million, by using our IPO proceeds.

The number of new prime movers that we intend to purchase are summarised in the following table:

6. INFORMATION ON OUR GROUP (Cont'd)

	Number of Units	Estimated Unit Cost (RM'000)	Total Cost (RM'000)
Prime movers	30	400	12,000

The estimated cost of purchasing these new prime movers is expected to be RM12.0 million, which is segmented as follows:

	Total Estimated Cost (RM'000)	Source of Funds for the Remaining Amount	
		Internally Generated Funds/Bank Borrowings (RM'000)	IPO Proceeds (RM'000)
30 Prime movers	12,000	-	12,000

6.22 GOVERNING LAWS AND REGULATIONS

Our Group's business operations are subject to the following laws and regulations:

- (i) Customs Act 1967 governing the provision of services as forwarding agents, shipping agents and the use of public bonded warehouses;
- (ii) Land Public Transportation Act 2010, governing the use of good freight vehicles;
- (iii) Petroleum Development Act 1974, governing the transportation of petroleum or petroleum related products;
- (iv) Road Transport Act 1987 and the relevant by laws and regulations governing the repair workshops for vehicles involved in accidents;
- (v) Carriage of Goods by Sea Act 1950, governing the rules imposed on goods transported via sea;
- (vi) Carriage of Goods by Air Act 1974, governing the rules imposed on goods transported via air;
- (vii) Street, Drainage and Building Act 1974 and the by-laws enacted by the relevant state government governing the matters relating to street, drainage and building in local authority areas in Peninsular Malaysia;
- (viii) Local Government Act 1976 and the by-laws of the respective local councils and authorities setting out the requirements to obtain business and signage licences;
- (ix) Fire Services Act 1988 and the relevant regulations and orders governing the protection of persons and property from fire risks;
- (x) National Land Code 1965 governing the administration of land matters in Peninsular Malaysia;
- (xi) Employment Act 1955 governing employment laws in Peninsular Malaysia;
- (xii) Immigration Act 1959/63 and the relevant regulations governing the employment of foreign workers in Malaysia;
- (xiii) Occupational Safety and Health Act 1994 and the relevant regulations and orders governing the safety, health and welfare of all persons at all places of work;
- (xiv) Income Tax Act 1967 and the prevailing taxation policies in Malaysia;
- (xv) Goods Vehicles Levy Act 1983 governing levies imposed on goods vehicles entering or leaving Malaysia;
- (xvi) Free Zones Act 1990 and the relevant regulations governing the regulation of activities in free commercial zones and free industrial zones;

6. INFORMATION ON OUR GROUP (Cont'd)

- (xvii) The Customs B.E. 2560, governing the provision of customs clearance services in Thailand;
- (xviii) The Land Transportation Act B.E. 2522 governing the use of freight vehicles in Thailand; and
- (xix) The International Carriage of Goods by Road Act B.E. 2556, governing the import and export of goods through carriage by road in Thailand.

The above summary does not purport to be an exhaustive description of all laws and regulations of which our Group's business is subject to. As at the LPD, there are no breach of laws and regulations governing our business operations, and environmental issues which may materially affect our Group's operation and usage of our properties.

As at the LPD, the certificates of accommodation as required under the EMSHAAA 1990 for our employee accommodations as set out in Section 6.17 of this Prospectus have yet to be issued by the Department of Labour Peninsular Malaysia. The processing of our applications for the certificates is still in progress and these rented properties are pending inspection by the Department of Labour Peninsular Malaysia which had been delayed due to the MCO imposed. In the event that the certificates of accommodation for the rented properties are unable to be obtained, there will be no material impact to the Group's business operations as the Group may seek alternative avenues to provide accommodation to the foreign employees such as outsourcing the provision of accommodation to a centralised accommodation provider.

6.23 MATERIAL INTERRUPTIONS TO OUR BUSINESS AND OPERATIONS

With the exception of the effects of COVID-19, we have not experienced any material interruptions to our business during the past 12 months prior to the LPD.

6.23.1 Effects of COVID-19 on our business

Overview

The World Health Organisation declared COVID-19 a pandemic on 11 March 2020. The Government of Malaysia implemented several periods of MCO commencing from 18 March 2020 to control and reduce COVID-19 transmissions in the country. Measures implemented included, among others, controls on the movement of people within Malaysia and international travel, and restrictions on business, government, educational, cultural, recreational and other activities.

MCO 1.0

The first MCO was from 18 March 2020 to 3 May 2020. Control measures implemented included, among others, the closure of all businesses except for those classified as "essential services" or that have received written approval from the MITI to operate, restrictions on the movement of people in Malaysia (including restrictions on inter-state and inter-district travel), and restrictions on international travel into and out of Malaysia.

Conditional MCO

Conditional MCO ("CMCO") was implemented from 4 May 2020 to 9 June 2020, where some of the controls implemented during MCO were relaxed including allowing most economic sectors to resume business operations provided that specified guidelines and standard operating procedures ("SOP") were followed, and large gatherings avoided. Controls on the movement of people within Malaysia were relaxed, while restrictions on international travel were modified.

6. INFORMATION ON OUR GROUP (Cont'd)

Recovery MCO

Recovery MCO (“**RMCO**”) was implemented from 10 June 2020, and following several extensions, ended on 31 March 2021. As of 10 June 2020, almost all economic sectors were allowed to resume operations so long as they follow specified guidelines and SOP. The movement of people within Malaysia was relaxed further, although restrictions on international travel into and out of Malaysia remained the same as during the CMCO period.

However, during this RMCO period, the Government re-imposed CMCO measures in specific areas in response to localised areas with a surge in COVID-19 transmissions. The control measures put in place following the re-imposition of CMCO included, among others, restrictions on the movement of people including the prohibition of inter-district travel, limiting the operating hours of certain service-based businesses, and the closure of schools.

MCO 2.0

In response to a surge in new COVID-19 cases, commencing from 13 January 2021 MCO restrictions were re-introduced to Johor, Kelantan, Melaka, Sabah, Selangor, Sibu in Sarawak and Wilayah Persekutuan Kuala Lumpur, Labuan and Putrajaya, while other states and territories were placed under CMCO or RMCO restrictions. Subsequently, MCO restrictions were progressively lifted as specific states and territories were placed under CMCO or RMCO restrictions, depending on the number of new COVID-19 cases reported.

MCO 3.0

Following increases in the number of new COVID-19 cases reported, MCO restrictions were reimposed in Kelantan commencing from 16 April 2021, and to several districts and mukims in Johor, Kuala Lumpur, Penang, Sarawak, and Selangor commencing from 3 May 2021. Districts, mukims and states that were not placed under MCO restrictions were placed under CMCO or RMCO restrictions. On 10 May, the MCO restrictions were extended nationwide.

Following the steep increase in COVID-19 cases, a National Recovery Plan (NRP) was implemented comprising four phases. During Phase 1 of the NRP which commenced on 1 June 2021, all sectors were not allowed to operate during this period except for those in the essential economic and service sectors. Other control measures implemented included restrictions on the movement of people in Malaysia.

The second phase will be implemented after Phase 1 is successful in reducing the number of daily COVID-19 cases, which will allow the reopening of some economic sectors that do not involve large gatherings of people and where physical distancing can be maintained. This will be followed by Phase 3 where nearly all economic sectors will be allowed to operate subject to strict SOP and restrictions on the number of people allowed to be physically present at workplaces. Phase 4 will see the reopening of the economy.

As at the LPD, the list of individual states and federal territories by phase of the NRP and listed in alphabetical order is as follows:

- Phase 1: None;
- Phase 2: None;
- Phase 3: Kedah, Kelantan, Penang, Perak, Perlis, Sabah and Sarawak; and
- Phase 4: Johor, Melaka, Negeri Sembilan, Pahang, Selangor, Terengganu, and Wilayah Persekutuan Kuala Lumpur, Labuan and Putrajaya.

Effect of COVID-19 on our business operations in Malaysia

As our businesses were deemed as “essential services” as prescribed by the MITI, none of our operations were halted as a result of MCO, and we continued to operate during the first MCO period and all subsequent MCO periods. Restrictions were not placed on commercial vehicles operating during MCO.

6. INFORMATION ON OUR GROUP (Cont'd)

We conducted our business operations as normal, subject to the implementation of SOP to reduce the risk of COVID-19 transmission. Our SOP included the following measures:

- employees based at operational facilities who can perform their jobs from home are encouraged to work from home;
- our employees are encouraged to hold meetings via teleconference whenever possible. If employees have to host in-person meetings at our operational facilities, the number of visitors allowed to attend must be minimised;
- all employees and visitors who wish to enter our operational facilities are required to make a health declaration, pass a temperature check and record the result, provide their contact information and wear a face-covering before they are allowed to enter the premises. While at the premises, they have to wear a face-covering at all times and maintain social distancing whenever possible; and
- while they are outside of their vehicle, all drivers must wear a face-covering at all times and maintain social distancing whenever possible.

We have also developed the following guidelines to assist our employees and group to manage the COVID-19 situation:

- **Guidelines on COVID-19 Situation Faced by Staff** for our employees to follow if they receive a positive diagnosis for COVID-19 (Category A), have come into close contact with someone who has tested positive (Category B), or have come into close contact with someone who is Category B (Category C).
- **COVID-19 BCP** (business continuity plan) to provide a plan of action to take if there is an interruption or shutdown to an individual business unit resulting from a staff member testing positive for COVID-19.

Effect of COVID-19 on our business operations in Thailand

The government of Thailand imposed restrictions in movement and operation of factories and businesses, except for those classified as essential, commencing from early 2020.

The government of Thailand subsequently imposed a restriction movement order from 20 July 2021 to 2 August 2021 and some of the measures implemented to control the spread of COVID-19 include, among others, restrictions on travel and inter-province movement of people, curfew, and closure of public spaces and certain businesses. For the FYE 2020, our revenue from customers in Thailand declined by 27.1% from approximately RM15.0 million for FYE 2019 to RM10.9 million for FYE 2020. This was due to various measures implemented such as tighter border controls and lockdown which had impacted worldwide import and export volumes, hence reducing our business activities in Thailand.

However, for FPE 2021 our revenue from customers in Thailand increased by RM1.2 million, or 21.3% to RM7.0 million compared to RM5.8 million in FPE 2020. This was mainly due to an increase in the number of cross-border transportation trips made, which increased from 3,843 trips in FPE 2020 to 4,755 trips in FPE 2021 as more economic sectors and trade activities were allowed to operate.

Impact on our financial performance

Our revenue for the FYE 2020 was still affected by, among others, measures taken by the Government of Malaysia to control COVID-19, lockdowns and tighter border controls imposed by governments, and actions taken by some of our customers including the following:

- For the FYE 2020, our revenue contributed by container haulage decreased by RM26.1 million, or 9.4%, from RM278.8 million for FYE 2019 to RM252.7 million for FYE 2020. Our container haulage volume decreased by 29,849 TEU, or 4.8% for FYE 2020 (from 618,476 TEU in FYE 2019 to 588,627 TEU in FYE 2020). Although our container haulage operations were categorised as an essential service, the decrease in sales volume was mainly due to the decrease in shipment volume by customers that were categorised as non-essential services by the Government of Malaysia, and

6. INFORMATION ON OUR GROUP (Cont'd)

consequently had to temporarily halt their operations during some portion of the MCO period. For comparison purpose, total revenue from container haulage segment for the first half of 2020 was approximately RM111.8 million, as compared to approximately RM131.1 million for the corresponding period in FYE 2019.

- For the FYE 2020, revenue from our land transportation business decreased by RM17.2 million, or 8.9%, from RM193.2 million for FYE 2019 to RM176.0 million for FYE 2020. This decreased was mainly attributable to a 5.9%, or 10,396 decrease in trips, from 174,856 trips made during FYE 2019 to 164,460 trips during FYE 2020. The temporary halt on non-essential services during the first MCO period from 18 March to 3 May 2020 contributed towards the reduction in the number of trips made. While our land transportation services are classified as an essential service, many of our customers were not categorised as essential services and consequently had to stop receiving their cargos during this period. In addition, general reduction in economic activity and consumption reduced demand for inland transportation and cross-border transportation.
- Revenue from our freight forwarding business decreased by RM10.5 million, or 16.2%, from RM64.7 million for FYE 2019 to RM54.2 million for FYE 2020. The number of jobs handled during FYE 2020 decreased by 5.9%, mainly due to the first MCO period from 18 March to 3 May 2020, and lockdowns and tighter border controls imposed by governments, which consequently reduced demand for freight forwarding. In addition, the average revenue per job decreased by 10.9% mainly due to fewer add on services provided per job, in view of cost cutting measures undertaken by our customers in response to COVID-19.

Between January and May 2021, our business operations were not materially affected by the COVID-19 pandemic as business sectors were allowed to operate following the relaxation of movement, business operations and other restrictions. Our revenue for FPE 2021 increased by RM24.4 million or 10.9% to RM248.5 million compared to RM224.1 million in FPE 2020. The COVID-19 control measures implemented by the government of Malaysia during FPE 2021 were less restrictive compared to those implemented during part of FPE 2020, which contributed towards the increase in revenue.

The implementation of Phase 1 lockdown commencing from 1 June 2021 resulted in some reduction in sales volume as customers that were not in essential economic and services sectors, such as furniture, tiles, building materials and steel products manufacturers, were required to temporarily cease operations, while customers that were allowed to operate were required to do so with reduced workforce. However, we expect sales volume to increase as more areas move into Phase 2 lockdown, whereby more of our customers are expected to be allowed to operate. Consequently, as at the end of July 2021 we have not experienced a material reduction in our business compared to the previous year.

As for Thailand, our business operations were not negatively affected by measures taken by the government of Thailand to control the spread of COVID-19, as most of our customers in the country were deemed as essential.

However, there can be no assurance that our business operations in Malaysia and Thailand would not be negatively affected with the further tightening of COVID-19 related control measures.

As at the LPD, we had cash and cash equivalents of RM24.3 million, total bank borrowings of RM622.0 million and total lease liabilities of RM70.7 million. As at the LPD, we had RM268.6 million in undrawn credit facilities comprising term loans of RM7.4 million, unrated Islamic medium term notes of RM140.0 million, trade financing of RM39.8 million, bank overdrafts of RM31.5 million and revolving credits of RM49.8 million.

Based on the above and after taking into consideration our funding requirements for our committed capital expenditure, expected cash flows from operations, existing level of cash and cash equivalents and credit sources together with the estimated net proceeds to be raised from our IPO, our Board is of the opinion that we will have sufficient working capital for at least 12 months from the date of this Prospectus.

6. INFORMATION ON OUR GROUP (Cont'd)

Positive diagnosis for COVID-19

Since the start of the MCO and as at the LPD, a total of 351 of our employees have received positive diagnoses for COVID-19. As at the LPD, 337 of these employees had recovered, 9 are classified as active cases and 5 are deceased. These 351 positive diagnoses for COVID-19 were received over a period of time, and were spread out across all 24 of our business units. About 75% of the positive diagnoses for COVID-19 were recorded in July 2021 and August 2021, during the height of COVID-19 outbreak in Malaysia in 2021. However, since the positive diagnoses were spread out over a period of time and across 24 business units, the positive diagnoses for COVID-19 did not result in any business interruptions or shutdowns of any of our individual business units. We did not experience an outbreak of COVID-19 which tantamount to a cluster at our business units and as such, we were not instructed to shut down our operations by any authorities. Further, there was no downtime in our operations as we perform sanitisation whenever there is a positive diagnosis of COVID-19 at our business units as well as periodic sanitisation after office hours, which did not require us to shut down our business units. The affected employees were isolated and required to self-quarantine (as described below) and the affected employees' workplaces were immediately disinfected, including sanitation of frequently touched surfaces.

The steps that we have taken in response to an employee receiving a positive diagnosis for COVID-19 are based on the "Guidelines on COVID-19 Situation Faced by Staff" and "COVID-19 BCP (business continuity plan)" that we have developed. The steps taken include the following:

- The employee who has received the positive diagnosis for COVID-19 (Category A) is required to self-quarantine and is not allowed to return to their workplace for a period of 14 days. They must undergo a Covid-19 test at the end of that period, and are only allowed to return to the workplace after they obtain a negative test result and receive their Clearance or Discharge Letter from the Ministry of Health Malaysia.
- We conduct contact tracing to identify all close contacts of the Category A staff, who are classified as Category B staff. All Category B are required to self-quarantine for 14 days. Category B staff who exhibit COVID-19 symptoms are required to undergo a Covid-19 swab test. If the result is positive, they will be classified as Category A staff. Category B staff who do not exhibit symptoms are required to self-quarantine for at least 14 days and are allowed to return to their workplace if they do not develop symptoms. If symptoms develop during the self-quarantine period, they must undergo a COVID-19 swab test.
- Employees who had close contact with Category B staff (Category C staff) are required to self-quarantine until their Category B contact completes their self-quarantine period or receives their COVID-19 test result. If the test result is negative, the Category C staff is permitted to return to the workplace. If the test result is positive, the person's classification will be changed to Category B.
- The workplace and/or commercial vehicle of the Category A staff will be fully sanitised by our in-house employees using equipment and chemicals provided by our Group.

For information purposes, since the MCO was first introduced in March 2020 and as at the LPD, our employees have undertaken a total of 1,443 COVID-19 tests that were paid for by our Group, at total cost of approximately RM157,166. However, such cost is not expected to have any material impact to our Group's financial performance. Additionally, as at the LPD, 95.4% of our employees have received 2 vaccine doses, 3.9% have received their first vaccine dose and 0.7% are pending vaccination.

6.24 SEASONALITY

We do not experience any material seasonality or cyclicity in our business as the demand for our services are neither subject to seasonal fluctuations nor cyclical variations.

7. INDUSTRY OVERVIEW



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

15 November 2021

The Board of Directors
Swift Haulage Berhad
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Dear Sirs/Madam

Vital Factor Consulting Sdn Bhd
(Company No.: 199301012059 (266797-T))

V Square @ PJ City Centre (VSQ)
Block 6 Level 6, Jalan Utara
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Tel: (603) 7931-3188
Fax: (603) 7931-2188
Email: enquiries@vitalfactor.com
Website: www.vitalfactor.com

Independent Assessment of the Third-Party Logistics Industry in Malaysia

We, Vital Factor Consulting Sdn Bhd (Vital Factor), are an independent business consulting and market research company in Malaysia. We commenced our business in 1993 and, among others, our services include the development of business plans incorporating financial assessments, information memorandums, commercial due diligence, feasibility and financial viability studies, and market and industry studies. We have been involved in corporate exercises since 1996. To date, we have assisted approximately 100 companies for initial public offerings as well as other corporate exercises such as mergers and acquisitions, and reverse takeovers for public listed companies on Bursa Malaysia Securities Berhad (Bursa Securities), acting as the independent business and market research consultants.

We have been engaged to provide an independent industry assessment on the above subject for inclusion into the prospectus of Swift Haulage Berhad in relation to its proposed listing on the Main Market of Bursa Securities. We have prepared this report independently and objectively and had taken all reasonable consideration and care to ensure the accuracy and completeness of the report. It is our opinion that the report represents a true and fair assessment of the industry within the limitations of, among others, secondary statistics and information, and primary market research. Our assessment is for the overall industry and may not necessarily reflect the individual performance of any company. We do not take any responsibilities for the decisions or actions of the readers of this document. This report should not be taken as a recommendation to buy or not to buy the shares of any company.

Our report includes assessments, opinions and forward-looking statements, which are subject to uncertainties and contingencies. While such statements are made based on, among others, secondary information, primary market research, and after careful analysis of data and information, the industry is subjected to various known and unforeseen forces, actions and inactions that may render some of these statements to differ materially from actual events and future results. In light of these and other uncertainties, the inclusion of assessments, opinions and forward-looking statements may differ from actual events.

Yours sincerely

Wong Wai Ling
Director

Wong Wai Ling has a Bachelor of Arts degree from Monash University, Australia and a Graduate Diploma in Management Studies from the University of Melbourne, Australia. She has more than 20 years of experience in business consulting and market research including initial public offering for companies seeking listing on Bursa Securities.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

INDEPENDENT ASSESSMENT OF THE THIRD-PARTY LOGISTICS INDUSTRY IN MALAYSIA

1. INTRODUCTION

- Swift Haulage Berhad and its subsidiaries (herein referred to as Swift Group) are an integrated logistics service provider involved in providing container haulage, land transportation focusing on road transportation, warehousing and container depot, and freight forwarding in Malaysia. The Group also has operations in Thailand focusing on cross-border transportation. For the FYE 2018, 2019 and 2020, Malaysia was its principal market which accounted for 96.5% (RM479.57 million), 96.2% (RM587.14 million) and 96.8% (RM537.95 million) of its total revenue respectively. Therefore, this report will focus on Malaysia.
- In the context of this report, logistics refers to the international and domestic movement and storage of goods and related services but does not include postal, courier, hired vehicles, and localised pick-up and delivery services. It also refers to third-party logistics, which is the provision of logistics services for external customers. In the context of this report, warehousing refers to public warehousing which involves the storage and management of goods for third parties and does not cover warehousing for internal use.

2. INDUSTRY STRUCTURE

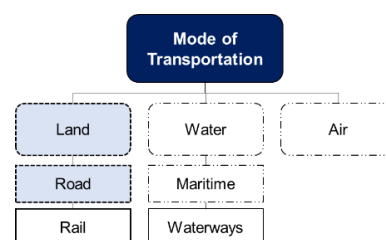
2.1 Overall Logistics Industry

- A supply chain comprises a series of activities starting from goods that are produced, extracted, manufactured, processed or procured, up to delivery to their respective final destinations. Logistics is part of the supply chain that plans, organises, manages and carry out the movement and storage of goods from one point to another.
- The logistics industry is segmented into transportation, warehousing and freight forwarding. Swift Group operates in all three sectors of the logistics industry.
- Transportation involves the physical movement of goods over land, sea and air. Goods transported are categorised as containerised or non-containerised. Containerised goods are goods packed within standardised 20-foot or 40-foot containers. Non-containerised goods are segmented into dry bulk such as grains and coal, general cargo transported separately such as cars, and oversized cargo that are too heavy or large to fit into a standard container, and liquid bulk such as crude oil, liquified natural gas and palm oil. Swift Group is involved in the transportation of containerised and non-containerised goods.



Swift Group operates in all the above segments of the logistics industry

- The common modes of transportation are as follows:
 - Land transportation** can be further segmented into road and rail transportation:
 - road transportation is involved in the movement of containerised (referred to as container haulage), and non-containerised cargo; and
 - rail transportation uses the railway system for transportation of containerised and non-containerised cargo.



Swift Group provides as well as facilitates road transportation

Swift Group facilitates maritime and air transportation through its freight forwarding services

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- **Water transportation** is categorised into maritime which is transportation across oceans and seas, and waterways such as rivers. Maritime transportation provides extensive coverage globally that promotes international freight.
- **Air transportation** delivers cargo using scheduled passenger or cargo flights, or chartered flight. It provides prompt and more secured deliveries relative to other modes of transportation, although at a higher cost.
- **Warehousing** is the process of storing goods in a warehouse or an open yard but does not include the storage of liquids or gases in storage tanks. It also includes the operation of warehouse facilities.

Warehousing facilities can be private or public. Private warehousing facilities are for their own use while public warehousing facilities are used to store and manage goods for customers. Warehouses include ambient temperature for general goods, and temperature and humidity-controlled warehouses such as chillers, cold rooms, air-conditioned and humidity-controlled warehouses. Warehousing facilities can be bonded or non-bonded. Bonded warehousing facilities are designated secured areas or buildings where stored goods are exempted from customs duties and taxes.

A container depot is an open yard for the storage of empty shipping containers and laden containers held in transit.

Swift Group provides bonded and non-bonded warehousing for ambient temperature general cargo, as well as operations and management of warehousing services for private warehouses. Swift Group also provides container depot services.

- **Freight forwarding** is a service that is mainly involved in arranging cross-border transportation of freight, including land transportation of containerised and non-containerised goods, and warehousing where necessary.

A freight forwarder's main function is to organise and manage end-to-end transportation of goods on behalf of its customers. Among others, it involves arranging and booking cargo space on vessels such as ships or planes, preparing all relevant documentation, permits and approvals including those for customs and port authorities, clearing customs and ports, and ensuring that freight arrives at its destination promptly and safely. Swift Group provides sea, air and land freight forwarding services.

2.2 Value-added Logistics Services

- Some of the value-added logistics services include the following:
 - **Distribution logistics** focuses on domestic point to multipoint land transportation as well as warehousing where required. It includes picking and packing goods and delivering them to their respective destinations. A common form of distribution logistics is a central warehouse serving multiple retail outlets within an area or a country.
 - **E-fulfilment** involves fulfilling purchases made online which comprises storage and management of goods, and pick, pack and labelling parcels ready for delivery to buyers (referred to as the last-mile delivery).
 - **Warehousing related services** such as palletising, bulk breaking, minor product assembly, packaging, procurement, quality control, labelling or other related activities.

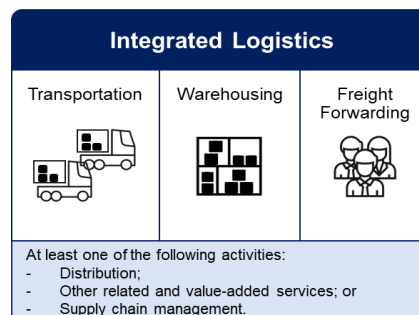
7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

2.3 Integrated Logistics Services

- According to MIDA, the main activities in integrated logistics services (ILS) include the provision of three main services including transportation, warehousing and freight forwarding with at least one additional value-added activity on an integrated basis. It also applies to international ILS (IILS) that provides end-to-end cross border logistics services. Swift Group is an IILS provider as they provide the three main logistics services and value-added services such as distribution logistics and e-fulfilment services.

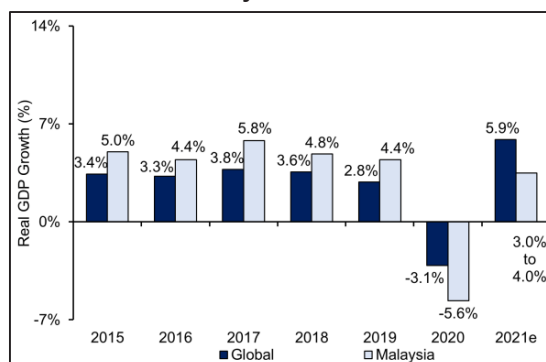


3. SUPPLY AND DEMAND DEPENDENCIES

3.1 Global and Malaysia's Economic Activities

- Logistics service providers are dependent on economic activities at the domestic and global levels which drives the demand for logistics services. Gross Domestic Product (GDP) is a measurement of the gross value added in the output of goods and services indicating its overall size in monetary terms. GDP growth is commonly measured by comparing a particular period with the preceding or corresponding period. Real GDP removes the effect of inflation or deflation, which provide "real" changes in output due to changes in the quantity of goods and services produced, rather than changes in their prices. GDP quoted in current prices without adjustments for inflation or deflation is termed nominal GDP. In the context of this report, all GDP figures are nominal GDP, unless specified otherwise.

Global and Malaysia's Real GDP Growth



e = estimate (Sources: BNM; Vital Factor analysis)

- In 2020, the global economy was impacted severely by the COVID-19 pandemic, resulting in a global real GDP contraction of 3.1%. Malaysia was also adversely affected by the temporary closures of businesses and restrictions on movements including border closures resulting in lower trade, commerce and social activities, leading to a 5.6% decline in real GDP in 2020.
- In the first quarter (Q1) of 2021, the global economy continued to recover with improvements in global manufacturing and trade activities with the US economy expanding by 0.5%, Euro Area registering a slower decline of 1.3% while China's economy continuing to grow by 18.3%. In the second quarter (Q2) of 2021, global growth gained strength where the US, Euro Area and China economies grew by 12.2%, 14.2% and 7.9% respectively. The improvement in the advanced economies was broad-based with the easing of containment measures while emerging economies continued to be disrupted due to containment measures during the second quarter. The improvement was also partially attributed to the low base effects from the lockdowns worldwide during the corresponding period in 2020. In the third quarter (Q3) of 2021, the growth in the US, Euro Area and China moderated to 4.9%, 3.7% and 4.9% respectively. (Source: Bank Negara Malaysia (BNM)).
- However, the uncertainties on the effectiveness of the vaccines against the new COVID-19 strains remains a key concern. In addition, the reintroduction of containment measures due to the resurgence of COVID-19 cases in some of the economies may contribute to an uneven

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

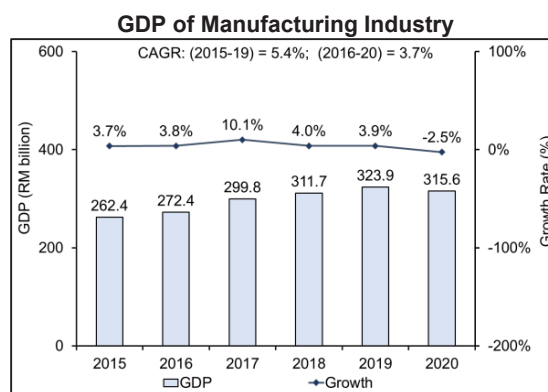
Creating Winning Business Solutions

pace of global recovery. In Q1 2021, Malaysia's real GDP recorded a smaller decline of 0.5%, before it expanded with a growth of 16.1% in Q2 2021 which was supported by improvement in domestic demand and robust export performance. (Source: BNM).

- In response to the escalating number of COVID-19 cases in the country, the Government of Malaysia implemented a four-phase National Recovery Plan (NRP) effective from 1 June 2021 to provide an exit strategy from the COVID-19 crisis. The first phase of the NRP entails restrictions on movement and economic activities where all sectors, except for sectors classified as essential services, were not allowed to operate. In Q3 2021, real GDP contracted by 4.5% due to containment measures under NRP. Overall, the economy in Malaysia is estimated to grow within the range of 3.0% to 4.0% in 2021 with a forecasted real GDP growth between 5.5% and 6.5% in 2022 (Source: MoF).

3.2 Manufacturing Industry

- Malaysia's manufacturing industry is one of the key drivers of growth for the logistics industry as raw and input materials, and intermediate and finished products, will need to be stored and transported to various locations. Commonly, it also involves imports and exports of goods.
- In 2020, the GDP of the manufacturing industry declined by 2.5% amounting to RM315.6 billion, which represented 22.3% of Malaysia's GDP. The contraction of the manufacturing industry was due to restriction in operations, supply-chain disruptions and subdued demand conditions which weighed on production activities (Source: BNM).

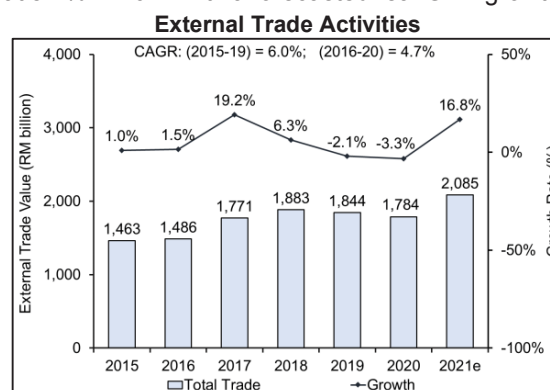


(Source: Department of Statistics, Malaysia (DOSM))

- However, production activities, particularly in the electrical and electronics (E&E) industry rebounded quickly as operating restrictions were lifted by Q3 2020.
- In Q1 2021, real GDP of the manufacturing industry grew by 6.6% which was mainly driven by external demand for E&E products and the recovery in the consumer related manufacturing sectors. In Q2 2021, the real GDP grew by 26.6% due to the export demand conditions which remained resilient amid the continued global technology upcycle and recovery in global growth before contracting marginally by 0.8% in Q3 2021 (Source: BNM). The real GDP of the manufacturing industry is estimated to grow at 8.1% in 2021 with a forecasted real GDP growth of 4.7% in 2022 (Source: MoF).

3.3 External Trade Activities

- Global trade activities are some of the key drivers of the logistics industry. In 2020, the import and export value of Malaysia's external trade activities contracted by 5.8% and 1.1% respectively. This resulted in a decline in external trade activities by 3.3% from RM1,844 billion in 2019 to RM1,784 billion in 2020.



The decline in external trade in 2019 was due to the softer global demand attributed to the US-China and Japan-South Korea trade tensions and unfavourable external economic conditions. In 2020, external trade activities

e = estimate (Source: DOSM; MoF)

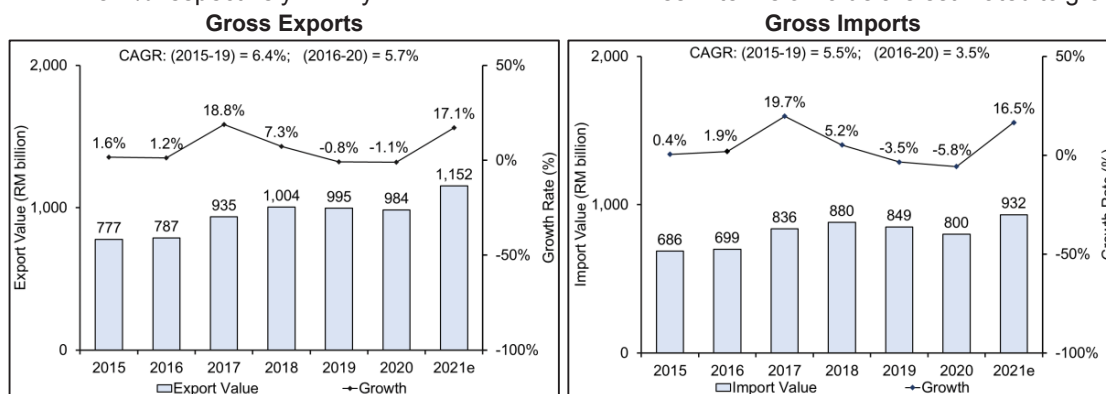
7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

slowed down further due to restrictions in travel and transportation activities due to the COVID-19 pandemic. In Q1, Q2 and Q3 2021, external trade activities grew by 14.3%, 39.0% and 18.1% respectively. Malaysia's external trade activities in terms of value are estimated to grow



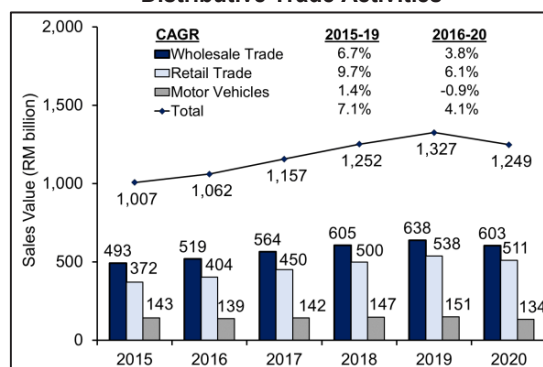
e = estimate (Source: DOSM; MoF)

by 16.8% in 2021 with a forecasted growth of 1.6% in 2022 (Source: MoF).

- In 2020, Malaysia's gross exports declined by 1.1%. This was mainly contributed by the decline in the exports of mining goods due to the slowdown in global industrial demand and a slump in global prices. In Q1, Q2 and Q3 2021, Malaysia's gross exports grew by 18.0%, 44.0% and 15.8% respectively. In 2021 as a whole, Malaysia's gross exports are estimated to grow by 17.1% due to strong external demand, particularly for E&E products as economic activities normalise in tandem with accelerated global vaccine roll-outs. Malaysia's gross exports are forecasted to grow by 1.5% in 2022 (Source: MoF).
- Similarly, in 2020, Malaysia's gross imports declined by 5.8% and this was due to lower imports of intermediate and capital goods as a result of slower economic and investment activities. In Q1, Q2 and Q3 2021, Malaysia's gross imports grew by 10.0%, 33.3% and 21.0% respectively. In 2021 as a whole, Malaysia's gross imports are estimated to grow by 16.5% due to recovery in economic sectors, while growth in 2022 was forecasted to be 1.7% (Source: MoF).

3.4 Domestic Distributive Trades

- The distributive trade comprises the sales value of wholesale and retail trades, and the sales, maintenance and repair of motor vehicles. The chart provides segmentation for motor vehicles as their values are relatively large compared to other wholesale and retail trade goods. Distributive trade requires the movement of goods within the domestic market.



(Source: DOSM)

- The wholesale and retail trades in Malaysia have been growing steadily at a CAGR of 6.7% and 9.7% respectively between 2015 and 2019 before the COVID-19 pandemic.
- In 2020, the wholesale, retail and motor vehicle trade fell by 5.5%, 4.9% and 10.9% respectively. This was mainly due to the impact of COVID-19. In Q1 2021, the distributive trade grew slightly by 1.7%, and continued to grow by 22.6% in Q2 2021. In particular, the wholesale, retail and motor vehicle trade sectors in Q1 2021 grew by 0.4%, 1.6% and 8.2% respectively compared to Q1 2020. The trend continued into Q2 2021, where wholesale, retail and motor vehicle trade grew by 23.2%, 19.8% and 33.5% respectively compared to Q2 2020.

7. INDUSTRY OVERVIEW (Cont'd)

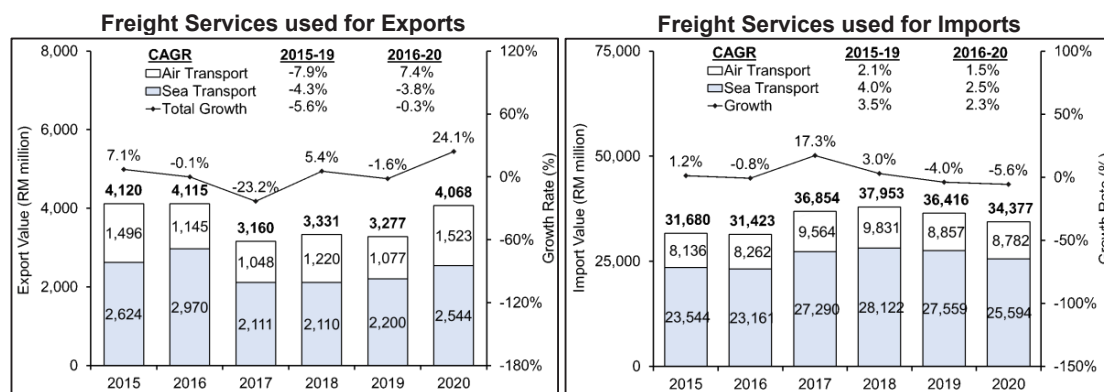


VITAL FACTOR CONSULTING

Creating Winning Business Solutions

4. PERFORMANCE OF THE TRANSPORTATION SECTOR

4.1 Freight Services used for Exports and Imports

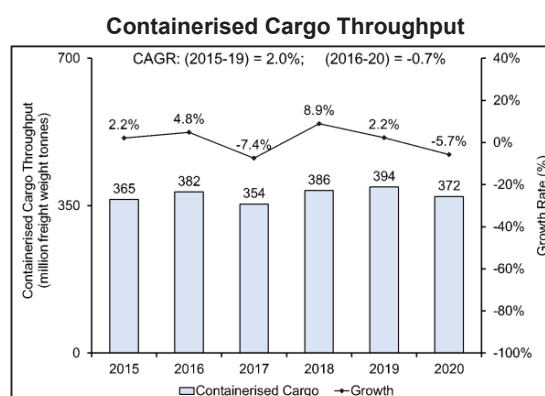


(Source: DOSM)

- In 2020, freight services used for exports grew by 24.1% where both air and sea freight grew by 41.4% and 15.6% respectively. In 2020, freight services used for imports declined by 5.6%, where both air freight and sea freight declined by 0.8% and 7.1% respectively.

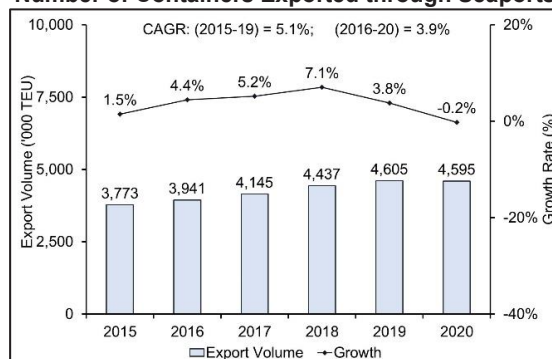
4.2 Sea Freight Transportation

- Swift Group's container haulage, sea freight and freight forwarding services are focused on containerised goods. Before the COVID-19 pandemic, containerised cargo throughput based on freight weight tonnes recorded a CAGR of 2.0% between 2015 and 2019. In 2020, containerised cargo fell by 5.7% in freight weight tonnes, which accounted for 65.9% of the total sea freight cargo throughput comprising containerised and non-containerised cargo. In Q1, Q2 and Q3 2021, containerised cargo throughput recorded 9.6%, 25.8% and -0.3% respectively.



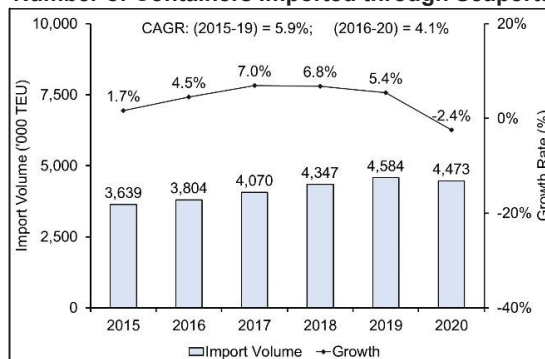
(Source: Ministry of Transport Malaysia (MoT))

Number of Containers Exported through Seaports



TEU = Twenty-foot equivalent unit (Source: MoT)

Number of Containers Imported through Seaports



- In 2020, sea freight transportation based on container throughput declined by 0.2% and 2.4% for exports and imports respectively. Total container movements were only slightly impacted by the COVID-19 pandemic as the Government of Malaysia designated ports, shipping and land transportation services as "essential services", thereby exempting them from lockdown

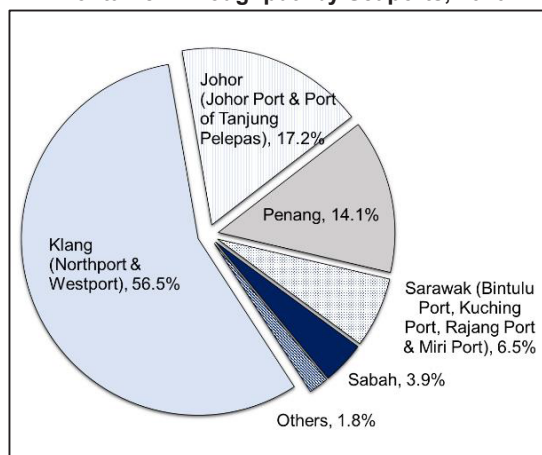
7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING
Creating Winning Business Solutions

measures. In Q1 2021, container throughput grew by 5.7% compared to Q1 2020, and it subsequently recorded 21.7% and -14.7% respectively in Q2 and Q3 2021 compared to the corresponding periods in 2020. In 2020, the container port market was largely dominated by ports in Port Klang (56.5%), ports in Johor (17.2%), and Penang Port (14.1%) which accounted for 87.8% of the total container throughput among 12 seaports in Malaysia. Other ports include Kuantan Port and Tanjung Bruas Port in Melaka, which collectively accounted for 1.8%. while Sabah and Sarawak ports collectively accounted for 10.4% of the container throughput in Malaysia.

Container Throughput* by Seaports, 2020



* Total number of TEU in 2020 = 9.07 million TEU. Includes imports and exports, excluding transshipments (Source: MoT)

- Swift Group's container haulage services are mainly to and from Malaysia's largest port locations namely Port Klang, Johor and Penang.

	Port Klang ⁽¹⁾ (^{'000} TEU)	%age of total (%)	Growth (%)	Johor ports ⁽²⁾ (^{'000} TEU)	%age of total (%)	Growth (%)	Penang Port (^{'000} TEU)	%age of total (%)	Growth (%)
2015	3,956	53.4	1.3	1,247	16.8	3.8	1,216	16.4	5.0
2016	4,102	53.0	3.7	1,287	16.6	3.2	1,343	17.3	10.4
2017	4,336	52.8	5.7	1,401	17.1	8.9	1,430	17.4	6.5
2018	4,749	54.1	9.5	1,490	17.0	6.4	1,422	16.2	-0.5
2019	5,034	54.8	6.0	1,597	17.4	7.2	1,407	15.3	-1.1
2020	5,121	56.5	1.7	1,562	17.2	-2.2	1,278	14.1	-9.1
Q1 21	1,386	58.1	9.8	389	16.3	2.8	323	13.5	-5.0
Q2 21	1,399	59.2	27.3	370	15.7	13.4	292	12.4	3.0
Q3 21	1,230	58.7	-11.2	312	14.9	-27.9	278	13.3	-16.4

* Includes imports and exports, excluding transshipments (Source: MoT)

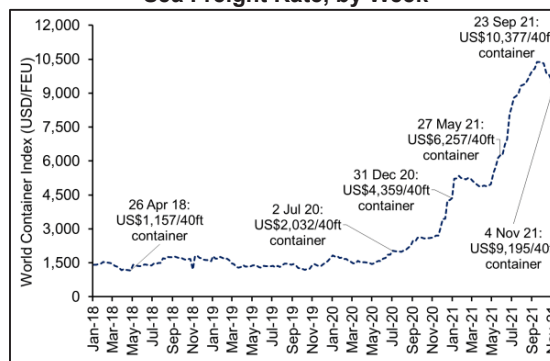
Notes: (1) Combined Northport and Westport; (2) Combined Johor Port and Port of Tanjung Pelepas

- Between 2015 and 2019, container throughput in Port Klang and Johor ports have been recording positive growth every year, while Penang Port experienced negative growth in container throughput in 2018 and 2019. In 2020, container throughput from Port Klang continued to experience growth, while Johor ports and Penang Port experienced a decline in container throughput. In Q1 2021, container throughput in Port Klang and Johor ports continued to register growth while Penang Port declined compared to Q1 2020. In Q2 2021, container throughput in the above 3 seaports registered growth compared to Q2 2020, while negative growth was recorded in Q3 2021 (Source: MoT).

4.3 Sea Freight Rate

- Sea freight rate has been increasing since the beginning of the COVID-19 pandemic. In 2018, the weekly freight rate on 26 April 2018 was at US\$1,157/forty-foot equivalent unit (FEU). It has been fluctuating around an average weekly rate of US\$1,518/FEU until the second

Sea Freight Rate, by Week



(Source: Vital Factor analysis)

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

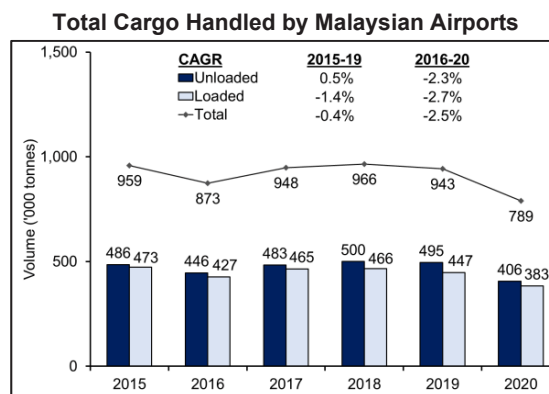
Creating Winning Business Solutions

half of 2020. Since then, the sea freight rate generally kept increasing from US\$2,032/FEU on 2 July 2020 to US\$10,377/FEU on 23 September 2021, and subsequently decreased to US\$9,195/FEU on 4 November 2021.

- The increase in freight rates was mainly driven by the increase in demand for container shipping resulting from many economies, especially the US, bouncing back from an initial slowdown during the early part of the COVID-19 pandemic. Additionally, some economies continued to face lockdowns which caused empty containers to be stuck in these countries causing a shortage of empty containers. This situation is exacerbated by an imbalance in trade between China and the US where China exports more than it imports, thereby creating an insufficient supply of empty containers for China's export requirements. This caused the price of new containers to increase substantially, which was ultimately reflected in the sea freight rates. The increase in sea freight rate largely affects consignors (sending parties) or consignees (receiving parties) as they are the ones who have to pay for the sea freight rates.

4.4 Air Freight Transportation

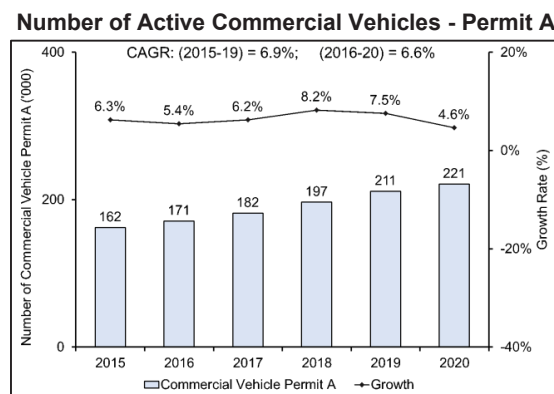
- In 2020, the total air cargo handled by airports in Malaysia declined by 16.3%, which was mainly contributed by the abrupt cessation of scheduled air passenger services (*Source: Malaysian Aviation Commission*). This is because a large proportion of air freight uses scheduled passenger aircraft. The total airfreight volume in 2020 was approximately 789,000 tonnes, of which 79.6% was handled by Kuala Lumpur International Airport (KLIA), KLIA 2 and Penang Airport.



(Source: Ministry of Transport, Malaysia (MoT))

4.5 Commercial Vehicle Permits

- Operators providing land transportation to third parties are required to obtain Permit A for their commercial vehicles from the Commercial Vehicles Licensing Board. In 2020, despite the decline in external trade activities, the number of active Permit A licensees on the road increased by 4.6% to 221,000 permits.



(Source: MoT)

5. REGULATIONS GOVERNING THE INDUSTRY AND MASTERPLAN

- Some licences required to provide logistics services in Malaysia include the following:
 - companies providing non-bonded warehousing services is required to obtain an ordinary warehousing licence from MIDA;
 - companies providing bonded warehousing services must apply for a licence from the Royal Malaysian Customs Department;
 - companies providing transportation services to third parties using commercial vehicles are required to obtain Carrier Licence A from the Public Transport Commission for operators in Peninsular Malaysia and Commercial Vehicles Licensing Board for operators in Sabah and Sarawak;

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

- companies that qualify for a Freight Forwarding Agent/Customs Agent licence must first obtain an ILS status from MIDA before acquiring the licence from the Royal Malaysian Customs Department; and
- for companies to be qualified for ILS status, they must provide warehousing, transportation and freight forwarding including customs clearance, plus at least one of distribution, supply chain management or other related and value-added logistics services. In addition, they must manage at least 20 units of commercial vehicles and 5,000 square metres of warehouse space. The approved ILS company will be issued the Freight Forwarding Agent/Customs Agent licence by the Royal Malaysian Customs Department (*Source: MIDA*).

6. COMPETITIVE LANDSCAPE

- The logistics industry in Malaysia is fragmented with a large number of operators. As of 1 November 2021, there were 1,500 operators registered with the Federation of Malaysian Freight Forwarders (FMFF) and 131 operators registered with the Association of Malaysian Hauliers (AMH). It should also be noted that there are operators who are not members of either FMFF and/or AMH. The industry is expected to consolidate in the future as existing operators in the industry continue to adopt a merger and acquisition strategy to enlarge their market share
- Following are some logistics service operators and Swift Group in Malaysia, listed in descending order of revenue. This is not an exhaustive list.

Operators in the Industry	FYE ⁽¹⁾	Revenue ⁽²⁾ (RM'000)	GP ⁽²⁾ (RM'000)	GP Margin ⁽²⁾ (%)	NP/(NL) ⁽²⁾ (RM'000)	NP/(NL) Margin ⁽²⁾ (%)
*TASCO Bhd ⁽³⁾	Mar-21	946,612	151,166	16.0	43,669	4.6
*Freight Management Holdings Bhd ⁽⁴⁾	Jun-21	763,431	194,030	25.4	29,469	3.9
*CJ Century Logistics Holdings Bhd ⁽⁵⁾	Dec-20	635,707	85,740	13.5	1,046	0.2
*Tiong Nam Logistics Holdings Bhd ⁽⁶⁾	Mar-21	602,120	105,712	17.6	11,882	2.0
Swift Group	Dec-20	555,838	185,739	33.4	42,480	7.6
^Taipanco S/B	Dec-19	112,057	25,833	23.1	7,818	7.0
^Integrated Logistics Solutions S/B	Dec-20	101,184	n.a.	n.a.	1,546	1.5
*Xin Hwa Holdings Bhd ⁽⁷⁾	Mar-21	97,756	35,247	36.1	3,056	3.1
^Sing Chuan Aik Transport S/B	Dec-20	97,360	20,628	21.2	11,966	12.3
*Tri-Mode System (M) Bhd ⁽⁸⁾	Dec-20	83,432	14,883	17.8	5,538	6.6
*See Hup Consolidated Bhd ⁽⁹⁾	Mar-21	79,664	n.a.	n.a.	(4,720)	(5.9)
^Seagull Logistics S/B	Dec-19	45,677	10,022	21.9	478	1.0
*Transocean Holdings Bhd ⁽¹⁰⁾	Dec-20	16,992	n.a.	n.a.	(2,825)	(16.6)

* Public listed company; ^ Private company; FYE = financial year ended; GP = gross profit; NP = net profit after tax; NL = net loss after tax; Bhd = Berhad; S/B = Sdn Bhd; n.a. = information not available

(1) Latest audited financial information from annual reports, Companies Commission of Malaysia and Swift Group's audited financial statements.

(2) Revenue derived may also include other business activities, products or services.

(3) Provides air and sea freight forwarding, contract logistics, trucking and cold supply chain services.

(4) Provides logistics services.

(5) Provides total logistics, procurement logistics and courier services.

(6) Provides logistics and warehousing services, property development and hotel and dormitory operations.

(7) Provides land freight transport, warehousing and distribution services.

(8) Provides sea and air freight, container haulage, freight forwarding, warehousing and marine insurance.

(9) Provides transportation and logistics services, trading of general merchandise and construction activities.

(10) Provides logistics solutions, as well as manufacturing and trading of tyre products.

7. INDUSTRY OVERVIEW (Cont'd)



VITAL FACTOR CONSULTING

Creating Winning Business Solutions

The above public listed and private companies provide container haulage, road transportation, warehousing and freight forwarding services.

7. MARKET SIZE AND MARKET SHARE

The following market sizes and shares of Swift Group for container haulage are as follows:

2020 - Container Haulage	Malaysia	Pen. Malaysia	Port Klang ⁽¹⁾	Johor ports ⁽²⁾	Penang Port	Kuantan Port	Tanjung Bruas Port
Market Size ^{(a)(3)} ('000 TEU)	9,068	8,126	5,121	1,562	1,278	150	14
Swift Group ^(b) ('000 TEU)	589	589	290	73	166	53	6
Swift Group's share (%)	6.5	7.2	5.7	4.6	13.0	35.7	42.1

TEU = 20-foot equivalent unit. Sources: (a) MoT (b) Swift Group

(1) Northport and Westport on a combined basis; (2) Johor Port and Port of Tanjung Pelepas on a combined basis; (3) Includes imports and exports of laden containers, excluding transshipments.

2020	Malaysia ^{(a)(1)} (tonnes)	Swift Group ^(b) (tonnes)	Swift Group's share (%)
Air freight	789,138	803	Less than 1%

Sources: (a) MoT (b) Swift Group; (1) Includes loaded and unloaded, but exclude cargo in transit

There were no publicly available statistics or data on the market size for third-party warehousing and container depot services, therefore it is not possible to derive market share.

8. LOOKING AHEAD IN THE LOGISTICS INDUSTRY IN MALAYSIA

The logistics industry plays an important role in the economy, enabling all forms of trade and distribution activities. Logistics form an integral part of the supply chain both domestically and internationally, transporting raw and input materials to be processed or manufactured, as well as intermediate and finished products to intermediaries and end-users.

In 2020, the GDP of the manufacturing and distributive trade sectors represented 22.3% and 16.9% of Malaysia's total GDP respectively and logistics play an essential role in the movement and storage of goods in these sectors. The manufacturing sector in Malaysia is a major contributor to the nation's export revenue and this is supported by the exports of manufactured goods which accounted for 86.4% (RM847.66 billion) of Malaysia's total exports in 2020. E&E products accounted for the largest share at 39.4% (RM386.11 billion) of Malaysia's total exports in 2020.

In 2020, the logistics industry in Malaysia was affected by border closures and lower economic and trade activities due to the adverse impact of the COVID-19 pandemic. The lockdown in China at the beginning of 2020 disrupted their manufacturing activities which in turn impacted on the global supply chain. As the COVID-19 pandemic began to spread outside of China, many countries implemented lockdown measures which interrupted economic activities. The various restrictions imposed and closure of international borders disrupted the flow of import and export of goods globally including Malaysia.

With the rollout of vaccines which commenced at the end of 2020, the global economy is expected to recover in 2021. However, the recovery is expected to vary across economies, with recovery dependent on each of the country's ability to contain the COVID-19 pandemic as well as the effectiveness of fiscal measures implemented. Malaysia's economy is projected to grow within the range of 3.0% to 4.0% in 2021, with a forecasted real GDP growth between 5.5% and 6.5% in 2022 (Source: MoF). However, Malaysia's recovery will be subject to the downside risks relating to the resurgence of the COVID-19 infections globally and domestically, the reintroduction of containment measures, the effectiveness of the vaccines amidst the new strains of COVID-19, progress of major infrastructure projects and volatility of the financial markets.

8. RISK FACTORS

Before investing in our Shares, you should pay particular attention to the fact that we and to a large extent, our business and operations are subject to legal, regulatory and business risks where we operate. Our operations are also subject to a number of factors, many of which are outside our control. Before making an investment decision, you should carefully consider, along with the other matters in this Prospectus, the risks and investment considerations set out below.

8.1 RISKS RELATING TO THE BUSINESS AND OPERATIONS OF OUR GROUP

8.1.1 We may not be able to renew or obtain licences and permits required to carry on our business

The logistics industry in Malaysia and Thailand is regulated by specific legislations requiring companies which undertake logistics business to have various registrations, permits and licences from the regulatory authorities. In providing our services, our Group has obtained various licences, permits and approvals to carry on its business, including but not limited to forwarding agent licences, shipping agent licences, public bonded warehouse licences, operator licences and service permits. These licences, and permits are subject to compliance of conditions imposed by the regulatory authorities in Malaysia and Thailand, including bumiputera participation conditions in Malaysia. The inability of our Group to comply with such conditions will result in a revocation or non-renewal of these permits and licences. The revocation or non-renewal of these permits and licences, or the variations, modifications or imposition of additional conditions by the regulatory authorities, may adversely affect our ability to continue operation and hence affect our financial performance.

Please refer to Section 6.14 for details of the major licenses and permits obtained by our Group and the conditions including the bumiputera participation conditions (where applicable), attached to these licences and permits.

New laws and regulations may also be enforced from time to time to require additional approvals, licences and/or permits other than those we currently have or provide additional requirements on the operation of our business. If additional approvals, licences or permits are required for the operation of any part of our business and we are not able to obtain such approvals, licences, or permits or adjust our business model to comply with such new laws in a timely manner, we could be subject to operational disruption and penalties.

8.1.2 We are dependent on the experience and expertise of our Executive Director and key senior management for the continued success of our Group

Our Executive Director and key senior management who have on average 24 years of experience in the industry, are key to our continued success as they have extensive industry experience and expertise. The loss of any of our Executive Director or key senior management may adversely affect our future development, business operations and our relationships with our major customers if we are unable to find suitable replacements in a timely manner.

In order to ensure smooth succession planning, our Group has put in numerous efforts to train and groom younger members of our management team to gradually take on more responsibilities. Such efforts include constantly exposing our younger management team members to various aspects of our business operations and our Group's decision making process to ensure that they are equipped with the knowledge to succeed in senior management roles. In addition, we have put in place human resource strategies which include competitive remuneration packages and a variety of on-going training and development programmes for the younger management team who have been earmarked in our succession plan.

Notwithstanding our efforts in seeking to limit and minimise this risk, there can be no assurance that the above measures will be successful in retaining our key senior management or ensuring a smooth management succession plan. Should we experience any significant, material changes to the composition of our key senior management team, and we are unable to recruit or train suitable replacements in a timely manner, this could have a material and adverse effect on our business operations, financial results and future prospects.

8. RISK FACTORS (Cont'd)**8.1.3 Our business operations and financial performance may be adversely affected by the COVID-19 pandemic**

Although our business operations are deemed as “essential services”, our financial performance was affected by the economic disruptions caused by COVID-19 which were felt across the logistics sector due to the lockdowns and tighter border control imposed by the governments of other countries.

During the MCO, we are allowed to conduct our business operations as normal, subject to compliance with the requirements and implementation of standard operating procedures to minimise the spread of the COVID-19 virus. However, if any of our employees do not comply with our standard operating procedures and are inadvertently infected with the COVID-19 virus, we may be required to temporarily shut down our operations for a period of time as advised by the Ministry of Health, Malaysia before we are allowed to resume our operations. Since the start of 2020 and as at the LPD, 351 of our employees received positive diagnosis for COVID-19, 337 of these employees had recovered, 9 are classified as active cases and 5 are deceased. As at the LPD, 95.4% of our employees have received 2 vaccine doses, 3.9% have received their first vaccine dose and 0.7% are pending vaccination.

Although our business operations have continued throughout the MCO, the operating environment has changed since the COVID-19 pandemic with the need to adhere to strict standard operating procedures at additional costs. Any deterioration in the conditions of the COVID-19 pandemic may also potentially result in a tightening of the MCO including targeted enhanced MCO in a specific location, which could potentially interrupt and/or suspend our customers' operations. This could lead to an adverse impact on our business and financial conditions.

In addition, we may also face delays in implementing our business strategies and capital expenditure in accordance with the expected timeline as set out in Section 6.21 of this Prospectus, due to the COVID-19 pandemic. Failure to implement our business strategies in a timely manner may adversely affect our future business and financial performance.

Please refer to Section 6.23.1 of this Prospectus on the effect of COVID-19 on our business operations and the implementation of standard operating procedures by us to reduce the risk of COVID-19 transmission.

8.1.4 We face threat of cargo hijacking and theft incident

Risks of cargo hijacking and theft incidents are inherent to the nature of our business. The potential impact of cargo hijacking or theft includes among others, a reduction in the demand for our services by customers, the loss of traffic thereby affecting revenue, increased security and insurance costs and delays due to tightened security. In such event, the reputation, business and results of our operations may be materially and adversely affected. In the past, we had encountered 2 occurrences of cargo hijacking and theft incident in 2014 and 2015 amounting to claims of USD158,552.18 and USD123,786.65 respectively, which did not materially affect our financial performance. Although there has not been any cargo hijacking and theft incidents since the last incident in 2015 and up to the LPD, we cannot assure you that such incidents will not occur in the future. In the event that such incidents occur, we may be liable for the losses of and subject to claims by our customers. This may in turn damage our reputation and adversely affect our financial performance.

8. RISK FACTORS (Cont'd)

8.1.5 We may fail to identify referral shipments which carry goods of dangerous or illicit nature

Containers and cargoes entering Malaysia are generally subject to customs clearance whereby we have no control over, and no actual knowledge of the goods our customers carry other than as declared in relevant declaration forms. It is possible that actual containers and cargo handled by us may differ from that what is described in the declarations. Our standard terms and conditions entered into with our customers include amongst others, that the customers are responsible to provide us with complete, accurate and correct information about the description and particulars of the cargoes. In addition, our contracts entered with the customers allow us to seek indemnity from the customers in the event of act, omission, error or misstatement, negligence, default or breach by the customers. Nevertheless, should there be discrepancies or illegal activities occurring on the part of the customers, the containers and cargoes may end up being impounded by customs, or give rise to any unexpected accidents, and we may be subject to investigations, and exposed to fines by authorities to the extent if we are found liable under the applicable laws and regulations, such as abetment with the customer in breach under the Customs Act 1967. In such event, our reputation, business and results of operations may be materially and adversely affected.

8.1.6 Our Group may face difficulty in implementing its business strategies

The successful implementation of our business strategies and future plans are based on our current circumstances and bases and assumptions that certain circumstances will or will not occur in the future. It is also dependent on a number of factors including the availability of funds, our ability to execute our business strategies well and to retain and recruit competent management and employees. There are also factors beyond our control that affect the successful implementation of our strategies such as the general market conditions in Malaysia and Southeast Asia, or changes in the Malaysian government's policy or regulatory regime for the logistics industry in Malaysia. There is no assurance that our business strategies and future plans can be implemented successfully. Any failure or delay in the implementation of any or all of our business strategies and plans may have a material adverse effect on the profitability and prospects of our Group.

As disclosed in Sections 4.6.1(a) and 4.6.1(b) of this Prospectus, we intend to utilise part of the IPO proceeds for the following purposes:

(i) Construction of a new warehouse

Our plan is to construct the new warehouse in Port Klang Free Zone in Selangor to relocate our existing warehouse operations at the Westport Warehouse, which was under rented premises, the lease of which ended in October 2021. The new warehouse is expected to provide us with larger capacity to serve our existing and potential customers, as well as to enable us to address business opportunities in providing warehousing services to potential and existing customers within the Port Klang Free Zone. The construction of the new warehouse is expected to complete within the second quarter of 2022, after which we plan to commence our operations at the new warehouse.

The construction and completion of the new warehouse is subject to, among others, the approval for the building plan, as well as the issuance of CCC. There is no assurance that the necessary approval and CCC can be obtained according to our timeline, which could impact our warehousing services operations. If the construction and/or issuance of the CCC for the new warehouse are delayed and if we are unable to extend the lease period of our Westport Warehouse, this would result in disruption to our warehousing services operations and loss of revenue.

Please refer to Section 6.21.2.1 of this Prospectus for further details on the construction of the new warehouse.

8. RISK FACTORS (Cont'd)**(ii) Purchase of land**

While we intend to utilise a portion of the IPO proceeds to purchase the Bandar Sultan Sulaiman Land, there is no assurance that the acquisition of the said land will be successful or completed due to factors beyond our control such as the non-approval from the Selangor State Land Office for its consent to transfer the Bandar Sultan Sulaiman Land and failure to settle the payment for the acquisition to PKNS due to insufficient internal funds or inability to obtain bank borrowings to partially finance the acquisition. If the acquisition of the said land is not successful or is unable to be completed, there is a risk that we may not be able to achieve our business strategies and plans related to the land in a timely manner nor can we provide assurance that our business strategies and plans for the said land will be commercially successful or that we will be able to anticipate and to mitigate all the business and operational risks associated with our strategies for the said land.

Please refer to Section 6.21.2.2 of this Prospectus for further details on the purchase of the said land.

Additionally, we also plan to expand our business activities via the acquisition of cold-chain logistics companies. On 16 June 2021, our wholly-owned direct subsidiary, Swift Integrated Logistics had acquired 50.0% equity interest of Hypercold Logistics and 15.0% equity interest of Platinum Coldchain, which are currently involved in providing cold-chain logistics services in Sabah. This is in line with our intention in providing cold chain logistics services in Sabah, East Malaysia.

Part of our future plans is to expand on Hypercold Logistics' existing cold-chain facilities by expanding its cold-chain storage capacity, and Hypercold Logistics has obtained the approval for the building plan to construct the additional cold-chain warehouse space but has yet to commence construction. The construction works are expected to commence in December 2021, with expected completion by the third quarter of 2022.

In the event there is any failure or delay in the construction works, there is a risk that we may not be able to achieve our business strategies and plans related to the cold-chain logistic services in a timely manner nor can we provide assurance that our business strategies and plans for the cold-chain logistic services will be commercially successful or that we will be able to anticipate and to mitigate all the business and operational risks associated with our strategies for the said services.

Please refer to Section 6.21.3.1 of this Prospectus for further details on the above.

8.1.7 Adequacy of insurance coverage

Our Group is mainly involved in container haulage, freight forwarding, warehousing and container depot and land transportation services. As such, there is a risk of non-delivery due to among others cargo hijacking, loss or damage of goods on consignment arising from mechanical or vehicular failures or accidents which may result in claims for damages by our customers. In addition, our warehouses are susceptible to natural disasters and security risks, such as breakout of fire, flood or theft. Such incidences may affect the operational and financial performance of our Group.

8. RISK FACTORS (Cont'd)

Our Group is aware of the adverse consequences arising from inadequate insurance coverage for the above risks that could disrupt our business operations. In order to ensure that such risks are minimised, we regularly review and ensure adequate insurance coverage for our business. In addition to the insurance to our fleet of vehicles, our Group has other insurance coverage for our business such as fire insurance, burglary insurance and inland transit insurance. Although we maintain adequate insurance coverage for such incidents, however, there is no assurance that this coverage is adequate to cover all potential losses and indemnify us against all possible liabilities arising from our operations. There is also no assurance that this coverage is adequate to offset the potential financial losses arising from public liability fire, flood, theft and personal accidents. We cannot guarantee that we will be successful in all of our claims submitted to the respective insurers. Our business and financial performance may be adversely affected in the event that such claims exceed the coverage of our insurance policies or our claims are not successful.

8.1.8 We are dependent on our customers' business performance and continuing demand for our services

Our Group is principally engaged in the provision of integrated logistics services in Malaysia. We serve our customers' needs by providing, among others container haulage and land transportation services, as well as providing warehousing, container depot and freight forwarding services. We are indirectly and largely dependent on our customers' business performance and developments in their markets and industries. If our customers' sales in Malaysia decline, such decline will likely lead to a corresponding decrease in demand for our services.

Our customers' business performance could likely be affected by factors such as global or regional economic conditions, trade restrictions, changes in trade policies, tariff regulations or embargoes. If our customers' business performance is affected by these factors, and their demand for our services decline, our business, financial condition and results of operations could be adversely affected.

8.1.9 Our business is dependent on information technology and may be affected by system disruptions

The logistics industry has undergone technological advancements where a variety of technologies have been developed to increase the efficiency and security of services offered by logistics service providers. Our Group depends on technologies such as Global Positioning System (GPS) for the monitoring and tracking of cargo to ensure smooth operations of our business and to address the technological needs of our customers.

Our technology systems may experience telecommunication failures, cyber-attacks, failures during the process of upgrading or replacing software, databases or components, power outages or hardware failures which may result in the unavailability or slowdown of our technology platform. Although our Group seeks to limit these risks through, among others, constant updates of our software and systems, regular service and maintenance of our systems and having a backup system performing daily backup of data, there is no assurance that our Group will be able to respond to technological changes as well as system disruptions in a cost effective and timely manner. As such, any inability to respond to technological changes or compromises on our technology systems could materially and adversely affect our business and results of operations.

8. RISK FACTORS (Cont'd)

8.1.10 Credit risk and default in payment by our customers

Generally, the normal trade credit terms granted to a majority of customers range from 30 days to 90 days. Our customers have varying degrees of creditworthiness which exposes us to the risk of non-payment by them. In the event that our customers default on their payments, our operating cash flows, financial condition and results of operations could be materially and adversely affected.

We are aware of our exposure to credit risk and have put in place stringent credit management policies in our Group through the application of credit approval, credit limit and monitoring procedures on an on-going basis. Our Group only provides credit terms to recognised and credit worthy customers and we deal with all other customers solely on a cash basis. We perform credit evaluations on our customers and an appropriate credit limit is then allocated to each customer based on their observed risk level. In addition, we also emphasise on close monitoring and efficient collection of accounts to minimise the risk of default.

Although there have been no material collection problems for trade receivables during the Financial Years Under Review up to the LPD, there is no guarantee that our customers will be able to fulfil their debt obligations and our Group will not encounter collection problems in the future. In the event that our customers default or delay on their payments, this could affect our cash flow, lead to impairment losses on trade receivables or bad debts which may materially and adversely affect our financial condition and results of operations.

8.1.11 We may not be able to successfully enter into necessary or desirable strategic alliances or make acquisitions or investments, and we may not be able to achieve the anticipated benefits from the alliances, acquisitions or investments we make.

We may evaluate and consider strategic investments and acquisitions or enter into strategic alliances to develop new services or solutions and enhance our competitive position. Investments or acquisitions involve numerous risks, including potential failure to achieve the expected benefits of the integration or acquisition; difficulties in, and the cost of, integrating operations, technologies, services and personnel; and potential write-offs of acquired assets or investments. These transactions will also divert the management's time and resources from our normal course of operations, and we may have to incur unexpected liabilities or expenses.

We may also in the future enter into strategic alliances with various third parties. Strategic alliances with third parties could subject us to a number of risks, including risks associated with potential leakage of proprietary information, non-performance by the counterparty and an increase in expenses incurred in establishing new strategic alliances, any of which may materially and adversely affect our business.

In addition, if we do not successfully execute or effectively operate, integrate, leverage and grow the acquired businesses, our business operations and financial results may suffer. Our strategy for long-term growth, productivity and profitability depends in part on our ability to make prudent strategic investment or acquisition decisions and to realise the benefits we expect when we make those investments or acquisitions.

8. RISK FACTORS (Cont'd)**8.1.12 Our ability to fulfil our debt obligations is not assured**

Based on our pro forma statements of financial position as at 31 May 2021 after adjusting for subsequent events, Share Split, our Listing and IPO assuming that they were completed on 31 May 2021, our total contracted financial liabilities, including future finance costs, was approximately RM775.2 million, of which RM280.8 million were current liabilities. Our ability to service our debts and other fixed payment obligations will depend on our future operations and cash flow generation, which in turn will be affected by various factors which may be beyond our control. Hence, if we are unable to make payments in connection with our debt and other fixed payment obligations as they become due, we may need to renegotiate the terms and conditions of such obligations or to obtain additional equity or debt financing. We cannot assure you that our renegotiation efforts would be successful or timely or that we would be able to refinance our obligations on acceptable terms or at all. If financial institutions or our trade and other creditors decline to lend additional funds to us or to refinance or extend our existing liabilities when they mature on acceptable terms, whether as a result of our perceived credit risk or otherwise, and we fail to raise financing through other means, our business prospects, financial condition and results of operations may be materially and adversely affected.

8.1.13 We face risk of chemical spillage, erosion and contamination as we carry hazardous materials in the provision of our container haulage and land transportation services

The provision of our container haulage and land transportation services occasionally involves the transportation of hazardous materials such as industrial chemicals. As such, there is risk of chemical spillage, erosion and contamination which may be hazardous to the handling personnel and immediate surroundings.

While we have not experienced any chemical spillage, erosion, contaminations, accidents or injuries involving the transportation of hazardous materials which result in disruption to our business operations in the past up to the LPD, we cannot assure you that accidents or injury will not occur during transportation of such materials. Any damage caused or injuries sustained as a result of transportation of hazardous materials may result in claims for compensation and reparations. In the event of accidents or injuries and we are required to make such compensation or reparations, our business, operations and financial performance may be adversely affected.

8.1.14 The logistic activities are exposed to risks relating to workplace health, safety and environment (“HSE”)

Our logistic industry is bound by the laws and regulations relating to workplace safety and workers' health enacted or issued by the government bodies. The primary legislation and regulations that are applicable to our daily logistic works includes but is not limited to Occupational Safety and Health Act 1994 (“OSHA”), Road Transport Act 1987, Land Public Transportation Act 2010 and Customs Act 1967.

As a logistic player, we are obliged to ensure that a healthy and safe working environment is provided especially at our sites. The HSE risks include any accidents and injury caused during the course of logistic activities. Any failure to comply with the relevant HSE laws and regulations may result in penalties and closure of the sites. Our operations may also be affected if there are changes in the HSE laws and regulations and the compliance with new laws and regulations may impose a significant cost to our Group.

8. RISK FACTORS (Cont'd)

As at the LPD, we have encountered two accidents at our site. The first accident which occurred at a container yard tenanted by our subsidiary, Container Connections, resulted in injuries being sustained by one of our employees and a third-party driver. Pursuant to the investigation carried out by the Department of Occupational Safety and Health Malaysia (“**DOSH**”) in July 2020, the DOSH was of the view that the accident was caused by the uneven road surface at the accident location rendering it unsafe for loading and unloading activities and issued Container Connections a prohibition notice under Section 48 of the OSHA. Upon the issuance of a prohibition notice, we are prohibited from using or operating at the place of work until the danger is rectified to the satisfaction of DOSH under Section 48(2) of the OSHA. Pursuant to Section 49(2) of the OSHA, in the event we fail to comply with the prohibition notice, on conviction, we may be exposed to fines not exceeding RM50,000 or imprisonment for a term not exceeding 5 years or to both and to a further fine of RM500 for each day during which the offence continues. Preventive actions have since been taken, such as the establishment of enhanced hazard identification, risk assessment and risk controls (HIRARC) and revising our standard operating procedures, and no similar incident has occurred since then. Further, Container Connections has completed its rectification works to resurface the uneven surface. On 27 July 2021, DOSH has withdrawn the earlier mentioned prohibition notice and we are able to continue to operate in the affected area on condition that we ensure that the area is safe for operations.

The second accident resulted in the fatality of one of our employees at our subsidiary, Tanjong Express Logistic's workshop in Seberang Jaya, Penang. Pursuant to our investigation of the accident, the root cause of the accident was due to the modified cable extension not being in accordance with the manufacturer's specification. We have since implemented a preventive action plan, which includes the establishment of standard operating procedures for weekly safety checks, inspection checklists and the enhancement of our employee education programmes.

Since the commencement of the DOSH investigation in June 2020, we have cooperated fully with the DOSH investigation and provided to them all necessary documents requested. As at the LPD, the DOSH investigation is pending, and our Group has not been issued any improvement or prohibition notices in relation to this incident. Although we have cooperated fully with the DOSH investigation and the DOSH has not issued any notices in relation to this incident, we cannot assure you that we will not face any liability arising from this accident. Pursuant to Section 19 of the OSHA, in the event we are held to be liable for this accident, we may be exposed to statutory fines of up to RM50,000, imprisonment for a term not exceeding 2 years or both, which may have an adverse effect on our reputation, financial position and financial performance.

Additionally, the DOSH may issue an improvement and/or prohibition notice under Section 48 of the OSHA if the DOSH is of the view that our workshop is likely to cause bodily injury or poses a serious risk of health. In the event such notices are issued, Tanjong Express Logistic would be required to cease activities at the workshop (or part thereof) until the risk or danger is rectified to the satisfaction of the DOSH. Nevertheless, the ceasure of activities at the abovementioned workshop is not expected to have significant impact on our Group's operations as we have other workshops within close proximity of the Tanjong Express Logistic's workshop. Alternatively, third-party workshops are readily available to conduct the repair and maintenance works.

Although our Group has put in place standard operating procedures and preventive action plans in place to ensure a safe and healthy working environment in accordance with the laws, further accidents may occur in the future, and such accidents may lead to negative publicity and/or suspension of our relevant licences which, will have an adverse impact on our reputation, financial position and financial performance.

8. RISK FACTORS (Cont'd)

8.1.15 We are subject to interest rate fluctuations

As at FPE 2021, we have borrowings and lease liabilities which are subject to floating interest rate amounting to approximately RM525.7 million and RM32.2 million respectively. Our cost of financing namely floating interest rates for the abovementioned borrowings and lease liabilities in FPE 2021 ranges from 3.09% to 4.81% per year (for borrowings) and 5.58% per year (for lease liabilities). As such, we are subject to interest rate fluctuations for borrowings and lease liabilities. In the event of any increase in interest rates and/or we are unable to obtain alternative financing with more favourable interest terms, we may incur additional financing costs which would result in higher repayments to our financiers. Such repayments may have an adverse effect on our financial performance and results of operations.

8.2 RISKS RELATING TO OUR INDUSTRY

8.2.1 We operate in a competitive industry

We operate in a competitive industry in Malaysia, with 1,500 operators registered with the Federation of Malaysian Freight Forwarders (FMFF) and 131 operators registered with the Association of Malaysian Hauliers (AMH) as of 1 November 2021. It should also be noted that there are operators who are not members of either FMFF and/or AMH. *(Source: IMR Report)* We compete against other logistics services providers on the basis of, among others, rates, range of services, availability of commercial vehicles, warehouses and other facilities, and areas of coverage. As a result of the large number of operators in the industry, our existing customers and prospective customers may have the option of selecting one or more of our competitors to provide them with logistics services. This competition may result in, among others, reduction in our rates and profit margins, and/or loss of business, which could materially affect the results of our business operations and financial performance.

As an integrated logistics service provider, we have our strengths and advantages including a comprehensive coverage of the main seaports in Peninsular Malaysia for our container haulage operations supported by our fleet of commercial vehicles, services and facilities, our track record, our large customer base of approximately 1,809 customers as at the LPD and experienced Directors and key senior management team. Despite our strengths and advantages, there is no assurance that we may be able to continue to compete effectively in the market and in the event that we are unable to do so, this may adversely affect our financial performance.

8.2.2 An increase in diesel prices may reduce our profitability

Diesel is a commodity whose price fluctuates from time to time depending on, among others, fluctuations in global crude oil prices and global supply and demand. Currently, the cost of fuel (including diesel) is one of the costs for operators in the logistics industry and any sustained increases in the price of fuel (including diesel) may increase their operating costs, resulting in adverse effects on the financial performance.

8. RISK FACTORS (Cont'd)

Diesel was our largest category of the purchases used to operate our fleet of commercial vehicles in Malaysia and Thailand. Purchases of diesel accounted for 36.4% 42.3%, 37.9% and 44.3% of our total purchases of materials, consumables and services respectively for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021. An increase in diesel prices may increase our operating costs and have an adverse impact on our profitability, if we are unable to pass on the increase to our customers through corresponding increases in our rates. Notwithstanding that we may be able to pass on part of any increases in diesel prices to some of our customers through fuel adjustment factors, we may not be able to pass on the full effect of diesel price increase. The price of diesel fluctuates from time to time, and it is subject to economic and political factors that are beyond our control, including but not limited to demand and supply of fuel, performance of the economy and government policies.

8.2.3 There is a risk of shortage of drivers

Operators in the logistics services industry employ drivers to operate commercial vehicles, including prime movers and trucks, to carry out services such as container haulage and land transportation services. There is a risk that the industry may face a shortage of drivers, whereby the number of suitable drivers is not sufficient to meet the requirements of operators. This may affect service delivery to customers and/or increase drivers' wages and benefits resulting in higher costs for operators.

Our container haulage and land transportation services businesses employ drivers to operate our prime movers. As at the LPD, we employ a total of 1,477 drivers in Malaysia and 144 drivers in Thailand.

We only recruit drivers who hold relevant licences that are currently valid. The measures that we take to maintain sufficient drivers include, among others, employing drivers as permanent employees to provide job stability (as opposed to on a contract basis), offering competitive wages and benefits, providing drivers with rewards for good performance, providing a path for career advancement by assigning jobs to drivers based on their experience, managing the allocation of jobs to drivers to give them the opportunity to earn consistent and stable income and providing on the job training to drivers. While we have not experienced any shortage of drivers in the past and as at the LPD, there can be no assurance that we will not face shortages of drivers which may result in material disruptions to our business operations and financial performance in the future.

8.2.4 We are subject to economic, social, political and regulatory risks in Malaysia as well as global pandemic risks

Like all other business entities, adverse developments in economic, social, political and regulatory conditions in Malaysia as well as the emergence of pandemics that spread to the country (such as COVID-19), could unfavourably affect our financial position and business prospects. These risks include, amongst others, changes in political leadership, risk of war, civil war, rebellion or civil disobedience, global pandemic risks, changes in economic conditions, international trade, corporate ownership or investment policies, nationalisation or expropriation, global, regional or domestic economic recession or slowdown, changes in logistic industry regulations, spread of pandemic or other widespread infectious disease in Malaysia, changes in interest rates, methods of taxation and unfavourable changes in government policies such as the introduction of new regulations, import duties and tariffs.

8. RISK FACTORS (Cont'd)

8.3 RISKS RELATING TO INVESTMENT IN OUR SHARES

8.3.1 There is no prior market for our Shares

Prior to our Listing, there has been no prior public market for our Shares. Hence, there is no assurance that upon our Listing, an active market for our Shares will develop, or if developed, that such market can be sustained. There is also no assurance as to the liquidity of the market that may develop for our Shares, the ability of holders to sell our Shares or the prices at which holders would be able to sell our Shares.

There can be no assurance that the Institutional Price or Retail Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities upon our Listing and the market price of our Shares will not decline below the Institutional Price or Retail Price.

8.3.2 Our Share price and trading volume may be volatile

The trading price and volume of our Shares could be subject to fluctuations in response to various factors, some of which are not within our control and may be unrelated or disproportionate to our financial results. These factors may include material variations in our results and operations, changes in analysts' recommendations or projections, changes in general market conditions and broad market fluctuations.

The performance of Bursa Securities is very much dependent on external factors such as the performance of the regional and global stock exchanges and the flows of foreign funds. Market sentiment is also influenced by factors such as the prevailing economic and political climate of the country, and the potential for growth in various sectors of the economy. Other factors that may negatively affect investor sentiment include natural disasters, and health epidemics including outbreaks of contagious diseases. These factors contribute to the volatility of trading volumes on Bursa Securities, and of the market price of our Shares.

8.3.3 There is no assurance of payment of dividends to our shareholders

It is the intention of our Board to recommend and distribute a dividend of up to 30% of the profit attributable to the owners of the Company. However, our Group's ability to distribute dividends or make other distributions to our shareholders is subject to various factors, such as profits recorded, excess of funds not required to be retained for working capital for our business, capital expenditure and other investment plans. In addition, some of our subsidiaries have entered into facility agreements which contain certain financial covenants restricting our ability to pay dividends. If our subsidiaries are in breach of any of these covenants, it may affect our ability to pay dividends. There can be no assurance that dividends will be paid out in the future or on timing of any dividends that are to be paid in the future. If we do not pay dividends or pay dividends at levels lower than that anticipated by investors, the market price of our Shares may be negatively affected.

Please refer to Section 11.8 of this Prospectus for further information on our dividend policy.

8.3.4 The interest of our Promoters who control our Group may not be aligned with the interest of our shareholders

As disclosed in Section 5.1 of this Prospectus, our Promoters will directly or indirectly hold at least approximately 35.87% of our enlarged issued share capital upon Listing. As a result, they will be able to effectively control the business direction and management of our Group including the election of Directors, the timing and payment of dividends and influence the outcome of certain matters requiring the vote of our shareholders, unless they are required to abstain from voting either by law and/or by the relevant guidelines or regulations. There can be no assurance that the interests of our Promoters will always be aligned with those of our shareholders.

8. RISK FACTORS (Cont'd)

8.3.5 The sale, or the possible sale, of a substantial number of our Shares in the public market following our Listing could adversely affect the price of our Shares

Following our Listing, we will have in issue 889,804,502 Shares, of which up to 314,142,900 Shares, will be held by investors participating in our Listing (representing approximately 35.30% of our enlarged issued share capital) and not less than 52.78% will be held by the Promoters and substantial shareholders via their direct interests in our Company. Our Shares offered pursuant to our Listing will be tradable on the Main Market of Bursa Securities following our Listing.

Notwithstanding our existing level of cash and cash equivalents, we may issue additional Shares in connection with our financing activities or otherwise. In addition, the Promoters and substantial shareholders could dispose of some or all of our Shares that they hold after the Moratorium Period pursuant to their own investment objectives. If the Promoters and substantial shareholders sell, or are perceived as intending to sell, a substantial amount of our Shares that they hold, the market price for our Shares could be adversely affected.

8.3.6 Failure or potential delay in our Listing

The occurrence of certain events, including the following, may cause a delay in, or failure of, our Listing:

- (i) the Joint Underwriters exercising their rights under the Retail Underwriting Agreement to discharge themselves of their obligations under such agreement;
- (ii) our inability to meet the minimum public spread requirement under the Listing Requirements, i.e. at least 25% of the total number of our Shares for which our Listing is sought to be held by a minimum of 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing; or
- (iii) the revocation of the approvals from the relevant authorities prior to our Listing and / or admission for whatever reason.

Where prior to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, the applications shall be deemed to be withdrawn and cancelled and our Company shall refund all monies paid in respect of the applications for our IPO Shares within 14 days of the stop order, failing which the Company shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(a) of the CMSA upon expiration of that period until full refund is made; or
- (ii) our Listing is aborted, investors will not receive any of our IPO Shares, all monies paid in respect of all applications for our IPO Shares will be refunded free of interest.

8. RISK FACTORS (Cont'd)

Where subsequent to the issuance and allotment of our IPO Shares:

- (i) the SC issues a stop order pursuant to Section 245(1) of the CMSA, any issue of our IPO Shares shall be deemed to be void and all monies received from the applicants shall be forthwith repaid and if any such money is not repaid within 14 days of the date of service of the stop order, the Company shall be liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be specified by the SC pursuant to Section 245(7)(b) of the CMSA upon expiration of that period until full refund is made; or
- (ii) our Listing is aborted other than pursuant to a stop order by the SC, a return of monies to our shareholders could only be achieved by way of a cancellation of share capital as provided under the Act and its related rules. Such cancellation can be implemented by either:
 - (aa) the sanction of our shareholders by special resolution in a general meeting, consent by our creditors (unless dispensation with such consent has been granted by the High Court of Malaya) and the confirmation of the High Court of Malaya, in which case there can be no assurance that such monies can be returned within a short period of time or at all under such circumstances; or
 - (bb) the sanction of our shareholders by special resolution in a general meeting supported by a solvency statement from our Directors.

(The rest of this page has been intentionally left blank)

9. RELATED PARTY TRANSACTIONS

9.1 RELATED PARTY TRANSACTIONS

9.1.1 Material related party transactions entered into by our Group

Save as disclosed below, there is no material related party transaction, existing or proposed, entered or to be entered into by our Group which involves the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them for the Financial Years Under Review and up to the LPD.

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
1.	Kaypi Technologies and Container Connections	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar is a director of Kaypi Technologies.	Supply of office equipment rental to Container Connections by Kaypi Technologies	RM'000 (1)1.6	RM'000 (1)0.1	RM'000 -	RM'000 -
2.	Kaypi Technologies and Swift Consolidators	Kaypi Technologies is a wholly-owned subsidiary of Persada Bina.	Supply of office equipment rental to Swift Consolidators by Kaypi Technologies	5.4 (0.01% of our Group's PAT)	2.7 (0.01% of our Group's PAT)	(1)1.0	-
3.	Kaypi Technologies and Swift Haulage	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina.	Supply of office equipment rental to Swift Haulage by Kaypi Technologies	70.5 (0.17% of our Group's PAT)	23.9 (0.06% of our Group's PAT)	20.6 (0.05% of our Group's PAT)	1.4
4.	Kaypi Technologies and Swift Integrated Logistics		Supply of office equipment rental to Swift Integrated Logistics by Kaypi Technologies	-	-	25.6 (0.06% of our Group's PAT)	2.4
5.	Kaypi Technologies and Swift Logistics TA	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Supply of computers repairs and maintenance services, and office equipment rental to Swift Logistics TA by Kaypi Technologies	17.7 (0.04% of our Group's PAT)	24.6 (0.07% of our Group's PAT)	15.0 (0.04% of our Group's PAT)	0.5

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to 1 LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	RM'000
6.	Kaypi Technologies and Q-Team	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar is a director of Kaypi Technologies.	Supply of office equipment rental to Q-Team by Kaypi Technologies	-	22.6 (0.06% of our Group's PAT)	10.9 (0.03% of our Group's PAT)	2.4
7.	Kaypi Technologies and Swift Haulage	Kaypi Technologies is a wholly-owned subsidiary of Persada Bina.	Purchase of computers by Swift Haulage from Kaypi Technologies	-	(2)11.5	22.8 (0.01% of our Group's NA)	15.8
8.	Kaypi Technologies and Swift Integrated Logistics	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina.	Purchase of computers by Swift Integrated Logistics from Kaypi Technologies	549.7 (0.16% of our Group's NA)	529.9 (0.14% of our Group's NA)	49.8 (0.01% of our Group's NA)	11.7
9.	Kaypi Technologies and Swift Logistics TA	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Purchase of computers by Swift Logistics TA from Kaypi Technologies	-	-	45.8 (0.01% of our Group's NA)	55.5
10.	Kaypi Technologies and Tanjong Express		Purchase of computers by Tanjong Express from Kaypi Technologies	-	-	(2)18.9	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to 1 LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	RM'000
11.	Persada Bina and Container Connections	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina.	Supply of stackers rental to Container Connections by Persada Bina	53.7 (0.13% of our Group's PAT)	-	-	-
12.	Persada Bina and Swift Consolidators	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Management fees ⁽³⁾ chargeable by Persada Bina to Swift Consolidators for corporate and strategic advisory services provided by Persada Bina through Loo Hooi Keat	120.0 (0.29% of our Group's PAT)	120.0 (0.32% of our Group's PAT)	120.0 (0.28% of our Group's PAT)	50.0
13.	Persada Bina and Swift Haulage		Management fees ⁽³⁾ chargeable by Persada Bina to Swift Haulage for corporate and strategic advisory services provided by Persada Bina through Loo Hooi Keat	300.0 (0.73% of our Group's PAT)	300.0 (0.81% of our Group's PAT)	300.0 (0.71% of our Group's PAT)	125.0
14.	Persada Bina and Swift Haulage		Supply of stackers rental to Swift Haulage by Persada Bina	310.0 (0.76% of our Group's PAT)	-	-	-
15.	Persada Bina and Swift Haulage		Purchase of stacker by Swift Haulage from Persada Bina	-	1,500.0 (0.39% of our Group's NA)	-	-
16.	Persada Bina and Swift Logistics TA		Payment by Swift Logistics TA to Persada Bina for rental of office unit	501.0 (1.22% of our Group's PAT)	520.7 (1.41% of our Group's PAT)	477.4 (1.12% of our Group's PAT)	(4) -

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	RM'000
17.	Persada Bina and Swift Logistics TA	Nature of relationship Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina. Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Nature of transaction Purchase of office space located at Suite 8.02, Level 8, Intan Millennium Square 2 (IMS2) No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor by Swift Logistics TA from Persada Bina	-	-	4,950.0 (1.15% of our Group's NA)	-
18.	Pelikan Asia and Swift Consolidators	Loo Hooi Keat is a director and substantial shareholder of Pelikan International.	Purchase of furniture & fittings by Swift Logistics TA from Persada Bina	-	-	550.00 (0.13% of our Group's NA)	-
19.	Pelikan Asia and Swift Logistics TA	Pelikan Asia is an indirect subsidiary of Pelikan International held through Pelikan Holding AG which is incorporated in Switzerland.	Provision of freight forwarding services by Swift Consolidators to Pelikan Asia	2.5 (0.01% of our Group's PAT)	8.4 (0.02% of our Group's PAT)	3.9 (0.01% of our Group's PAT)	1.7
20.	Pelikan Asia and Swift Integrated Logistics		Provision of freight forwarding services by Swift Logistics TA to Pelikan Asia	11.9 (0.03% of our Group's PAT)	41.6 (0.11% of our Group's PAT)	12.9 (0.03% of our Group's PAT)	4.5
21.	Pelikan Asia and Delta Express		Provision of warehousing services by Swift Integrated Logistics	243.0 (0.59% of our Group's PAT)	273.6 (0.74% of our Group's PAT)	208.1 (0.49% of our Group's PAT)	161.4
22.	Pelikan Asia and Q-Team		Provision of freight forwarding services by Delta Express to Pelikan Asia	25.1 (0.06% of our Group's PAT)	-	-	50.1
			Provision of storage services by Q-Team to Pelikan Asia	(1)1.8	(1)1.8	(1)0.9	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
23.	Pelikan Asia and Fleet Engineering	Loo Hooi Keat is a director and substantial shareholder of Pelikan International.	Provision of storage services by Fleet Engineering to Pelikan Asia	RM'000 -	RM'000 -	RM'000 (1)2.1	RM'000 1.5
24.	Pelikan Asia and certain companies within Swift Group	Pelikan Asia is an indirect subsidiary of Pelikan International held through Pelikan Holding AG which is incorporated in Switzerland.	Pelikan Asia supplies stationery to certain companies within Swift Group, namely Swift Haulage, Swift Consolidators, Swift Logistics TA, Q-Team, Container Connections, Swift Integrated Logistics, Swift Commerce, Tanjong Express, Tanjong Express Logistic and Agenda Wira	397.9 (0.97% of our Group's PAT)	353.5 (0.96% of our Group's PAT)	364.0 (0.86% of our Group's PAT)	382.2
25.	SM Security (M) Sdn Bhd and Swift Haulage	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar is a director and shareholder (direct 30% interest) of SM Security (M) Sd Bhd.	Provision of security services to Swift Haulage	225.8 (0.55% of our Group's PAT)	229.2 (0.62% of our Group's PAT)	229.1 (0.54% of our Group's PAT)	190.9

Notes:

- (1) Less than 0.01% of our Group's PAT.
- (2) Less than 0.01% of our Group's NA.
- (3) With the termination of management services agreements entered into between Persada Bina and Swift Consolidators and Swift Haulage respectively pursuant to notice dated 29 April 2021 issued by Swift Consolidators and Swift Haulage respectively, Persada Bina is no longer entitled to the management fees under the management services agreements with effect on 1 June 2021 and such transactions will not recur in the future.
- (4) Persada Bina and Swift Logistics TA have mutually agreed to terminate the tenancy arrangement and ceased the payment of rental upon the completion date for the purchase of the office unit by Swift Logistics TA on 11 November 2020.

9. RELATED PARTY TRANSACTIONS (Cont'd)

Save for the management services agreements entered by Swift Consolidators and Swift Haulage respectively, for corporate and strategic advisory services provided by Persada Bina which was conducted on terms no less favourable to us than those generally available to the public, our Directors confirm that the above related party transactions were conducted at market value and on an arm's length basis and are based on terms and conditions which are not detrimental to us nor our minority shareholders based on, among others, the following benchmarks:

- (i) Quotations for similar services and purchases provided by our other suppliers;
- (ii) Comparable rates of services or goods (as the case may be) provided to external customers by our Group or the related parties;
- (iii) For rental of office rates, the comparable rental rates of office units located in the vicinity of the relevant property; and
- (iv) For purchase of property, the purchase consideration of comparable transactions of similar properties located in the vicinity of the relevant property.

In addition, there is no management services fee transacted between Persada Bina and Swift Consolidators and Swift Haulage respectively with effect from 1 June 2021 subsequent to the notice of termination by way of a letter dated 29 April 2021 given to Persada Bina by Swift Consolidators and Swift Haulage respectively.

After our Listing, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and / or persons connected with them who have any direct or indirect interest in the proposed related party transactions shall abstain from deliberation and voting on resolution(s) pertaining to the respective transactions. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12 month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities of interests in one corporation / asset or of various parcels of land contiguous to each other.

Upon our Listing, the Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not to the detriment to our minority shareholders. Our Group will seek such relevant shareholders' approval where required. We will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

9. RELATED PARTY TRANSACTIONS (Cont'd)

9.1.2 Related party transactions that are unusual in nature or condition

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the Financial Years Under Review and up to the LPD.

9.1.3 Loans and/or financial assistance made to or for the benefit of related parties

Our Directors have confirmed that there is no material loan (including guarantees of any kind) and / or financial assistance made by our Group to or for the benefit of related parties for the Financial Years Under Review and up to the LPD.

9.1.4 Loans and/or financial assistance from related parties to our Group

For the Financial Years Under Review, Persada Bina, Loo Hooi Keat and Loo Yong Hui have provided corporate guarantees and personal guarantees (as the case may be) for the banking facilities extended by Public Bank Berhad, United Overseas Bank (Malaysia) Berhad, and AmBank Islamic Bank to our Group. Further, Persada Bina, Loo Hooi Keat and Loo Yong Hui have also provided corporate guarantees and personal guarantees (as the case may be) for hire purchase facilities extended by AmBank Islamic Berhad, Malayan Banking Berhad, ORIX Credit Malaysia Sdn Bhd, MBSB Bank Berhad and Mercedes-Benz Services Malaysia Sdn Bhd to our Group.

In addition to the above, the former directors and/or shareholders of Agenda Wira, Northern Gateway Depot, Sentiasa Hebat, Sentiasa Hebat (Penang), and Tanjong Express prior to the acquisition of these companies by our Group, had also provided personal guarantees for banking facilities and hire purchase facilities extended by Malayan Banking Berhad, Public Bank Berhad, BMW Credit (Malaysia) Sdn Bhd, RHB Bank Berhad, Affin Bank Berhad, SMFL Hire Purchase (Malaysia) Sdn Bhd, Hitachi Capital Malaysia Sdn Bhd and MBSB Bank Berhad to these companies for the Financial Years Under Review. Further, the former shareholders of Sentiasa Hebat and a company owned by one of the former shareholders of Sentiasa Hebat prior to the acquisition of the company by our Group, had also provided personal guarantees and corporate guarantees, respectively for banking facilities extended by Public Bank Berhad to the company.

In conjunction with the Listing, we have written to the abovementioned financiers to seek approval for the release and/or discharge of the above corporate and personal guarantors, or substituting the same with a corporate guarantee from our Company (as the case may be). As at the LPD, we have received conditional approvals (subject to the Listing) for the release and/or discharge or substitution of the said corporate and personal guarantees, with a corporate guarantee from our Company. The conditions include:

- (i) the Listing is to be completed by March 2022; and
- (ii) the release of the personal guarantees is subject to all the banks agreeing to the release and/or substitute of the personal guarantees as well as subject to all the banks being ranked pari passu.

As all the relevant banks have issued letters agreeing to the release and/or substitution of the personal guarantees, the above conditions will be met upon Listing.

In addition, the redemption sum and/or outstanding amount in relation to the following term loans and hire purchase facilities have been paid:

- (i) a term loan granted by United Overseas Bank (Malaysia) Berhad ("**UOB Bank**") to our Company, where UOB Bank has issued the letter of discharge for the corporate guarantee for RM566,211,307.44 executed by Persada Bina.

9. RELATED PARTY TRANSACTIONS (Cont'd)

- (ii) a term loan granted by AmBank Islamic Bank to Tanjong Express, where the bank has confirmed on 7 October 2021 that the facility has been fully settled and cancelled, and the discharge of Loo Hooi Keat and Loo Yong Hui as personal guarantors is in progress.
- (iii) the hire purchase facilities in relation to Malayan Banking Berhad, ORIX Credit Malaysia Sdn Bhd, MBSB Bank Berhad, BMW Credit (Malaysia) Sdn Bhd, RHB Bank Berhad, Affin Bank Berhad, SMFL Hire Purchase (Malaysia) Sdn Bhd, Hitachi Capital Malaysia Sdn Bhd and Public Bank Berhad granted to the Group, and the discharge of the relevant corporate and personal guarantors are in progress.

9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

9.2.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee assesses the financial risk and matters relating to related party transactions and conflict of interests situation that may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflicts of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

9.2.2 Our Group's policy on related party transactions and conflicts of interest

Some of our Directors and / or substantial shareholders are also directors and / or shareholders of a related party to our Group, as disclosed in Section 4.1.1(a) of this Prospectus and / or directors of companies that are in similar business to our Group, as disclosed in Section 10.1 of this Prospectus. It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our Audit and Risk Management Committee. Any related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, and are based on normal commercial terms not more favourable to the related party than those generally available to third parties, and are not to the detriment of the interest of our Company's minority shareholders. In respect of our Directors' interest in companies carrying on similar business, our Directors will also be required to abstain from deliberations and voting on resolutions pertaining to matters and/or transactions where a conflict of interest may arise.

In addition, in line with the MCGG and the Corporate Governance Guide, our Directors are required to make an annual disclosure of any related party transactions and conflicts of interest with our Group and our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and / or conflict of interest. Our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

10. CONFLICT OF INTEREST

10.1 CONFLICT OF INTEREST

10.1.1 Interest in similar business of our Group

The involvement of our Directors or substantial shareholders in other businesses or corporations does not give rise to any existing and potential conflict of interest situation as the aforesaid businesses or corporations are not similar to our Group's business nor are they customers or suppliers to our Group.

Details of the interests, shareholdings and directorships in other businesses of our Directors are disclosed in Section 5.2.4 of this Prospectus.

Moving forward, our Audit and Risk Management Committee will supervise any conflict of interest or potential conflict of interest situations that may arise and review our Group's current and future related party transactions to ensure that such transactions will be carried out on an arm's length basis and on commercial terms in the best interest of our Group. Please refer to Section 9.2 of this Prospectus for further details of our monitoring and oversight policy on conflicts of interest.

10.2 DECLARATION BY ADVISERS ON CONFLICT OF INTEREST

10.2.1 Principal Adviser, Joint Lead Bookrunner, Joint Bookrunner, Managing Underwriter and Joint Underwriter

Malaysia Industrial Development Finance Berhad ("**MIDF**") is the holding company of MIDF Investment. MIDF, MIDF Investment and other subsidiaries of MIDF (collectively referred to as "**MIDF Group**") and its related and associated companies are involved in diversified financial activities. MIDF Group has been engaged, and may in the future be engage, in transactions with and/or perform services for our Group and its affiliates, in addition to MIDF Investment's role as the Principal Adviser, Joint Lead Bookrunner, Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO. Further, in the ordinary course of business, any member of the MIDF Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group and our affiliates or any other entity or transactions for its own account or the account of its customer. This is a result of the business of the MIDF Group generally acting independent of each other and accordingly, there may be situations where parts of the MIDF Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, MIDF Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese wall between different business divisions.

MIDF Investment has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Principal Adviser, Joint Lead Bookrunner, Joint Bookrunner, Managing Underwriter and Joint Underwriter for our IPO. The Retail Underwriting Agreement, which certain details are set out in Section 4.8.1 of this Prospectus, was entered into on arm's length basis and on market terms.

10. CONFLICT OF INTEREST (Cont'd)

10.2.2 Joint Lead Bookrunner, Joint Bookrunner and Joint Underwriter

AmInvestment Bank, is a wholly-owned subsidiary of AMMB Holdings Berhad ("**AMMB**"). AMMB, AmInvestment Bank, its subsidiaries ("**AmBank Group**") and its related and associated companies are a diversified financial group and are involved in a wide range of businesses relating to amongst others, retail banking, investment banking, commercial banking, brokerage, securities trading, asset and funds management and credit transaction services. AmBank Group has been engaged, and may in the future be engage, in transactions with and/or perform services for our Group and our affiliates, in addition to AmInvestment Bank's role as the Joint Lead Bookrunner, Joint Bookrunner and Joint Underwriter for our IPO.

In addition, in the ordinary course of business, any member of the AmBank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, our affiliates, and/or any other entity or person, hold long or short positions in securities issued by our Group, make investment recommendations and/or publish or express independent research views on such securities, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Group and our affiliates. This is a result of the business of the AmBank Group generally acting independent of each other and accordingly, there may be situations where parts of the AmBank Group and/or its customers now have, or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, AmBank Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities, and Chinese wall between different business divisions.

As at 31 October 2021, AmBank Islamic Berhad has extended total credit facilities of RM392.1 million to our Group, which are not material when compared to the audited net assets of the AmBank Group as at 30 June 2021 of RM15.9 billion (representing approximately 2.5% of the AmBank Group's audited net assets).

AmInvestment Bank is of the view that the aforementioned extension of credit facilities does not result in a conflict of interest situation which would prevent it from to act as Joint Lead Bookrunner, Joint Bookrunner and Joint Underwriter for our IPO as the extension of such credit facilities to our Group arose in the ordinary course of business of the AmBank Group.

10.2.3 Joint Bookrunners and Joint Underwriters

Kenanga IB

Kenanga IB and/or its related and associated companies (collectively, "**Kenanga Group**") form a diversified financial group and are engaged in a wide range of transactions relating to amongst others, investment banking, brokerage, securities trading, asset and funds management and credit transaction services businesses. Kenanga Group's securities business is primarily in the areas of securities underwriting, trading and brokerage activities, foreign exchange, commodities and derivatives trade.

10. CONFLICT OF INTEREST (Cont'd)

In the ordinary course of Kenanga Group's businesses, any member of Kenanga Group may at any time extend services to any company as well as hold long or short positions, and trade or otherwise effect transactions, for its own account or the account of its other clients, in debt or equity securities or senior loans of any company. This is a result of the business of Kenanga Group generally acting independent of each other, and accordingly, there may be situations where parts of Kenanga Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Company and/or its subsidiaries. Nonetheless, Kenanga Group is required to comply with the applicable laws and regulations issued by the relevant authorities, which require amongst others, segregation between dealing and advisory activities, and Chinese walls between different business divisions.

As at 31 October 2021, Kenanga IB has extended total credit facilities of RM23.8 million to certain Promoters, which are not material when compared to the audited net assets of the Kenanga Group as at 31 December 2020 of RM999.8 million (representing approximately 2.4% of the Kenanga Group's audited net assets).

Kenanga IB confirms that the abovementioned extension of credit facilities does not result in a conflict of interest as the credit facilities were granted in the ordinary course of business, and in light of the fact that Kenanga IB will not receive any material amount of proceeds from our IPO, except with respect of the fees and expenses of Kenanga IB in connection with our IPO. Kenanga IB confirms that there is no conflict of interest in its capacity as the Joint Bookrunner and Joint Underwriter in relation to our IPO.

UOBKH

UOBKH has given its confirmation that, as at the date of this Prospectus, there is no existing or potential conflict of interest in its capacity as the Joint Bookrunner and Joint Underwriter for our IPO.

10.2.4 Solicitors

Chooi & Company + Cheang & Ariff has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Solicitors to our Group in relation to our Listing.

10.2.5 Auditors and Reporting Accountants

BDO PLT has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Auditors and Reporting Accountants to our Group in relation to our Listing.

10.2.6 Independent Business and Market Research Consultants

Vital Factor has confirmed that it has no existing or potential interest in our Company and there is no existing or potential conflict of interest in its capacity as the Independent Business and Market Research Consultants to our Group in relation to our Listing.

11. FINANCIAL INFORMATION

11.1 HISTORICAL FINANCIAL INFORMATION

The following historical combined financial information for the Financial Years Under Review and FPE 2021 have been extracted from the Accountants' Report as set out in Section 12 of this Prospectus.

The historical combined financial information presented below should be read in conjunction with the *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* in Section 11.3 of this Prospectus and our historical combined financial statements and the accompanying notes as set out in the Accountants' Report included in Section 12 of this Prospectus. Our historical combined financial statements have been prepared in accordance with MFRS and IFRS. For information, our Group adopted MFRS 16 effective from 1 January 2019 using modified retrospective approach, for which the cumulative effect of initial application is recognised in the retained earnings as at 1 January 2019. Accordingly, the financial information for the FYE 2018 is not restated.

11.1.1 Combined Statements of Profit and Loss and Other Comprehensive Income

	FYE 31 December			FPE 31 May	
	Audited			Unaudited	Audited
	2018	2019	2020	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	496,979	610,201	555,838	224,159	248,533
Cost of sales and services	(319,653)	(400,047)	(370,099)	(151,462)	(168,568)
Gross profit	177,326	210,154	185,739	72,697	79,965
Other income	39,010	9,242	29,335	2,867	9,930
Net gain on impairment of financial instruments	5,756	8,904	3,888	1,905	650
Administrative and operating expenses	(122,480)	(134,724)	(135,373)	(49,823)	(48,866)
Profit from operations	99,612	93,576	83,589	27,646	41,679
Finance costs	(38,466)	(35,154)	(29,562)	(12,482)	(11,013)
	61,146	58,422	54,027	15,164	30,666
Share of results of associates	583	728	(134)	10	(1,431)
Profit before tax	61,729	59,150	53,893	15,174	29,235
Tax expense	(20,673)	(22,177)	(11,413)	(3,596)	(6,902)
Profit for the financial year/period	41,056	36,973	42,480	11,578	22,333
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations	(335)	(254)	(239)	12	75
Total comprehensive income for the financial year/period	40,721	36,719	42,241	11,590	22,408
Profit attributable to:					
Owners of the parent	40,883	36,317	41,686	11,173	21,454
Non-controlling interests	173	656	794	405	879
Profit for the financial year/period	41,056	36,973	42,480	11,578	22,333

11. FINANCIAL INFORMATION (Cont'd)**11.1.1 Combined Statements of Profit and Loss and Other Comprehensive Income (Cont'd)**

	FYE 31 December			FPE 31 May	
	Audited			Unaudited	Audited
	2018	2019	2020	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Total comprehensive income attributable to:					
Owners of the parent	40,548	36,063	41,447	11,185	21,529
Non-controlling interests	173	656	794	405	879
Total comprehensive income for the financial year/period	40,721	36,719	42,241	11,590	22,408
Other selected financial data:					
GP margin (%) ⁽¹⁾	35.7	34.4	33.4	32.4	32.2
EBITDA (RM'000) ⁽²⁾	133,749	144,028	137,068	49,869	62,473
EBITDA margin (%) ⁽³⁾	26.9	23.6	24.7	22.2	25.1
PBT margin (%) ⁽⁴⁾	12.4	9.7	9.7	6.8	11.8
PAT margin (%) ⁽⁵⁾	8.3	6.1	7.6	5.2	9.0
Basic EPS (sen) ⁽⁶⁾	60.9	49.8	57.2	15.3	26.9
Diluted EPS (sen) ⁽⁷⁾	37.5	31.6	34.1	9.1	17.6

Notes:

(1) GP margin is computed based on GP over revenue of our Group.

(2) EBITDA is computed as follows:

	FYE 31 December			FPE 31 May	
	Audited			Unaudited	Audited
	2018	2019	2020	2020	2021
	RM'000	RM'000	RM'000	RM'000	RM'000
PBT	61,729	59,150	53,893	15,174	29,235
Add: Finance costs	38,466	35,154	29,562	12,482	11,013
Add: Depreciation	35,140	50,400	54,061	22,423	22,360
Less: Interest income	(1,586)	(676)	(448)	(210)	(135)
EBITDA	133,749	144,028	137,068	49,869	62,473

(3) EBITDA margin is computed based on EBITDA over revenue of our Group.

(4) PBT margin is computed based on PBT over revenue of our Group.

(5) PAT margin is computed based on PAT over revenue of our Group.

(6) Basic EPS is computed based on PAT attributable to owners of our Group divided by the weighted average number of ordinary shares outstanding in each of the Financial Years Under Review, FPE 2020 and FPE 2021.

(7) Diluted EPS is computed based on PAT attributable to owners of our Group divided by the weighted average number of ordinary shares outstanding in each of the Financial Years Under Review, FPE 2020 and FPE 2021 adjusted for effects of dilutive potential ordinary shares.

11. FINANCIAL INFORMATION (Cont'd)

11.1.2 Combined Statements of Financial Position

	FYE 31 December			FPE 31 May
	Audited			Audited
	2018	2019	2020	2021
	RM'000	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	765,717	367,031	383,955	405,538
Investment property	-	-	1,693	1,686
Right-of-use assets	-	468,883	496,280	471,269
Other investments	2,443	743	309	460
Investments in associates	19,287	20,015	20,186	18,755
Goodwill	71,821	75,304	68,813	68,813
Deferred tax assets	1,238	1,709	2,513	1,569
	860,506	933,685	973,749	968,090
Current assets				
Inventories	11,415	14,960	10,959	10,122
Trade and other receivables	209,093	191,058	178,129	201,128
Current tax assets	11,062	5,523	4,605	7,091
Derivative financial asset	2,119	860	-	694
Short term fund	1,012	1,160	2,009	2,024
Cash and bank balances	49,669	29,310	32,891	34,371
	284,370	242,871	228,593	255,430
Non-current assets held for sale	-	6,996	10,000	27,194
TOTAL ASSETS	1,144,876	1,183,552	1,212,342	1,250,714
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Invested equity	102,786	121,180	121,180	228,042
Convertible redeemable loan stock	106,863	106,863	106,863	
Retained earnings	125,097	161,234	202,920	224,374
Exchange translation reserve	(72)	(326)	(565)	(490)
	334,674	388,951	430,398	451,926
Non-controlling interests	(138)	(502)	(349)	530
TOTAL EQUITY	334,536	388,449	430,049	452,456

11. FINANCIAL INFORMATION (Cont'd)
11.1.2 Combined Statements of Financial Position (Cont'd)

	FYE 31 December			FPE 31 May
	Audited			Audited
	2018	2019	2020	2021
	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES				
(Cont'd)				
LIABILITIES				
Non-current liabilities				
Borrowings	356,133	190,843	366,512	353,203
Lease liabilities	-	154,554	96,117	82,539
Deferred tax liabilities	45,976	49,998	52,708	53,825
Other payable	-	20,000	-	-
	402,109	415,395	515,337	489,567
Current liabilities				
Trade and other payables	154,411	107,231	110,790	96,551
Borrowings	251,595	221,767	112,805	172,544
Lease liabilities	-	49,444	41,945	38,949
Derivative financial liability	-	-	734	-
Current tax liabilities	2,225	1,266	682	647
	408,231	379,708	266,956	308,691
TOTAL LIABILITIES	810,340	795,103	782,293	798,258
TOTAL EQUITY AND LIABILITIES	1,144,876	1,183,552	1,212,342	1,250,714
NET ASSETS	334,536	388,449	430,049	452,456

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

11.2 CAPITALISATION AND INDEBTEDNESS

The table below sets out our Group's capitalisation and indebtedness as at 1 October 2021 and is based on the assumption that our IPO, Listing, the use of proceeds from our Public Issue to repay RM69.7 million outstanding amount of our borrowings as set out in Section 4.6 of this Prospectus had occurred on 1 October 2021. The pro forma financial information below does not represent our actual capitalisation and indebtedness as at 1 October 2021 and is provided for illustrative purposes only.

	Unaudited As at 1 October 2021 RM'000	As adjusted After our IPO, Listing and Use of IPO Proceeds RM'000
Borrowings		
Current		
<i>Secured and guaranteed</i>		
Bank overdrafts	476	476
Trade financing	16,191	-
Term loans	13,629	13,629
	30,296	14,105
<i>Secured and unguaranteed</i>		
Bank overdraft	450	450
Trade financing	111,276	57,735
Revolving credit	10,700	10,700
Unrated Islamic medium term notes	34,650	34,650
Term loans	12,394	12,394
	169,470	115,929
Non-current		
<i>Secured and guaranteed</i>		
Term loans	43,271	43,271
<i>Secured and unguaranteed</i>		
Unrated Islamic medium term notes	325,350	325,350
Term loans	52,163	52,163
	377,513	377,513
Total borrowings	620,550	550,818

11. FINANCIAL INFORMATION (Cont'd)

11.2 CAPITALISATION AND INDEBTEDNESS (CONT'D)

	Unaudited	As adjusted
	As at	After our IPO, Listing and Use of IPO Proceeds
	1 October 2021	
	RM'000	RM'000
Total borrowings (cont'd)	620,550	550,818
Current		
<i>Unsecured and unguaranteed</i>		
Lease liabilities	6,827	6,827
<i>Secured and guaranteed</i>		
Lease liabilities	9,862	9,862
<i>Secured and unguaranteed</i>		
Lease liabilities	15,214	15,214
	31,903	31,903
Non-current		
<i>Unsecured and unguaranteed</i>		
Lease liabilities	6,013	6,013
<i>Secured and guaranteed</i>		
Lease liabilities	19,818	19,818
<i>Secured and unguaranteed</i>		
Lease liabilities	19,563	19,563
	45,394	45,394
Total indebtedness	697,847	628,115
Total equity/capitalisation	464,159	616,016 ⁽¹⁾
Total capitalisation and indebtedness	1,162,006	1,244,131

Note:

(1) Calculated after taking into account our IPO based on the Retail Price and the estimated listing expenses.

11. FINANCIAL INFORMATION (Cont'd)**11.3 MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis on our Group's financial conditions and results of operations for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 should be read in conjunction with the historical combined financial statements and the accompanying notes, assumptions and bases as set out in the Accountants' Report included in Section 12 of this Prospectus.

This discussion and analysis contain data derived from our historical combined financial statements as well as forward-looking statements reflecting our current views with respect to future events and our financial performance. Our actual results may differ significantly from those anticipated in the forward-looking statements as a result of a number of factors, including those discussed below and elsewhere in this Prospectus, particularly the risk factors as set out in Section 8 of this Prospectus.

11.3.1 Overview

Our Group is a provider of integrated logistics with services comprising container haulage, land transportation, warehousing and container depot and freight forwarding. Our Group has operations in Malaysia and Thailand. Our integrated logistics operations and headquarters are located in Malaysia, while our operations in Thailand are focused on cross-border transportation and freight forwarding.

As at LPD, our integrated logistics operations are supported by our fleet operations in Malaysia and Thailand including 1,546 prime movers, 5,518 container trailers, 811 box or curtain-siders trailers, 53 trucks and 42 CNG tankers. We operate warehouses with total storage capacity of 849,371 sq. ft. and container depots with total capacity of 28,500 TEU.

We are principally involved in the following business segments:

Business Segment	Description	Basis for revenue recognition⁽¹⁾
Container haulage	Our container haulage services involve transportation of mainly laden containers to and from seaports and other locations within Peninsular Malaysia. We cover major ports in Peninsular Malaysia.	For import - based on invoice issued upon delivery of goods. For export - based on invoice issued upon delivery of cargo to the seaport terminal.
Land transportation	Land transportation services involve the movement of cargo by road comprising inland transportation in Peninsular Malaysia, cross-border transportation and specialised transportation services.	Based on invoice issued upon delivery of goods.
Warehousing and container depot	<u>Warehousing services</u> Our warehousing services include the following: (i) warehouse storage service; (ii) rental of property comprising warehouse and open yard; (iii) warehouse operations and management services; and (iv) e-fulfilment services.	For storage/inventory management services – based on invoice issued on a periodic basis (such as weekly, monthly) during storage period. For other warehousing services – based on invoice issued upon completion of services performed.

11. FINANCIAL INFORMATION (Cont'd)

Business Segment	Description	Basis for revenue recognition⁽¹⁾
	<p>Container depot Due to regulations, container depot only handles empty containers. Our container depot segment provides numerous services to container owners, including:</p> <ul style="list-style-type: none"> (i) storage of empty containers; (ii) transshipment of empty containers; (iii) container cleaning; and (iv) container repair. 	
Freight forwarding	Our freight forwarding services include sea, air and land freight forwarding as well as project logistics services. We organise end-to-end shipment of cargo from one country to another, or to and from Peninsular and East Malaysia, on behalf of our customers, and serve as our customers' representative in dealing with all other parties involved with the shipment, including customs and port authorities, and third party logistics service providers.	Revenue is recognised based on invoice issued and the completion of the delivery of services and acceptance by customers.
Others	Other services which complement and support our Group's core logistics services consist of sales, service and spare parts dealership for commercial vehicles and general insurance agency services. Other services also include e-commerce retailing by our wholly owned subsidiary, namely Swift Commerce since July 2020.	Revenue is recognised at a point in time when control of goods has been transferred to the customers and acceptance by customer and the performance obligation for rendering the service is satisfied at a point in time.

Note:

- (1) Revenue from services such as container haulage, land transportation and warehousing and container depot are recognised based on the stage of completion of the transaction and performance obligations are satisfied over time. The customer is able to benefit from our Group's performance as it occurs and the other entity would not need to substantially reperform our Group's performance to date. Our Group has selected the output measure which can most appropriately depict the transfer of control to the service to the customer.

Revenue from the sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

Revenue from services such as freight forwarding is recognised at a point in time when services have been rendered to the customer and it coincides with the delivery of services and acceptance by customers.

Please refer to Section 6 of this Prospectus for further information on our business activities.

11. FINANCIAL INFORMATION (Cont'd)**11.3.2 Significant factors affecting our financial condition and results of operations**

Our financial condition and results of operations have been and will continue to be affected by various key factors primarily relating to the industry in which we operate. These factors include but are not limited to the following:

(i) Fluctuation in fuel prices

The container haulage and land transportation segments are our Group's largest revenue contributors for the Financial Years Under Review and FPE 2021. The cost of fuel price represents one of the key cost inputs to the operations of our container haulage and land transportation segments, comprising an average of 22.2% of total cost of sales over the Financial Years Under Review and FPE 2021. The fluctuation in fuel price is subject to, among others, global demand and supply, global economic activities, and geographical and political factors which are beyond our control.

We are able to mitigate the impact of fluctuation in fuel prices by passing on the fuel cost to our customers via a fuel adjustment clause in our service contracts with our customers ("**Fuel Adjustment Factor**"), which is pegged to the diesel pump price as announced by the Government of Malaysia on a weekly basis or by charging certain customers variable rates based on the current fuel prices. When the fuel prices fluctuate, the Fuel Adjustment Factor aligns the rates quoted in our service contracts with our customers to the current rates when the services are being rendered. Therefore, we will not be materially affected by the fluctuation in fuel prices.

However, a few of our service contracts are not subject to the Fuel Adjustment Factor. Hence, any increase in fuel prices resulting in the increase in fuel cost would be absorbed by our Group but on the contrary, any decrease in fuel price would also benefit our Group. Nonetheless, the revenue generated from these group of customers is less than 2.0% of our Group's total revenue for each of the Financial Years Under Review and FPE 2021.

Hence, fluctuations in fuel price will not have material impact on our operating results. Additionally, as at the LPD, the Government of Malaysia has also set the ceiling price for diesel to be at RM2.15 per litre since 13 February 2021.

Notwithstanding, there is no assurance that any significant increase in fuel prices will not have an adverse impact on our financial performance.

(ii) International trade volume, global and regional economic conditions

Our container haulage and freight forwarding segments contributed approximately 54.8%, 56.3%, 55.2%, and 57.1% of the total revenue of our Group for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively. The business activities of our container haulage and freight forwarding segments are directly affected by the import and export activities to and/or from Malaysia, which are driven by international and regional trade volume, as well as changes in global and regional economic conditions especially in Malaysia, which is our primary market.

Despite Malaysia contributing over 90% of the total revenue of our Group for the Financial Years Under Review and FPE 2021, any significant fluctuation in the international trade volume and economic developments in other countries may also impact the demand for our Group's logistics services. This will ultimately affect our business and financial results of our operations, in particular, our revenue.

11. FINANCIAL INFORMATION (Cont'd)**(iii) Disruptions due to the COVID-19 pandemic**

The COVID-19 pandemic has materially impacted business activities and operations in Malaysia, which is our primary market. As our businesses were deemed as “essential services” as prescribed by the MITI, none of our operations were halted as a result of the MCO implemented by the Government of Malaysia on 18 March 2020. However, our financial performance was still affected by, among others, measures taken by the Government of Malaysia to control COVID-19, and lockdowns and tighter border controls.

We have remained resilient throughout this challenging period with business continuing with reduced activities. Nevertheless, disruptions caused by COVID-19 ultimately affected our revenue for the FYE 2020. Although we anticipate a recovery in our business as a result of loosening of restrictions, our financial condition, result of operations and prospects of our business will still depend on several factors which may be beyond our control, such as any future developments or restrictions which may be imposed due to the pandemic.

(iv) Competition from other operators

The third-party logistics services industry in Malaysia, where we operate, is a competitive industry with a large number of logistics services providers. As of 1 November 2021, there are 1,500 operators registered with the Federation of Malaysian Freight Forwarders (“FMFF”) and 131 operators registered with the Association of Malaysian Hauliers (“AMH”). It should also be noted that there are operators who are not members of either FMFF and/or AMH (*Source: IMR Report*). We compete against other operators on the basis of, among others, rates, range of services offered, availability of commercial vehicles, warehouses and other facilities, and areas of coverage.

As an integrated logistics services provider, we have our strengths and advantages which include comprehensive coverage of the main seaports in Peninsular Malaysia for our container haulage operations supported by our own fleet of commercial vehicles, services and facilities, our established track record and large customer base and our experienced Directors and key senior management team. Despite our strengths and advantages, there is no assurance that we may be able to continue to compete effectively in the market and in the event that we are unable to do so, this may adversely affect our financial performance.

(v) Government, economic, fiscal or monetary policies

Risks relating to government, economic, fiscal or monetary policies which may materially affect our operations are set out in Section 8 of this Prospectus.

As most of our borrowings are quoted at floating interest rates, the recent cut in Malaysia’s Overnight Policy Rate (“OPR”) as a result of COVID-19 has affected our interest expenses. The OPR for the past 3 years recorded an increase by 0.25% in FYE 2018, a reduction by 0.25% in FYE 2019 and a further reduction by 1.25% in FYE 2020. The OPR has remained constant in FPE 2021. Save for the OPR movements, there were no major changes in government, economic, fiscal or monetary policies that had severely impacted our business activities for the Financial Years Under Review and FPE 2021.

11. FINANCIAL INFORMATION (Cont'd)

11.3.3 Results of operations

(i) Revenue

On a combined basis, our Group's revenue for FYE 2018, FYE 2019, FYE 2020, FPE 2020 and FPE 2021 are analysed as follows:

Revenue by business activities

The table below sets out the breakdown and analysis of our Group's revenue by business activities for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Revenue						
Container haulage	213,571	43.0	278,753	45.7	252,664	45.5
Land transportation	160,431	32.2	193,166	31.6	176,021	31.7
Warehousing and container depot	62,210	12.5	68,926	11.3	71,510	12.8
Freight forwarding	58,444	11.8	64,656	10.6	54,195	9.7
Others	2,323	0.5	4,700	0.8	1,448	0.3
Total revenue	496,979	100.0	610,201	100.0	555,838	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Revenue				
Container haulage	96,630	43.1	118,555	47.7
Land transportation	75,942	33.9	74,828	30.1
Warehousing and container depot	29,210	13.0	31,188	12.6
Freight forwarding	21,394	9.5	23,484	9.4
Others	983	0.5	478	0.2
Total	224,159	100.0	248,533	100.0

	Increase/(Decrease) from FYE 2018 to FYE 2019		Increase/(Decrease) from FYE 2019 to FYE 2020		Increase/(Decrease) from FPE 2020 to FPE 2021	
	RM'000	%	RM'000	%	RM'000	%
Revenue						
Container haulage	65,182	30.5	(26,089)	(9.4)	21,925	22.7
Land transportation	32,735	20.4	(17,145)	(8.9)	(1,114)	(1.5)
Warehousing and container depot	6,716	10.8	2,584	3.7	1,978	6.8
Freight forwarding	6,212	10.6	(10,461)	(16.2)	2,090	9.8
Others	2,377	102.3	(3,252)	(69.2)	(505)	(51.4)
Total	113,222	22.8	(54,363)	(8.9)	24,374	10.9

11. FINANCIAL INFORMATION (Cont'd)

Our Group's revenue increased by RM113.2 million or 22.8% to RM610.2 million in FYE 2019, from RM497.0 million in FYE 2018. The increase was mainly due to the full year consolidation of revenue generated by Tanjong Express and Tanjong Express Logistic (collectively hereinafter referred to as "**Tanjong Express Group**") and Komunajaya in FYE 2019 as compared to 6 months revenue consolidated in FYE 2018 in view that the acquisitions of Tanjong Express Group and Komunajaya were completed in July 2018.

Our Group's revenue decreased by RM54.4 million or 8.9% to RM555.8 million in FYE 2020, from RM610.2 million in FYE 2019 mainly due to the outbreak of COVID-19 pandemic which resulted in the introduction of MCO by the Government of Malaysia from 18 March 2020 to 3 May 2020.

Our Group's revenue increased by RM24.4 million or 10.9% to RM248.5 million in FPE 2021, from RM224.1 million in FPE 2020. The increase was contributed mainly from container haulage segment due to higher TEU delivered in FPE 2021 of 274,716 TEU as compared to FPE 2020 of 222,665 TEU. In addition, the introduction of MCO 2.0 had lesser impact on the TEU as more economic sectors and trade activities were allowed to operate as compared to the MCO 1.0. Further information on MCO 1.0 and MCO 2.0 is set out in Section 6.23.1 of this Prospectus.

The table below sets forth the breakdown and changes in our Group's revenue by volume, where relevant, for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Unit	FYE 2018	FYE 2019	FYE 2020
Container haulage	TEU	454,085	618,476	588,627
Land transportation	Trips	124,038	174,856	164,460
Warehousing and container depot	Sq. ft ⁽¹⁾	1,110,571	1,058,004	952,871
	Utilisation (%)	87.2	91.7	95.9
Freight forwarding	Job	90,128	92,404	86,942
Others	Sale of prime movers	3	9	3

	Unit	FPE 2020	FPE 2021
Container haulage	TEU	222,665	274,716
Land transportation	Trips	58,554	55,809
Warehousing and container depot	Sq. ft ⁽¹⁾	952,871	952,871
	Utilisation (%)	94.7	95.3
Freight forwarding	Job	33,831	40,540
Others	Sale of prime movers	3	-

11. FINANCIAL INFORMATION (Cont'd)

	Unit	Increase/ (Decrease) from FYE 2018 to FYE 2019		Increase/ (Decrease) from FYE 2019 to FYE 2020		Increase/ (Decrease) from FPE 2020 to FPE 2021	
		Unit	%	Unit	%	Unit	%
Container haulage	TEU	164,391 ⁽²⁾	36.2	(29,849)	(4.8)	52,051	23.4
Land transportation	Trips	50,818 ⁽³⁾	41.0	(10,396)	(5.9)	(2,745)	(4.7)
Warehousing and container depot	Sq. ft	(52,567)	(4.7)	(105,133)	(9.9)	-	-
	Utilisation (%)	4.5	5.2	4.2	4.6	0.6	0.6
Freight forwarding	Job	2,276	2.5	(5,462)	(5.9)	6,709	19.8
Others	Sale of prime movers	6	200.0	(6)	(66.7)	(3)	100.0

Notes:

- (1) Consists of the capacity of owned and leased warehouses under our Group. The capacity of third-party warehouses managed by our Group is excluded as our Group only derived revenue from management and handling fees.
- (2) The TEU contributed by Tanjong Express Group and Komunajaya for FYE 2018 and FYE 2019 were 113,824 TEU and 211,284 TEU respectively. Lower TEU contribution in FYE 2018 was due to the acquisitions of Tanjong Express Group and Komunajaya were completed in July 2018 by our Group.
- (3) The number of trips contributed by Tanjong Express for FYE 2018 was 43,650 trips whereas for FYE 2019 was 97,515 trips due to acquisitions of Tanjong Express Group by our Group were completed in July 2018.

The commentaries on our Group's revenue for each of the business segments are as follows:

(a) Container haulage

Container haulage revenue includes charges for arranging transportation of inbound and outbound containers to and from seaports within Peninsular Malaysia. Our container haulage operations cover the main seaports in Peninsular Malaysia including Northport and Westport in Port Klang, Selangor and Tanjung Bruas Port, Melaka for the Central region, Johor Port and the Port of Tanjung Pelepas, Johor for the Southern region, Penang Port, Penang for Northern region and Kuantan Port, Pahang for the Eastern region. Container haulage segment is the main contributor to our Group's revenue which contributed 43.0%, 45.7%, 45.5% and 47.7% to our Group's revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

11. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, revenue contributed by container haulage has increased by RM65.1 million or 30.5% to RM278.7 million, from RM213.6 million in FYE 2018 mainly due to:

- (i) higher revenue by RM38.1 million contributed by Tanjong Express Group and Komunajaya in FYE 2019 to RM89.7 million (FYE 2018: RM51.6 million). The increase in revenue contributed by Tanjong Express Group and Komunajaya in FYE 2019 was mainly due to the full year consolidation of revenue generated by Tanjong Express Group and Komunajaya in FYE 2019 as compared to 6 months revenue consolidated in FYE 2018 in view that the acquisitions of Tanjong Express Group and Komunajaya were completed in July 2018; and
- (ii) revenue contributed from the container haulage segment of our Group excluding Tanjong Express Group and Komunajaya was higher for FYE 2019 with an increase in revenue contribution by RM27.0 million or 16.7% to RM189.0 million, from RM162.0 million in FYE 2018. This was supported by higher TEU recorded by our Group (excluding Tanjong Express Group and Komunajaya) with an increase of 66,931 TEU in FYE 2019 as well as the purchase of 142 additional units of prime movers in FYE 2019 by our Group. The increase was mainly contributed by existing and new customers in petrochemical, manufacturing, and food and beverages. The percentage increase in revenue in FYE 2019 contributed by the customers from petrochemical, manufacturing and food and beverages industries was 51.9%, 33.4% and 10.7%, respectively. Revenue per TEU for FYE 2019 for our Group excluding Tanjong Express Group and Komunajaya decreased to RM464.2 per TEU compared to RM476.1 per TEU for FYE 2018 which was mainly attributed to a higher number of mid to long distance container haulage customers as compared to long distance container haulage customers.

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, our revenue contributed by container haulage decreased by RM26.0 million or 9.4% to RM252.7 million, from RM278.7 million in FYE 2019 mainly due to:

- (i) lower average revenue generated per TEU in FYE 2020 of RM429.2 per TEU (FYE 2019: RM450.7 per TEU) mainly due to lower rate of diesel price charged to our customers pursuant to the Fuel Adjustment Factor as a result of lower average diesel price in FYE 2020 of RM1.80 per litre (FYE 2019: RM2.17 per litre); and
- (ii) 4.8% or 29,849 decrease in TEU for our container haulage segment to 588,627 TEU in FYE 2020 from 618,476 TEU in FYE 2019. The decrease in sales volume was mainly due to the outbreak of COVID-19 pandemic which resulted in the introduction of MCO by the Government of Malaysia from 18 March 2020 to 3 May 2020. Notwithstanding that our container haulage operation was categorised as an essential service, the decrease in sales volume was mainly due to the decrease in TEU by customers which were categorised as non-essential services by the Government of Malaysia. For comparison purpose, total revenue from our container haulage segment for the first half of 2020 was approximately RM111.8 million, as compared to approximately RM131.1 million for the corresponding period in FYE 2019.

11. FINANCIAL INFORMATION (Cont'd)

In addition, lockdowns and tighter border controls imposed by other countries have led to a disruption to global production and consumption, resulting in the decrease in demand for shipping and freight activities.

Comparison between FPE 2020 and FPE 2021

For the FPE 2021, revenue contributed by container haulage increased by RM21.9 million or 22.7% to RM118.5 million, from RM96.6 million in FPE 2020 mainly due to the following:

- i) increase by 52,051 TEU to 274,716 TEU in FPE 2021 from 222,665 TEU in FPE 2020 as introduction of MCO 2.0 had lesser impact on the TEU as more economic sectors and trade activities were allowed to operate as compared to MCO 1.0; and
- ii) higher charges for the Fuel Adjustment Factor as a result of increase in average diesel price in FPE 2021 to RM2.12 per litre (FPE 2020: RM1.83 per litre).

However, the average revenue generated per TEU in FPE 2021 decreased to RM431.5 per TEU from RM434.0 per TEU in FPE 2020, mainly due to the shorter distance services requested by a customer of Sentiasa Hebat which resulted in lower rates per TEU.

(b) Land transportation

Our land transportation segment comprises two main services, namely inland distribution and cross border transportation, of which the breakdown is as follows:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Land Transportation						
Inland distribution	117,205	73.1	148,110	76.7	129,853	73.8
Cross border transportation	43,226	26.9	45,056	23.3	46,168	26.2
Total revenue	160,431	100.0	193,166	100.0	176,021	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Land transportation				
Inland distribution	57,931	76.3	52,674	70.4
Cross border transportation	18,011	23.7	22,154	29.6
Total revenue	75,942	100.0	74,828	100.0

11. FINANCIAL INFORMATION (Cont'd)

Our inland distribution operations include land transportation of ambient temperature goods to or from designated points mainly in Peninsular Malaysia.

Cross border transportation covers land transportation of ambient temperature goods to or from Malaysia to or from other neighbouring countries such as Singapore, Thailand, Cambodia, Laos, Myanmar, Vietnam, Laos and the southern border of China.

With our land transportation services, we are responsible for the physical shipment of cargo, whereas for our land freight forwarding services, our function is to organise the shipment of cargo. Please refer to Section 6.5.2.1 of this Prospectus for additional information on the differences between our land transportation services and land freight forwarding services.

The land transportation segment is the second largest source of revenue for our Group which contributed 32.2%, 31.6%, 31.7% and 30.1% to our Group's revenue for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, revenue contributed by land transportation increased by RM32.8 million or 20.4% to RM193.2 million, from RM160.4 million in FYE 2018 mainly due to higher revenue contributed by Tanjong Express in FYE 2019 of RM83.1 million (FYE 2018: RM37.4 million). The increase in revenue contributed by Tanjong Express in FYE 2019 was mainly due to the full year consolidation of revenue generated by Tanjong Express in FYE 2019 as compared to 6 months revenue consolidated in FYE 2018 considering that the acquisition of Tanjong Express was completed in July 2018. However, this was offset by the expiry of contract in December 2018 with a customer which contributed RM15.4 million of revenue in FYE 2018. Also, the lower revenue per trip in the land transportation segment which decreased from RM1,293.4 to RM1,104.7 in FYE 2019. The decrease in revenue per trip was mainly attributed to lower rate per trip for Tanjong Express as compared to our Group (excluding Tanjong Express) due to the different industries that were catered by our Group and Tanjong Express which resulted in a different range of rate per trip charged to customers. Our Group's customers (excluding Tanjong Express) for land transportation were mainly from the petrochemical industry whereby the rate per trip was higher due to the nature of the goods being transported as compared to Tanjong Express' customers which were mainly from the food and beverage and manufacturing industry.

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, revenue contributed by land transportation decreased by RM17.2 million or 8.9% to RM176.0 million, from RM193.2 million in FYE 2019 mainly attributable to a 5.9% or 10,396 decrease in trips to 164,460 trips (FYE 2019: 174,856 trips) due to the outbreak of COVID-19 pandemic which caused the Government of Malaysia to impose MCO from 18 March to 3 May 2020. This had greatly affected total number of trips during the period. While land transportation was part of essential services, many of our customers who were not categorised as essential services, such as customers from the manufacturing industry, had to stop receiving their cargos. This was coupled with governments of many countries imposing lockdowns and tighter border controls, which resulted in customers reducing demand for land transportation.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FPE 2020 and FPE 2021**

For the FPE 2021, revenue contributed by land transportation slightly decreased by RM1.1 million or 1.5% to RM74.8 million, from RM75.9 million in FPE 2020 which was mainly attributable to lesser trips by 2,745 trips to 55,809 trips in FPE 2021, from 58,554 trips in FPE 2020. This was mainly due to lesser trips of 5,325 trips being made from an inland distribution customer whose contract had expired in March 2020. However, this was offset by higher trips from cross border transportation business of 7,965 trips in FPE 2021 as compared to 6,251 trips in FPE 2020 and other customers in inland distributions business segment of 47,844 trips in FPE 2021 as compared to 46,978 trips in FPE 2020. In addition, revenue per trip for land transportation in FPE 2021 of RM1,340.8 was higher than FPE 2020 of RM1,297.0 mainly due to higher charges for the Fuel Adjustment Factor as a result of higher average diesel price in FPE 2021 of RM2.12 per litre (FPE 2020: RM1.83 per litre).

(c) Warehousing and container depot

Our warehousing and container depot segment comprises two main services, namely warehousing services and container depot services, the breakdown of which is as follows:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Warehousing and container depot						
Warehousing	42,166	67.8	48,930	71.0	47,800	66.8
Container depot service	20,044	32.2	19,996	29.0	23,710	33.2
Total revenue	62,210	100.0	68,926	100.0	71,510	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Warehousing and container depot				
Warehousing	21,239	72.7	18,143	58.2
Container depot service	7,971	27.3	13,045	41.8
Total revenue	29,210	100.0	31,188	100.0

Our warehouses are located in the Central, Northern, Southern and Eastern regions in Peninsular Malaysia as well as Sabah. Our warehousing revenue includes charges based on the following business models:

- (i) Provision of storage of goods;
- (ii) Rental of property comprising warehouse and open yard; and
- (iii) Management of third party warehouses.

11. FINANCIAL INFORMATION (Cont'd)

Our services for managing third party warehouses include warehouse operations and management services involving normal day-to-day warehousing functions including receiving goods, inventory management, store keeping, retrieving goods for delivery and general upkeep of the warehouse. We are also responsible for providing all the manpower required by the customers.

Our container depots are located near the Northport and Westport area at Port Klang, Selangor. Our customers for container depot services are shipping lines and container leasing companies, who store their unladen containers at our depots before the containers are sent to their respective customers for loading. Revenue from container depot services is mainly derived from charges for the handling, storage, repairs and cleaning of containers.

Revenue generated from warehousing and container depot segment contributed about 12.5% (FYE 2018), 11.3% (FYE 2019), 12.8% (FYE 2020) and 12.6% (FYE 2021) to our Group's total revenue during the Financial Years Under Review and FYE 2021.

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, revenue contributed by warehousing services increased by RM6.7 million or 16.0% to RM48.9 million, from RM42.2 million in FYE 2018 mainly due to a new contract secured in November 2018 to manage a third party warehouse for the petrochemical industry for a contract period of 3 years with an option to extend the contract period for another 2 years.

For the FYE 2019, revenue contributed by container depot services remained relatively constant as compared to FYE 2018 in which RM20.0 million was recorded in both years.

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, revenue contributed by warehousing services decreased slightly by RM1.1 million or 2.3% to RM47.8 million, from RM48.9 million in FYE 2019 mainly due to lower revenue from lower rates applied in the renewed contract for the management of a third party warehouse in the Eastern region. However, this was offset by higher revenue from new contract secured in November 2018 with a customer involved in the petrochemical industry in the Southern region.

For the FYE 2020, revenue contributed by container depot services increased by RM3.7 million or 18.6% to RM23.7 million, from RM20.0 million in FYE 2019 mainly due to the acquisition of Northern Gateway Depot at the end of August 2020 which contributed RM3.5 million or 14.8% of the total container depot services revenue. On top of the acquisition of Northern Gateway Depot, the increase in container depot services was attributed to a higher revenue contribution from our existing customers in FYE 2020.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FPE 2020 and FPE 2021**

For the FPE 2021, the revenue contributed by warehousing services decreased by RM 3.0 million or 14.6% to RM18.2 million, from RM21.2 million in FPE 2020. This was mainly due to the lower services requested for warehouse operation and management services provided to the third party warehouse.

For the FPE 2021, revenue contributed by container depot services increased by RM5.0 million or 63.7% to RM13.0 million, from RM8.0 million in FPE 2020 mainly due to the:

- (i) acquisition of Northern Gateway Depot (completed at the end of August 2020) which contributed RM3.5 million to our Group's revenue; and
- (ii) higher revenue recorded by our other existing depots in FPE 2021 by RM1.5 million as compared to FPE 2020 due to higher movement of containers in our other depots.

(d) Freight forwarding

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Freight forwarding						
Sea, air and land freight forwarding	47,668	81.6	49,074	75.9	46,188	85.2
Project logistics	10,776	18.4	15,582	24.1	8,007	14.8
Total revenue	58,444	100.0	64,656	100.0	54,195	100.0
	Unaudited		Audited			
	FPE 2020		FPE 2021			
	RM'000	%	RM'000	%		
Freight forwarding						
Sea, air and land freight forwarding	18,030	84.3	20,447	87.1		
Project logistics	3,364	15.7	3,037	12.9		
Total revenue	21,394	100.0	23,484	100.0		

Our freight forwarding revenue includes sea, air and land freight forwarding, and project logistics. In addition, we also provide in-plant logistics and ship husbandry services.

Sea freight forwarding revenue includes sea freight charges, handling fee of inbound and outbound less than container load (LCL), full container load (FCL), over-sized project cargo and out-of-gauge containerised cargo.

Air freight forwarding revenue comprises air freight charges and handling fee for inbound and outbound air freight shipment arrangements for our customers and overseas freight forwarders.

Land freight forwarding revenue comprises handling fee of inbound and outbound containerised and non-containerised cargo for our cross border transportation.

11. FINANCIAL INFORMATION (Cont'd)

With our land freight forwarding services, our function is to organise the shipment of cargo whereas for our land transportation services, we are responsible for the physical shipment of cargo. Please refer to Section 6.5.2.1 of this Prospectus for additional information on the differences between our land freight forwarding services and land transportation services.

Project logistics involves organising the transportation of cargo that requires specialised vehicles and handling, commonly for heavy and/or large-sized objects, by sea, air and/or land transportation. Please refer to Section 6.5.4.5 of this Prospectus for further information on project logistics.

Our freight forwarding segment contributed 11.8%, 10.6%, 9.7% and 9.4% to our Group's revenue for FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, revenue contributed by freight forwarding increased by RM6.2 million or 10.6% to RM64.7 million, from RM58.5 million in FYE 2018 mainly due to:

- (i) increase by 2.5% or 2,276 number of jobs handled to 92,404 jobs in FYE 2019 (FYE 2018: 90,128). This was due to the increase in number of jobs handled for existing customers under our sea, air and land freight forwarding services; and
- (ii) 7.9% increase in average revenue per job from RM648.5 for the FYE 2018 to RM699.7 per job for the FYE 2019 mainly due to services provided involved over-sized project cargo handling and sea freight activities for project logistics customers.

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, revenue contributed by freight forwarding services decreased by RM10.5 million or 16.2% to RM54.2 million, from RM64.7 million in FYE 2019 mainly due to:

- (i) a 5.9% or 5,462 decrease in jobs handled in FYE 2020 compared to FYE 2019 due to:
 - (a) the outbreak of COVID-19 pandemic and the introduction of MCO by the Government of Malaysia from 18 March to 3 May 2020;
 - (b) the lockdowns and tighter border control imposed by overseas governments which have adversely affected the demand for our freight forwarding services; and
- (ii) a 10.9% decrease in average revenue per job from RM699.7 per job in the FYE 2019 to RM623.3 per job in the FYE 2020 mainly due to lesser add on services provided namely, advisory on application licenses i.e. Domestic Offshore Shipping Licence (DSL) and application of Certificate of Approval/ Permit on behalf of foreign customers, in view of cost cutting measures undertaken by the majority of our customers due to the COVID-19 pandemic.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FPE 2020 and FPE 2021**

For the FPE 2021, our revenue from freight forwarding services increased by RM2.1 million or 9.8% to RM23.5 million, from RM21.4 million in FPE 2020 mainly due to increase in jobs handled by 6,709 jobs or 19.8% to 40,540 jobs in FPE 2021 from 33,831 jobs in FPE 2020. This was due to the increase in number of jobs handled for existing customers under our sea, air and land freight forwarding services. Although MCO 2.0 was introduced, it had lesser impact on our freight forwarding services as more economic sectors and trade activities were allowed to operate as compared to MCO 1.0.

(e) Others

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Sales, services, and spare parts	1,990	85.7	4,384	93.3	1,087	75.0
General insurance agency services	333	14.3	316	6.7	252	17.4
E-commerce retailing	-	-	-	-	109	7.6
	2,323	100.0	4,700	100.0	1,448	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Sales, services, and spare parts	858	87.3	56	11.7
General insurance agency services	125	12.7	113	23.6
E-commerce retailing	-	-	309	64.7
	983	100.0	478	100.0

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

This segment comprises other revenue generated from the sales of commercial vehicles, spare parts and services from our dealership business, commission as an insurance agent and e-commerce retailing. Total revenue from this segment contributed less than 1% for the Financial Years Under Review.

For the FYE 2019, revenue generated from this segment increased by RM2.4 million or 102.3% to RM4.7 million, from RM2.3 million in FYE 2018 which was mainly contributed by higher number of commercial vehicles sold to third parties from 3 units in FYE 2018 to 9 units in FYE 2019.

For the FYE 2020, revenue generated from this segment decreased by RM3.2 million or 69.0% to RM1.5 million, from RM4.7 million in FYE 2019 which was due to the reduced sales of commercial vehicles from 9 units in FYE 2019 to 3 units in FYE 2020.

For the FPE 2021, revenue generated from this segment decreased by RM0.5 million or 51.4% to RM0.5 million, from RM1.0 million in FPE 2020 mainly due to no sales of commercial vehicles were made in FPE 2021.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)**Revenue by geographical regions/country**

The table below sets out the breakdown and analysis of our Group's revenue generated by geographical regions, namely Malaysia and overseas (which is determined based on the location of our customers), for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	479,566	96.5	587,138	96.2	537,952	96.8
Overseas	17,413	3.5	23,063	3.8	17,886	3.2
Total	496,979	100.0	610,201	100.0	555,838	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Malaysia	215,206	96.0	233,042	93.8
Overseas	8,953	4.0	15,491	6.2
Total	224,159	100.0	248,533	100.0

	Increase/(Decrease) from FYE 2018 to FYE 2019		Increase/(Decrease) from FYE 2019 to FYE 2020		Increase/(Decrease) from FPE 2020 to FPE 2021	
	RM'000	%	RM'000	%	RM'000	%
Malaysia	107,572	22.4	(49,186)	(8.4)	17,836	8.3
Overseas	5,650	32.4	(5,177)	(22.4)	6,538	73.0
Total	113,222	22.8	(54,363)	(8.9)	24,374	10.9

(a) Malaysia**Comparison between FYE 2018 and FYE 2019**

For the FYE 2019, our Group's revenue generated from Malaysian customers increased by RM107.5 million or 22.4% to RM587.1 million, from RM479.6 million in FYE 2018, which was mainly contributed by the acquisitions of Tanjong Express Group and Komunajaya in July 2018, whereby their primary market is in Malaysia and an increase in revenue from all other business segments of our Group.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2019 and FYE 2020**

For the FYE 2020, our Group's revenue generated from Malaysian customers decreased by RM49.1 million or 8.4% to RM538.0 million, from RM587.1 million in FYE 2019 which was mainly due to the outbreak of COVID-19 pandemic and the introduction of MCO by the Government of Malaysia to curb the COVID-19 spread.

The implementation of MCO had resulted in lower economic activities in Malaysia, which has adversely affected demand for our logistics services in FYE 2020. The COVID-19 pandemic together with the MCO have significantly impacted many businesses including our customers who were not deemed as essential services. In view of the said factors, our Group encountered lower business activities in most of our business segments, namely container haulage, land transportation and freight forwarding for FYE 2020 compared to FYE 2019.

Comparison between FPE 2020 and FPE 2021

For the FPE 2021, our Group's revenue generated from Malaysian customers increased by RM17.8 million or 8.3% to RM233.0 million, from RM215.2 million in FPE 2020. This was mainly contributed by higher TEU delivered of 274,716 and more jobs handled of 40,540 in Malaysia as the introduction of MCO 2.0 had lesser impact on the TEU delivered and jobs handled in Malaysia as more economic sectors and trade activities were allowed to operate during the FPE 2021 as compared to FPE 2020.

(b) Overseas

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Thailand	9,803	56.3	14,994	65.0	10,936	61.2
Singapore	5,955	34.2	5,825	25.2	4,247	23.7
Ireland	1,434	8.2	1,720	7.5	1,937	10.8
China	66	0.4	78	0.3	145	0.8
Others ⁽¹⁾	155	0.9	446	2.0	621	3.5
Total	17,413	100.0	23,063	100.0	17,886	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Thailand	5,774	64.5	7,005	45.2
Singapore	1,982	22.1	5,287	34.1
Ireland	742	8.3	959	6.2
China	19	0.2	1,083	7.0
Others ⁽¹⁾	436	4.9	1,157	7.5
Total	8,953	100.0	15,491	100.0

11. FINANCIAL INFORMATION (Cont'd)

	Increase/(Decrease) from FYE 2018 to FYE 2019		Increase/(Decrease) from FYE 2019 to FYE 2020		Increase/(Decrease) from FPE 2020 to FPE 2021	
	RM'000	%	RM'000	%	RM'000	%
Thailand	5,191	53.0	(4,058)	(27.1)	1,231	21.3
Singapore	(130)	(2.2)	(1,578)	(27.1)	3,305	166.7
Ireland	286	19.9	217	12.6	217	29.3
China	12	18.2	67	85.9	1,064	5600.0
Others ⁽¹⁾	291	187.7	175	39.2	721	165.4
Total	5,650	32.4	(5,177)	(22.4)	6,538	73.0

Note:

- (1) For FYE 2018, consist of Australia, Cambodia, Hong Kong, India, Japan, Myanmar, Pakistan, South Korea, Taiwan, United Kingdom, United States and Vietnam.

For FYE 2019, consist of Australia, Brazil, Hong Kong, India, Japan, Myanmar, Pakistan, Russia, South Africa, Sri Lanka, United Kingdom and Vietnam.

For FYE 2020 and FPE 2020, consist of Australia, Brazil, Cambodia, Hong Kong, India, Japan, Pakistan, Russia, South Africa, South Korea, Sri Lanka, Taiwan, United Kingdom and Vietnam.

For FPE 2021, consist of Australia, Brazil, Cambodia, Germany, Hong Kong, India, Indonesia, Ireland, Japan, Mauritius, Myanmar, Nepal, New Zealand, Pakistan, Saudi Arabia, Seychelles, Singapore, South Africa, Spain, Taiwan, The Netherlands, United Arab Emirates, United Kingdom, United States and Vietnam.

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, revenue contribution from overseas customers increased by 32.4% or RM5.7 million to RM23.1 million from RM17.4 million in FYE 2018. The increase in revenue generated from overseas customers was mainly due to the increase in revenue generated by Swift Crossland Logistics which is involved in the provision of land transportation and freight forwarding agency services as well as investment holding based in Thailand. Such increase in revenue by 53.0% or RM5.2 million was due to more trips secured from new customers in FYE 2019 as a result of our continuous marketing effort.

Comparison between FYE 2019 and FYE 2020

Revenue contribution from overseas customers generated for FYE 2020 decreased by RM5.3 million or 22.4% to RM17.8 million in FYE 2020, from RM23.1 million in FYE 2019 mainly due to reduction in demand from customers based in Thailand and Singapore, which were among the countries in Asia that were negatively affected by the COVID-19 pandemic. Various measures were implemented by the countries such as tighter border controls and lockdown which had impacted worldwide import and export volumes, hence reducing our business activities with overseas customers.

11. FINANCIAL INFORMATION (Cont'd)

Comparison between FPE 2020 and FPE 2021

Revenue contribution from overseas customers increased by RM6.5 million or 73.0% to RM15.5 million in FPE 2021, from RM9.0 million in FPE 2020. The increase was mainly contributed by the increase in revenue from Singapore by RM3.3 million predominantly due to an order from a customer in food and beverage industry that was secured and executed in January 2021 of RM2.2 million and also the increase in revenue for customers from Thailand and China by RM1.2 million and RM1.1 million respectively due to more trips were made in FPE 2021 of 4,755 trips as compared to 3,843 trips in FPE 2020 for our cross border transportation as more economic sectors and trade activities were allowed to operate.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)**(ii) Cost of Sales**

On a combined basis, our Group's cost of sales for the Financial Years Under Review, FPE 2020 and FPE 2021 are analysed as follows:

Cost of sales by business activities

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Cost of Sales						
Container haulage	153,759	48.1	200,425	50.1	188,725	51.0
Land transportation	131,748	41.2	154,605	38.6	136,179	36.8
Warehousing and container depot	30,976	9.7	39,558	9.9	43,453	11.7
Freight forwarding	1,858	0.6	1,889	0.5	677	0.2
Others	1,312	0.4	3,570	0.9	1,065	0.3
Total	319,653	100.0	400,047	100.0	370,099	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Cost of Sales				
Container haulage	72,936	48.1	90,718	53.8
Land transportation	58,435	38.6	57,598	34.2
Warehousing and container depot	18,765	12.4	19,326	11.4
Freight forwarding	478	0.3	655	0.4
Others	848	0.6	271	0.2
Total	151,462	100.0	168,568	100.0

	Increase/(Decrease) from FYE 2018 to FYE 2019		Increase/(Decrease) from FYE 2019 to FYE 2020		Increase/(Decrease) from FPE 2020 to FPE 2021	
	RM'000	%	RM'000	%	RM'000	%
Cost of Sales						
Container haulage	46,666	30.4	(11,700)	(5.8)	17,782	24.4
Land transportation	22,857	17.3	(18,426)	(11.9)	(837)	(1.4)
Warehousing and container depot	8,582	27.7	3,895	9.8	561	3.0
Freight forwarding	31	1.7	(1,212)	(64.2)	177	37.0
Others	2,258	172.1	(2,505)	(70.2)	(577)	(68.0)
Total	80,394	25.2	(29,948)	(7.5)	17,106	11.3

11. FINANCIAL INFORMATION (Cont'd)

Our Group's cost of sales is mainly affected by changes in diesel price, toll charges, personnel cost and cost of spare parts and tyres, which are correlated to the movement in our Group's revenue.

The main contributors to our cost of sales are our container haulage and land transportation segments as these segments contributed 89.3%, 88.7%, 87.8% and 88.0% to our Group's cost of sales for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively. In FYE 2019, our Group's cost of sales increased by RM80.4 million or 25.2% to RM400.0 million in FYE 2019, from RM319.6 million in FYE 2018 which was in tandem with higher revenue generated in FYE 2019 of RM610.2 million from the increase in business volume in all business segments.

Our Group's cost of sales decreased by RM29.9 million or 7.5% to RM370.1 million in FYE 2020, from RM400.0 million in FYE 2019, which corresponds to the lower revenue in FYE 2020.

Our Group's cost of sales increased by RM17.1 million or 11.3% to RM168.6 million in FPE 2021, from RM151.5 million in FPE 2020, which corresponds to the higher revenue in FPE 2021.

The commentaries on our Group's cost of sales analysed by business activities are as follows:

(a) Container haulage

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Direct labour cost	39,258	25.5	61,591	30.7	60,407	32.0
Diesel cost	34,631	22.5	50,316	25.1	39,289	20.8
Repair and maintenance	20,730	13.5	26,190	13.1	24,125	12.8
Rental and contract cost ⁽¹⁾	25,480	16.6	11,000	5.5	11,741	6.2
Depreciation	13,090	8.5	22,167	11.1	24,624	13.0
Depot gate charges and toll charges	12,431	8.1	18,814	9.4	19,229	10.2
Other operating cost ⁽²⁾	8,139	5.3	10,347	5.1	9,310	5.0
Total	153,759	100.0	200,425	100.0	188,725	100.0

11. FINANCIAL INFORMATION (Cont'd)

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Direct labour cost	24,171	33.1	28,324	31.2
Diesel cost	15,370	21.1	22,352	24.6
Repair and maintenance	9,130	12.5	13,093	14.4
Rental and contract cost ⁽¹⁾	3,412	4.7	2,597	2.9
Depreciation	9,643	13.2	9,962	11.0
Depot gate charges and toll charges	7,369	10.1	9,980	11.0
Other operating cost ⁽²⁾	3,841	5.3	4,410	4.9
Total	72,936	100.0	90,718	100.0

Notes:

- (1) Consists of engagement cost to outsourced third party services, such as subcontracted drivers and rental of equipment.
- (2) Consists of insurance, road tax, permit, license fee, inspection fees and others.

Our cost of sales for container haulage segment mainly comprises direct labour cost (i.e. drivers and workshop staff); diesel cost; repair and maintenance cost for vehicles including replacement of tyres, spare parts and lubricants, insurance expenses and road tax; rental and contract cost for subcontracted drivers; depreciation of vehicles; and depot gate and toll charges. The cost of sales incurred by container haulage accounted for 48.1%, 50.1%, 51.0% and 53.8% of our Group's total cost of sales for FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, cost of sales for our container haulage segment increased by RM46.6 million or 30.4% to RM200.4 million, from RM153.8 million in FYE 2018, due to the following:

- (i) 56.9% or RM22.3 million increase in direct labour cost attributable to the increase in drivers' salaries and incentives resulting from:
- higher driver incentives by RM12.2 million which was in tandem with the increase in revenue of the container haulage segment as there were higher number of containers delivered in FYE 2019 of 618,476 TEU compared to 454,085 TEU in FYE 2018;
 - higher drivers' salaries by RM10.1 million mainly due to the following:
 - acquisition of Tanjong Express Group and Komunajaya in July FYE 2018, as full 12-month drivers' salaries were consolidated in FYE 2019 compared to only 6-month consolidation in FYE 2018; and

11. FINANCIAL INFORMATION (Cont'd)

- the revision of Minimum Wages Order 2018 which resulted in an increase in minimum wage from RM1,000 in FYE 2018 to RM1,100 in FYE 2019 as our drivers are paid a basic salary according to the minimum wage plus commissions based on the number of trips performed;
- (ii) 45.3% or RM 15.7 million higher diesel cost incurred in FYE 2019 which was in tandem with the higher number of containers delivered, from 454,085 TEU containers in FYE 2018 to 618,476 TEU containers in FYE 2019;
- (iii) 26.3% or RM5.5 million increase in repair and maintenance cost attributable to the 304 additional prime movers arising from the acquisitions of Tanjong Express Group and Komunajaya. As the acquisitions of Tanjong Express Group and Komunajaya were completed in July 2018, our Group had only consolidated 6 months of such repair and maintenance cost amounting to RM3.8 million in the FYE 2018 as compared to the full 12 months consolidation of RM6.8 million in FYE 2019.

In addition, as most of the prime movers owned by Tanjong Express Group and Komunajaya were reconditioned units, the repair and maintenance cost in relation to the reconditioned prime movers is generally higher compared to brand-new prime movers owned by the rest of our Group;

Further, the increase in repair and maintenance cost was attributable to the higher utilisation of our prime movers which is in line with the increase in TEU in FYE 2019 by 66,931 TEU recorded by our Group (excluding Tanjong Express and Komunajaya) as compared to FYE 2018;

- (iv) depreciation which is mainly related to our Group's prime movers, trailers, reach stackers and other machineries which are directly related to our container haulage segment. The increase in depreciation was mainly due to the additional 304 units of prime movers in our assets from the acquisitions of Tanjong Express Group and Komunajaya in July 2018, as well as the purchase of 142 additional units of prime movers in FYE 2019; and
- (v) 51.3% or RM6.4 million increase in depot gate charges and toll charges for the FYE 2019, which was in tandem with the higher number of containers delivered from 454,085 TEU containers in 2018 to 618,476 TEU containers in FYE 2019.

The increase in costs mentioned above was offset by lower rental and contract cost which was mainly due to a reduction in sub-contracted drivers engaged by Tanjong Express Group and Komunajaya.

11. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, cost of sales for our container haulage segment decreased by RM11.7 million or 5.8% to RM188.7 million, from RM200.4 million in FYE 2019, mainly due to the following:

- (i) 21.9% or RM11.0 million decrease in diesel cost for the FYE 2020, mainly due to lower average diesel pump price from RM2.17 per litre in FYE 2019 to RM1.80 per litre in FYE 2020 as well as lower TEU volume due to the COVID-19 pandemic and MCO introduced by the Government of Malaysia;
- (ii) lower direct labour cost as less driver incentives were paid due to lower movement in FYE 2020 as less TEU was recorded during the year of 588,627 as compared to 618,476 in FYE 2019; and
- (iii) decrease in repair and maintenance cost by 7.9% or RM2.1 million which was in tandem with lower revenue in FYE 2020 attributable to lower TEU volume due to COVID-19 pandemic.

However, the decrease in cost of sales was partly offset by:

- (i) higher depreciation by 11.1% or RM2.5 million in FYE 2020 mainly due to the acquisitions of Sentiasa Hebat and Sentiasa Hebat (Penang) in August 2020 which added 146 additional prime movers to our Group;
- (ii) increase in rental and contract cost by 6.7% or RM0.7 million mainly due to the acquisitions of Sentiasa Hebat and Sentiasa Hebat (Penang) in August 2020 which resulted in 70 additional subcontract drivers; and
- (iii) slight increase in depot gate charges and toll charges by RM0.4 million or 2.2% which was mainly contributed by the increase in depot gate charges during the year and higher toll charges due to higher number of long distance haulage services performed.

Comparison between FPE 2020 and FPE 2021

For the FPE 2021, our cost of sales for our container haulage segment increased by RM17.8 million or 24.4% to RM90.7 million, from RM72.9 million in FPE 2020, mainly due to the following:

- (i) increase in direct labour cost by RM4.1 million or 17.2% to RM28.3 million in FPE 2021, from RM24.2 million in FPE 2020 which was in tandem with the increase in revenue as more drivers' incentive were paid due to higher number of containers delivered in FPE 2021 of 274,716 TEU as compared to 222,665 TEU in FPE 2020;
- (ii) increase in diesel cost by RM7.0 million or 45.4% to RM22.4 million in FPE 2021, from RM15.4 million in FPE 2020 which was mainly due to the increase in TEU delivered in FPE 2021 as mentioned above and the higher diesel price during the financial period averaging at RM2.12 per litre in FPE 2021 as compared to RM1.83 per litre in FPE 2020;

11. FINANCIAL INFORMATION (Cont'd)

- (iii) increase in repair and maintenance cost by RM4.0 million or 43.4% to RM13.1 million, from RM9.1 million in FPE 2020 due to increase in standard preventive maintenance services done by our Group in line with the increase in revenue during the financial period;
- (iv) increase in depreciation cost by RM0.3 million to RM9.9 million in FPE 2021, from RM9.6 million in FPE 2020 mainly due to the acquisition of Sentiasa Hebat in August 2020 and the purchase of 15 new prime movers and 20 trailers for our container haulage operations during the FPE 2021; and
- (v) increase in depot gate charges and toll charges by RM2.6 million or 35.4% to RM10.0 million in FPE 2021, from RM7.4 million in FPE 2020 in line with the increase in TEU delivered in FPE 2021 as mentioned above.

However, the above was offset with lower rental and contract cost by RM0.8 million to RM2.6 million in FPE 2021, from RM3.4 million in FPE 2020, mainly due to lesser rental of equipment required by our customer.

(b) Land transportation

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Direct labour cost	28,454	21.6	35,739	23.1	36,678	26.9
Diesel cost	33,584	25.5	44,835	29.0	36,484	26.8
Repair and maintenance	14,251	10.8	16,434	10.6	15,565	11.4
Rental and contract cost	34,073	25.9	29,315	19.0	18,762	13.8
Depreciation	10,621	8.1	12,084	7.8	12,752	9.4
Depot gate charges and toll charges	6,978	5.3	10,261	6.6	10,271	7.5
Other operating cost	3,787	2.8	5,937	3.9	5,667	4.2
Total	131,748	100.0	154,605	100.0	136,179	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Direct labour cost	15,813	27.0	14,327	24.9
Diesel cost	15,636	26.7	18,344	31.8
Repair and maintenance	5,949	10.2	6,644	11.5
Rental and contract cost	9,018	15.4	7,046	12.2
Depreciation	5,880	10.1	4,597	8.0
Depot gate charges and toll charges	4,124	7.1	4,183	7.3
Other operating cost	2,015	3.5	2,457	4.3
Total	58,435	100.0	57,598	100.0

11. FINANCIAL INFORMATION (Cont'd)

Our cost of sales for land transportation segment mainly comprises diesel cost, rental and contract cost of sub-contracted drivers, direct labour cost for drivers and workshop staff, repair and maintenance of vehicles such as replacement of tyres, spare parts and lubricants, insurance and road tax, depreciation of vehicles and depot gate charges and toll charges. The cost of sales incurred by our land transportation segment accounted for 41.2%, 38.6%, 36.8% and 34.2% of our Group's total cost of sales for FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively.

Comparison between FYE 2018 and FYE 2019

For the FYE 2019, cost of sales for our land transportation segment increased by RM22.9 million or 17.3% to RM154.6 million, from RM131.7 million in FYE 2018, due to the following:

- (i) higher diesel cost by 33.5% or RM11.3 million for FYE 2019 as compared to FYE 2018 which was in tandem with the increase in revenue generated from the land transportation segment;
- (ii) 25.6% or RM7.3 million increase in direct labour cost attributable to the increase in drivers' salaries and incentives resulting from:
 - the revision of Minimum Wages Order 2018 which resulted in an increase in the minimum wage from RM1,000 in FYE 2018 to RM1,100 in FYE 2019 as our drivers are paid a basic salary according to the minimum wage plus commissions based on the number of trips performed; and
 - higher drivers' salaries by RM5.8 million mainly due to the acquisition of Tanjong Express in July 2018, as full 12-month drivers' salaries were consolidated in FYE 2019 as compared to only 6-month consolidation in FYE 2018 and additional drivers employed for our land transportation services as our Group reduced the number of trips outsourced to third parties;
- (iii) higher repair and maintenance and depreciation costs by 15.3% or RM2.2 million and 13.8% or RM1.5 million respectively, mainly due to the additional 297 units of prime movers from the acquisition of Tanjong Express in July 2018. Thus, higher repair and maintenance costs and depreciation were recorded in FYE 2019 as full 12-month repair and maintenance and depreciation for Tanjong Express in FYE 2019 was consolidated as compared to only 6-month consolidation in FYE 2018; and
- (iv) higher toll charges in FYE 2019 which was in tandem with higher revenue generated in FYE 2019.

These were offset by lower cost of sales attributable to lower rental and contract cost in FYE 2019 as compared to FYE 2018 due to less third parties outsourcing of transport services, in line with our Group's long term plan to shift all of our transport services in-house.

11. FINANCIAL INFORMATION (Cont'd)

Comparison between FYE 2019 and FYE 2020

For the FYE 2020, cost of sales for our land transportation segment decreased by RM18.4 million or 11.9% to RM136.2 million, from RM154.6 million in FYE 2019, due to the following:

- (i) 18.6% or RM8.4 million decrease in diesel cost in FYE 2020 resulting from lower average diesel pump price of RM1.80 per litre in FYE 2020 as compared to RM2.17 per litre in FYE 2019. The decrease in diesel cost for the FYE 2020 was also in tandem with lower revenue generated by land transportation segment for the FYE 2020;
- (ii) 36.0% or RM10.6 million decrease in rental and contract cost due to less third party outsourcing of transport services, in line with our Group's long term plan to shift all of our transport services in-house; and
- (iii) marginally lower repair and maintenance cost as a result of lower business trips due to the outbreak of COVID-19 pandemic and introduction of the MCO by the Government of Malaysia.

However, the decrease in cost of sales was partly offset by:

- (i) higher direct labour cost by 2.6% or RM0.9 million in FYE 2020 mainly due to additional drivers employed from 513 drivers in FYE 2019 to 558 drivers at the end of FYE 2020 to support operational requirements for land transportation in line with our Group's long term plan to shift all of our transport services in-house. Accordingly, third party outsourcing of transport services were reduced; and
- (ii) increase in depreciation by 5.5% or RM0.7 million in FYE 2020 mainly due to the new purchase of additional 24 prime movers and 101 trailers.

Comparison between FPE 2020 and FPE 2021

For the FPE 2021, cost of sales for our land transportation segment decreased by RM0.8 million or 1.4% to RM57.6 million, from RM58.4 million in FPE 2020, which was in line with the decrease in revenue from the segment and mainly due to the following:

- (i) decrease in direct labour cost by RM1.5 million or 9.4% to RM14.3 million in FPE 2021, from RM15.8 million in FPE 2020 in line with the decrease in the number of trips in FPE 2021 to 55,809 trips from 58,554 trips in FPE 2020 as incentives were only paid to drivers based on the number of trips completed;
- (ii) decrease in depreciation cost by RM1.3 million or 21.8% to RM4.6 million in FPE 2021, from RM5.9 million in FPE 2020 mainly due to the disposal of 37 prime movers (the depreciation cost of which amounted to RM0.7 million in FPE 2020) and 19 CNG tankers for our specialised transportation business were fully depreciated in December 2020 (the depreciation cost of which amounted to RM0.3 million in FPE 2020);

11. FINANCIAL INFORMATION (Cont'd)

- (iii) decrease in rental and contract cost by RM2.0 million or 21.9% to RM7.0 million in FPE 2021, from RM9.0 million recorded in FPE 2020 which was in line with lower revenue as less trips were outsourced to third party in FPE 2021;

However, the decrease in cost of sales was partly offset by:

- (i) increase in diesel cost by RM2.7 million or 17.3 % to RM18.3 million in FPE 2021, from RM15.6 million in FPE 2020 mainly due to higher diesel price with an average price of RM2.12 per litre in FPE 2021 as compared to RM1.83 per litre in FPE 2020; and
- (ii) increase in repair and maintenance cost by RM0.7 million to RM6.6 million in FPE 2021, from RM5.9 million in FPE 2020 and increase in other operating costs by RM0.4 million mainly in relation to permit, road tax, vehicle inspection and other related costs. The increase was mainly due to the purchase of 22 prime movers, 47 trailers and 23 containers for our land transportation activities during the FPE 2021.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)**(c) Warehousing and container depot**

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Rental and contract cost ⁽¹⁾	13,731	44.3	16,497	41.7	22,944	52.8
Direct labour cost	9,847	31.8	11,000	27.8	8,376	19.3
Depreciation	533	1.7	4,817	12.2	6,653	15.3
Repair and maintenance	3,792	12.3	3,498	8.8	2,606	6.0
Consumables and others ⁽²⁾	3,073	9.9	3,746	9.5	2,874	6.6
Total	30,976	100.0	39,558	100.0	43,453	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Rental and contract cost ⁽¹⁾	9,798	52.2	9,769	50.6
Direct labour cost	4,742	25.3	4,510	23.3
Depreciation	2,166	11.5	3,135	16.2
Repair and maintenance	600	3.2	643	3.3
Consumables and others ⁽²⁾	1,459	7.8	1,269	6.6
Total	18,765	100.0	19,326	100.0

Notes:

- (1) Inclusive of transportation cost, direct labour cost for third party and rental of warehouse and equipment.
- (2) Consists of LPG gas, diesel and warehouse consumables items.

Our cost of sales for warehousing and container depot segment mainly comprises rental and contract cost, direct labour cost, as well as depreciation which amounted to 77.8%, 81.7%, 87.4% and 90.1% of our cost of sales for the warehousing and container depot segment for FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2018 to FYE 2019**

For the FYE 2019, cost of sales for our warehousing and container depot segment increased by RM8.5 million or 27.7% to RM39.5 million, from RM31.0 million in FYE 2018 which was in line with the increase in revenue from our warehousing and container depot segment.

In FYE 2019, the main components which contributed to the increase in cost of sales were rental and contract cost, as well as depreciation. The increase in rental and contract cost of RM2.8 million or 20.1% was mainly contributed by higher third party direct labour charges and rental of equipment attributable to a new contract secured by our Group in November 2018 for the management of a third party warehouse in the petrochemical industry. The increase in depreciation of RM4.3 million in FYE 2019 was mainly due to rental cost being replaced with depreciation of right-of-use assets upon the adoption of MFRS 16 in FYE 2019.

Comparison between FYE 2019 to FYE 2020

For the FYE 2020, cost of sales for our warehousing and container depot segment increased by RM3.9 million or 9.8% to RM43.4 million, from RM39.5 million in FYE 2019 which was mainly due to higher rental and contract cost as well as depreciation which amounted to 53.9% and 68.1% of the cost of sales for the warehousing and container depot segment for FYE 2019 and FYE 2020 respectively.

The increase of 39.1% or RM6.4 million in rental and contract cost was partly contributed by a higher direct labour cost due to an increase in the outsourcing of supply of manpower for the management of a third party warehouse owned by our customer in the petrochemical industry.

Additionally, the increase in rental and contract cost in FYE 2020 was also partly due to the increase in the outsourcing of repair and maintenance of container services in our container depot as we started to outsource more repair and maintenance works to third parties in order for our Group to focus on depot management. This had resulted in a lower direct labour cost for container depot.

Depreciation increase in FYE 2020 was partly contributed by the acquisition of Northern Gateway Depot by RM1.0 million at the end of August 2020 and depreciation on the additional forklift for the warehouse operations in Eastern and Southern region.

Comparison between FPE 2020 and FPE 2021

For the FPE 2021, cost of sales for our warehousing and container depot segment increased by RM0.5 million or 3.0% to RM19.3 million, from RM18.8 million in FPE 2020 mainly due to the increase in depreciation as the acquisition of Northern Gateway Depot was completed in August 2020. However, this was offset by lower direct labour cost and consumables and others of RM0.2 million and RM0.2 million respectively. The lower direct labour cost and consumables and others were in line with lower revenue contributed by warehousing services and less overtime cost during the FPE 2021.

11. FINANCIAL INFORMATION (Cont'd)

(d) Freight forwarding

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Warehousing and transportation	1,253	67.4	1,651	87.4	574	84.8
Personnel cost	605	32.6	238	12.6	103	15.2
Total	1,858	100.0	1,889	100.0	677	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Warehousing and transportation	437	91.4	600	91.6
Personnel cost	41	8.6	55	8.4
Total	478	100.0	655	100.0

Cost of sales for freight forwarding segment mainly comprises warehousing and transportation services by third parties and personnel cost which are directly allocated for specific customers. The increase and decrease in cost of sales in FYE 2019 and FYE 2020 respectively was in line with the increase and decrease in revenue from our freight forwarding segment during the Financial Years Under Review. The increase in cost of sales in FPE 2021 was in line with the increase in revenue during the financial period.

(e) Others

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Prime movers and related cost	1,312	100.0	3,570	100.0	959	90.0
E-commerce retailing	-	-	-	-	106	10.0
	1,312	100.0	3,570	100.0	1,065	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Prime movers and related cost	848	100.0	13	4.8
E-commerce retailing	-	-	258	95.2
	848	100.0	271	100.0

11. FINANCIAL INFORMATION (Cont'd)

Cost of sales for others is mainly represented by cost of prime movers sold to third parties and e-commerce retailing related cost. The movement in cost of sales was in proportion with the increase and decrease in revenue from the others segment for the Financial Years Under Review and FPE 2021.

Cost of sales by geographical region

The cost of sales analysis by geographical regions for the Financial Years Under Review and FPE 2021 is not presented as the information is not available or maintained.

(iii) Gross profit ("GP") and GP margin

GP for the FYE 2019 increased by RM32.8 million or 18.5% to RM210.1 million, from RM177.3 million in FYE 2018 which was in line with increase in revenue due to the full year consolidation of revenue generated by Tanjong Express Group and Komunajaya in FYE 2019 as compared to 6 months revenue consolidated in FYE 2018 in view that the acquisitions of Tanjong Express Group and Komunajaya were completed in July 2018.

Notwithstanding the increase in revenue in FYE 2019, our GP margin for the FYE 2019 decreased to 34.4% from 35.7% in FYE 2018. The lower GP margin was mainly attributable to the warehousing and container depot segment as its GP margin decreased to 42.6% from 50.2% in FYE 2018.

For the FYE 2020, GP decreased by RM24.4 million or 11.6% to RM185.7 million, from RM210.1 million in FYE 2019 which was in line with decrease in revenue mainly due to the introduction of MCO by the Government of Malaysia to curb the COVID-19 spread.

For the FPE 2021, GP increased by RM7.3 million or 10.0% to RM80.0 million, from RM72.7 million in FPE 2020 which is in tandem with the increase in revenue as the introduction of MCO 2.0 by the Government had lesser impact on our Group's revenue as more economic sectors and trade activities were allowed to operate as compared to MCO 1.0 introduced by the Government.

The GP margin decreased to 33.4% in FYE 2020 from 34.4% in FYE 2019 which was mainly attributable to the decrease in GP margin of container haulage and warehousing and container depot segments.

For the FPE 2021, our GP margin slightly decreased to 32.2% from 32.4% in FPE 2020 mainly due to higher diesel cost as a result of increase in average diesel price in FPE 2021. However, the impact was being offset slightly by higher GP margin from our warehousing and container depot segment in FPE 2021.

11. FINANCIAL INFORMATION (Cont'd)

On a combined basis, our Group's GP and GP margin for the FYE 2018, FYE 2019, FYE 2020, FPE 2020 and FPE 2021 are analysed as follows:

GP and GP margin by business activities

The table below sets out the breakdown and analysis of our Group's GP by business activities for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Container haulage	59,812	33.7	78,328	37.3	63,939	34.4
Land transportation	28,683	16.2	38,561	18.3	39,842	21.5
Warehousing and container depot	31,234	17.6	29,368	14.0	28,057	15.1
Freight forwarding	56,586	31.9	62,767	29.9	53,518	28.8
Others	1,011	0.6	1,130	0.5	383	0.2
GP	177,326	100.0	210,154	100.0	185,739	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Container haulage	23,694	32.6	27,837	34.8
Land transportation	17,507	24.1	17,230	21.5
Warehousing and container depot	10,445	14.4	11,862	14.8
Freight forwarding	20,916	28.8	22,829	28.5
Others	135	0.1	207	0.4
Total	72,697	100.0	79,965	100.0

	Increase/(Decrease) from FYE 2018 to FYE 2019		Increase/(Decrease) from FYE 2019 to FYE 2020		Increase/(Decrease) from FPE 2020 to FPE 2021	
	RM'000	%	RM'000	%	RM'000	%
Container haulage	18,516	31.0	(14,389)	(18.4)	4,143	17.5
Land transportation	9,878	34.4	1,281	3.3	(277)	(1.6)
Warehousing and container depot	(1,866)	(6.0)	(1,311)	(4.5)	1,417	13.6
Freight forwarding	6,181	10.9	(9,249)	(14.7)	1,913	9.1
Others	119	11.8	(747)	(66.1)	72	53.3
Total	32,828	18.5	(24,415)	(11.6)	7,268	10.0

11. FINANCIAL INFORMATION (Cont'd)

The table below sets out the breakdown and analysis of our Group's GP margin by business activities for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	%	%	%	%	%
Container haulage	28.0	28.1	25.3	24.5	23.5
Land transportation	17.9	20.0	22.6	23.1	23.0
Warehousing and container depot	50.2	42.6	39.2	35.8	38.0
Freight forwarding	96.8	97.1	98.8	97.8	97.2
Others	43.5	24.0	26.5	13.7	43.3
GP	35.7	34.4	33.4	32.4	32.2

The commentaries on our Group's GP and GP margin by business activities are analysed as follows:

(a) Container haulage

GP from our container haulage segment accounted for 33.7%, 37.3%, 34.4% and 34.8% of our Group's GP for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

For the FYE 2019, GP from our container haulage segment increased by RM18.5 or 31.0% to RM78.3 million, from RM59.8 million in FYE 2018 which was predominantly attributable to the business expansion plans undertaken by our Group. The expansion plan included increasing fleet numbers and the acquisitions of Tanjong Express Group and Komunajaya, which resulted in an increase in TEU volume handled from 454,085 TEU to 618,476 TEU. GP margins remained consistent between 28.0% to 28.1%.

For the first half of FYE 2020, GP was severely affected due to the various measures introduced by the Government of Malaysia to combat COVID-19 including the MCO. Our GP reduced by 35.6% or RM13.3 million from RM37.4 million in the first half of FYE 2019 to RM24.1 million in the first half of FYE 2020 due to the reduction of TEU by 35,860 TEU. The GP margin continued to decline from 28.1% in FYE 2019 to 25.3% in FYE 2020 as the decrease in revenue outweighed the decrease in cost of sales, especially during the first half of FYE 2020. The imposition of MCO in the first half of FYE 2020 resulted in a lower margin of 21.5% during that period compared to 28.5% in the corresponding period in FYE 2019. However, as restrictions gradually eased, our GP margin improved to 28.3% in the second half of FYE 2020.

For the FPE 2021, GP from our container haulage segment increased by RM4.1 million or 17.5% to RM27.8 million, from RM23.7 million in FPE 2020, which was in line with the increase in revenue in FPE 2021 as a result of higher TEU delivered in FPE 2021 of 274,716 TEU as compared to FPE 2020 of 222,665 TEU. GP margin slightly reduced to 23.5% in FPE 2021 from 24.5% in FPE 2020 mainly due to the higher diesel cost in FPE 2021 as a result of increase in average diesel price in FPE 2021, however the impact was being mitigated by the Fuel Adjustment Factor.

11. FINANCIAL INFORMATION (Cont'd)**(b) Land transportation**

GP from our land transportation segment accounted for 16.2%, 18.3%, and 21.5% and 21.5% of our Group's GP for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

GP from our land transportation segment increased by RM9.8 million or 34.4% to RM38.5 million in FYE 2019, from RM28.7 million in FYE 2018. The significant increase was due to the acquisition of Tanjong Express in July 2018, which had allowed us to take advantage of the economies of scale, consolidate our existing inland distribution operation by reducing third party outsourcing and futile trips, and optimisation of our internal resources. This led to an increase of GP margin from 17.9% to 20.0%.

For the FYE 2020, GP increased by RM1.3 million or 3.3% to RM39.8 million, from RM38.5 million in FYE 2019. GP margin increased slightly to 22.6% from 20.0% as the reduction in cost of sales outweighed the reduction in revenue.

For the FPE 2021, GP from our land transportation segment slightly decreased by RM0.3 million to RM17.2 million, from RM17.5 million in FPE 2020. The decrease was in line with the decrease in revenue in FPE 2021. The GP margin remained relatively constant as there was only a minimal reduction in GP margin by 0.1% from 23.1% in FPE 2020 to 23.0% in FPE 2021.

(c) Warehousing and container depot

GP from our warehousing and container depot segment accounted for 17.6%, 14.0%, 15.1% and 14.8% of our Group's GP for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

For the FYE 2019, GP from our warehousing and container depot segment decreased by RM1.8 million or 6.0% to RM29.4 million, from RM31.2 million in FYE 2018. The decrease was mainly due to lower GP was recorded by our container depot segment as lesser container repair services were provided in FYE 2019 as compared to FYE 2018. GP margin also decreased by 7.6% to 42.6% in FYE 2019, from 50.2% in FYE 2018 mainly due to increase in depreciation by RM4.3 million and increase in rental and contract cost by RM2.8 million, which in aggregate outweighs the increase in revenue in FYE 2019.

For the FYE 2020, GP from our warehousing and container depot segment decreased by RM1.3 million or 4.5% to RM28.1 million, from RM29.4 million in FYE 2019. GP margin decreased to 39.2% in FYE 2020 from 42.6% in FYE 2019. This was mainly contributed by the decrease in GP from warehousing services of RM1.6 million as a result of lesser revenue from lower rates were applied in the renewed contract for the management of a third party warehouse in the Eastern region. The decrease in warehousing services was cushioned by higher GP from container depot services by RM0.3 million which was mainly due to the acquisition of Northern Gateway Depot in August 2020, which contributed to the increase in revenue by RM 3.5 million for container depot services. However, the overall GP margin for warehousing and container depot segment for FYE 2020 remained lower than FYE 2019, as the GP margin for container depot services with an average of 20.0% was relatively lower than GP margin for warehousing services of 50.0%.

11. FINANCIAL INFORMATION (Cont'd)

For the FPE 2021, GP from our warehousing and container depot segment increased by RM1.4 million or 13.6% to RM11.8 million, from RM10.4 million in FPE 2020. GP margin also increased to 38.0% in FPE 2021 from 35.8% in FPE 2020.

The increase in GP was mainly contributed by container depot services largely due to the acquisition of Northern Gateway Depot which was completed in August 2020. The increase in GP margin by 2.2% in FPE 2021 was mainly contributed by the increase in GP margin from container depot services by 10.2% to 28.3% in FPE 2021, from 18.1% in FPE 2020 which was in line with the increase in revenue. As the cost for container depot services mainly comprised fixed cost, increase in revenue improved its GP margin.

(d) Freight forwarding

GP from our freight forwarding segment accounted for 31.9%, 29.9%, 28.8% and 28.5% of our Group's GP for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

For the FYE 2019, GP for our freight forwarding segment increased by RM6.2 million or 10.9% to RM62.8 million, from RM56.6 million in FYE 2018 due to RM6.2 million increase in revenue as more customers were secured and higher volume was handled for existing customers in FYE 2019.

For the FYE 2020, GP saw a drop of RM9.3 million or 14.7% to RM53.5 million, from RM62.8 million in FYE 2019. This was caused by the decrease in revenue of RM10.5 million due to COVID-19 and MCO imposed by the Government of Malaysia, lockdowns and tighter border controls imposed by overseas governments.

GP margin for our freight forwarding segment was on the increasing trend from 96.8% in FYE 2018 to 97.1% in FYE 2019 and continued to increase to 98.8% in FYE 2020. The slight increase was mainly due to lower personnel cost by RM0.4 million to RM0.2 million in FYE 2019 from RM0.6 million in FYE 2018 as fewer personnel were required to be stationed at our customers' office.

For FYE 2020, higher GP margin was mainly contributed by lower warehousing and transportation cost by RM1.0 million to RM0.6 million in FYE 2020, from RM1.6 million in FYE 2019 as there was lower usage of warehouse for freight forwarding services.

For the FPE 2021, GP from our freight forwarding segment increased by RM1.9 million or 9.1% to RM22.8 million, from RM20.9 million in FPE 2020 which was in line with the increase in revenue during the financial period.

GP margin for our freight forwarding segment decreased by 0.6% to 97.2% in FPE 2021, from 97.8% in FPE 2020. The decrease was mainly due to the higher warehousing and transportation cost because of higher usage of third party warehouse for our LCL services.

11. FINANCIAL INFORMATION (Cont'd)

(e) Others

GP from others is mainly represented by sales of commercial vehicles to third parties. For the FYE 2019, GP increased by RM0.1 million or 11.7% to RM1.1 million, from RM1.0 million in FYE 2018 mainly due to the increase in the number of commercial vehicles sold which was from 3 units in FYE 2018 to 9 units in FYE 2019. However, the GP margins reduced from 43.5% in FYE 2018 to 24.0% in FYE 2019 mainly due to lower commission received from sales target achievement as our Group cumulatively made less sales of commercial vehicles to third parties and intercompanies in FYE 2019.

For the FYE 2020, GP decreased by RM0.7 million or 66.1% to RM0.4 million, from RM1.1 million in FYE 2019 due to a reduction in sales of commercial vehicles from 9 units in FYE 2019 to 3 units in FYE 2020. GP margin contribution from sales of commercial vehicles are lower as compared to others hence, GP margin for FYE 2020 increased slightly to 26.5% from 24.0% in FYE 2019.

For the FPE 2021, GP increased by RM0.1 million or 53.3% to RM0.2 million, from RM0.1 million in FPE 2020 mainly due to revenue contributed by e-commerce retailing services, which started in July 2020 and higher revenue contributed by general insurance agency services. GP margin for FPE 2021 increased to 43.3% from 13.7% in FPE 2020 mainly contributed by the agency fees generated from general insurance agency services which had a higher margin of 100% and GP margin contributed by e-commerce retailing services of 16.7%. In addition, there were no sales of commercial vehicles made in FPE 2021 which had a lower margin.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)**(iv) Other Income**

The table below sets out the breakdown and analysis of our Group's other income for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Gain from disposal of property	23,895	61.2	-	-	568	1.9
Dividend income	2,525	6.5	559	6.0	-	-
Fair value gains	2,335	6.0	10	0.1	196	0.7
Gain from disposals of other assets	2,310	5.9	2,614	28.3	854	2.9
Reversal of accruals	2,171	5.6	55	0.6	20,000	68.2
Interest income	1,586	4.1	676	7.3	448	1.5
Waiver of debt	1,046	2.7	3,496	37.8	16	0.1
Rental income	722	1.8	336	3.6	135	0.5
Gain on foreign exchange	191	0.5	975	10.6	1,180	4.0
Reversal of impairment and recovery of amount previously written off	118	0.3	-	-	1,108	3.8
Gain from bargain purchase	-	-	-	-	3,294	11.2
Others	2,111	5.4	521	5.7	1,536	5.2
Total	39,010	100.0	9,242	100.0	29,335	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Fair value gains	1,519	53.0	1,436	14.5
Gain from disposals of other assets	373	13.0	3,157	31.8
Interest income	210	7.3	135	1.4
Rental income	60	2.1	77	0.8
Gain on foreign exchange	68	2.4	38	0.3
Settlement of claims received	-	-	4,445	44.8
Others	637	22.2	642	6.4
Total	2,867	100.0	9,930	100.0

11. FINANCIAL INFORMATION (Cont'd)

The commentary on our Group's other income for the Financial Years Under Review and FPE 2021 are as follows:

Comparison between FYE 2018 and FYE 2019

Other income for the FYE 2019 decreased by RM29.8 million or 76.3% to RM9.2 million, from RM39.0 million in FYE 2018 as there was a gain from disposal of property of RM23.8 million recognised in FYE 2018.

Gain from disposal of property

Our gain from disposal of property in FYE 2018 relates to the disposal of land at Pulau Indah, Klang as part of disposal of MILS Cold Chain Logistics Sdn Bhd to a third party.

Dividend income

Our dividend income received in FYE 2018 and FYE 2019 of RM2.5 million and RM0.6 million respectively represent dividend received from other investments in Swift Integrated Logistics (NL) B.V.

Fair value gains

The fair value gains were mainly due to fair value gain on derivative of RM2.1 million in relation to cross-currency interest rate swap contract entered into by our Group in FYE 2018 via a term loan of USD15.0 million.

Gain from disposals of other assets

Gain from disposals of other assets mainly relates to disposal of plant and equipment such as prime movers, trailers and other assets within our Group.

Reversal of accruals

In FYE 2018, the reversal of accruals mainly relates to overprovision of expenses of RM2.1 million in relation to one of the joint ventures under Swift Integrated Logistics which was no longer required as the joint venture had been struck off.

Interest income

Our interest income was generated from placement of deposits with licenced banks.

We recorded lower interest income in FYE 2019 as compared to FYE 2018 primarily due to lower placement of deposits with financial institutions, coupled with lower interest rate in FYE 2019 which was between 2.55% to 3.20% as compared to 2.80% to 3.35% in FYE 2018.

Waiver of debts

Our waiver of debts in FYE 2018 relates to waiver of debts granted by former subsidiaries of Tanjong Express prior to its acquisition by our Company, namely Pedoman Wawasan Sdn Bhd, Screw & Nails Manufacturers Sdn Bhd, Media Desa Sdn Bhd and Tanjong Express Distripark Sdn Bhd, which were struck off after the acquisition.

11. FINANCIAL INFORMATION (Cont'd)

Rental income

Our rental income was generated from rental of our prime movers and yard to third parties.

We recorded lower rental income in FYE 2019 due to a reduction in the number of prime movers and yard space rented out to third parties which recorded a rental of RM0.7 million in FYE 2018 as compared to RM0.3 million in FYE 2019.

Gain on foreign exchange

Our gain on foreign exchange mainly relates to foreign currency loan which was taken up by our subsidiary (Swift Integrated Logistics) of USD15.0 million in FYE 2018.

Higher gain on foreign exchange in FYE 2019 was mainly due to the weakening of the USD in December 2019 (USD1:RM3.998) as compared to December 2018 (USD1:RM4.079). This had resulted in an unrealised foreign exchange gain on the foreign currency loan of RM0.9 million in FYE 2019.

Reversal of impairment and recovery of amount previously written off

Recovery of amount previously written off in FYE 2018 relates to the write back of amount owing by a related party of RM0.1 million.

Others

Others mainly relate to sales of scrap, handling fees, income distribution from short term fund and others. The decrease in other income in FYE 2019 was mainly due to decrease in handling fees.

Comparison between FYE 2019 and FYE 2020

Other income for the FYE 2020 increased by RM20.1 million or 217.4% to RM29.3 million, from RM9.2 million in FYE 2019 mainly due to reversal of accruals amounting to RM20.0 million recognised in FYE 2020.

Gain from disposal of property

Gain from disposal of property in FYE 2020 of RM0.6 million was derived from disposal of leasehold land at Kawasan Perindustrian Pasir Gudang, Johor to a third party.

Fair value gain

In FYE 2020, fair value gain relates to gain on other investment of RM0.2 million.

Gain from disposals of other assets

In FYE 2019 and FYE 2020, our gain on disposal of other assets was mainly due to the disposal of prime movers, trailers and other assets.

11. FINANCIAL INFORMATION (Cont'd)*Reversal of accruals*

In FYE 2020, the reversal of accruals mainly relates to accrual of a legal claim amounting to RM20.0 million made by a customer of Swift Integrated Logistics prior to its acquisition by our Group. The accrual was recognised upon the acquisition as our Group had a possible obligation on the legal claim. However, the accrual was no longer required as the legal claim was fully settled by Swift Integrated Logistics' former shareholder to the insurer of the cargo in FYE 2020.

Interest income

Our interest income was generated from placement of deposits with licenced banks.

We recorded lower interest income in FYE 2020 as compared to FYE 2019 primarily due to lower interest rate which was between 1.70% to 3.35% as compared to 2.55% to 3.20% in FYE 2019.

Waiver of debt

Our waiver of debts in FYE 2019 and FYE 2020 relates to waiver of debts granted by former subsidiaries of our Group, namely Roda Warna Sdn Bhd, Mekar Canggih Sdn Bhd, Tasek Express (M) Sdn Bhd, Suria Kontraktor (M) Sdn Bhd and Panwise Corporation Sdn Bhd.

Rental income

Our rental income was generated from rental of office space to third parties.

We recorded lower rental income in FYE 2020 mainly due to lower office space being rented out to third parties of which rental income for FYE 2020 recorded RM0.1 million compared to RM0.3 million in FYE 2019.

Gain on foreign exchange

Our gain on foreign exchange mainly relates to foreign currency loan which was taken up by our subsidiary (Swift Integrated Logistics) of USD15.0 million in FYE 2018.

Our gain on foreign exchange in FYE 2020 was mainly due to the weakening of USD in December 2020 (USD1:RM3.851) as compared to December 2019 (USD1:RM3.998). This had resulted in an unrealised foreign exchange gain on the foreign currency loan of RM1.1 million in FYE 2020.

Reversal of impairment and recovery of amount previously written off

In FYE 2020, there was reversal of impairment on investment of RM0.3 million in our associate, namely BLG Swift due to an improvement in its business operation.

In the same year, there was recovery from amount previously written off relating to payment made by our associate, BLG Swift, of RM0.8 million.

Gain from bargain purchase

Gain from bargain purchase of RM3.3 million in FYE 2020 arose from the acquisition of Sentiasa Hebat and Top Tyres & Workshop.

11. FINANCIAL INFORMATION (Cont'd)*Others*

Others mainly relate to sales of scrap, income distribution from short term fund, wages subsidy by SOCSO and others.

In FYE 2020 our Group received RM0.5 million for the wages subsidy from SOCSO and insurance claims of RM0.2 million.

Comparison between FPE 2020 and FPE 2021*Fair value gains*

In FPE 2021 the fair value gain was in relation to fair value derivative of RM1.4 million for cross-currency interest rate swap contract entered into by our Group in FYE 2018 via a term loan of USD15.0 million.

Gain from disposals of other assets

In FPE 2021, gain from disposal of other assets mainly relate to gain from disposal of 70 units of prime movers, 49 unit of trailers and 10 units of side loaders of RM3.0 million by our Group which was mainly attributable to the disposal of 52 units of prime movers and 48 units of trailers by Sentiasa Hebat after its acquisition by our Group. All the assets including the ones owned by Sentiasa Hebat were disposed as they were no longer operating economically.

Interest income

Our interest income was generated from placement of deposits with licenced banks.

We recorded lower interest income in FPE 2021 as compared to FPE 2020 primarily due to lower interest rate which was between 0.25% to 1.70% in FPE 2021 as compared to between 1.15% to 2.95% in FPE 2020.

Rental income

Our rental income was generated from rental of office space to third parties.

Gain on foreign exchange

Our gain on foreign exchange in FPE 2021 was mainly due to the weakening of USD in May 2021 (USD1:RM4.001) as compared to May 2020 (USD1:RM4.141). This had resulted in foreign exchange gain of RM0.03 million in FPE 2021.

Settlement of claims received

Settlement of claims received relates to settlement by former shareholders of Tanjong Express Group for claims of RM4.4 million which was fully settled in March 2021. These claims were mainly attributable to the additional tax paid by our Group in FYE 2019 upon reviewing tax compliance for the acquired entities in FYE 2018, namely Tanjong Express Group and Komunajaya. Our Group had submitted revised tax submissions under the Special Program for Voluntary Disclosure for eligible taxpayers following the Budget 2019 announcement by the Minister of Finance on 2 November 2018, as set out in Section 11.3.3 (x) of this Prospectus. In addition, the claims also include penalty charges by tax regulators of RM0.5 million and other claims of RM0.5 million by our Group upon the finalisation of the sale and purchase agreement between our Company and the former shareholders of Tanjong Express Group.

11. FINANCIAL INFORMATION (Cont'd)*Others*

Others mainly relate to sales of scrap, handling fees, income distribution from short term fund and others.

(v) Net gain on impairment of financial instruments

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Reversal of impairment loss	9,129	12,812	8,998	2,621	2,134
Less:					
Impairment loss	(3,373)	(3,908)	(5,110)	(716)	(1,484)
Total	5,756	8,904	3,888	1,905	650

Net gain on impairment of financial instruments represents impairment loss and reversal of impairment loss on trade and other receivables. Impairment of trade receivables can be categorised into two categories, namely lifetime expected credit loss ("**ECL**") allowance and credit impaired.

Net gain on impairment of financial instruments for the FYE 2019 increased by RM3.1 million or 54.7% to RM8.9 million, from RM5.8 million in FYE 2018. Reversal of impairment loss from lifetime ECL allowance for trade receivables was RM1.3 million and RM3.6 million in FYE 2018 and FYE 2019 respectively, whilst reversal of impairment loss from credit impaired was due to collection from trade receivables amounting to RM6.6 million and RM7.4 million for FYE 2018 and FYE 2019 respectively.

Net gain on impairment of financial instruments for the FYE 2020 decreased by RM5.0 million or 56.3% to RM3.9 million, from RM8.9 million in FYE 2019. In FYE 2020, our reversal of impairment loss of RM9.0 million mainly relates to the reversal of impairment loss from credit impaired of RM7.7 million due to improvement in trade receivables turnover period from 60.5 days in FYE 2019 to 59.9 days in FYE 2020 and also collections made during the year.

Net gain on impairment of financial instruments for the FPE 2021 decreased by RM1.2 million or 65.9% to RM0.7 million, from RM1.9 million in FPE 2020. In FPE 2021, our reversal of impairment loss from lifetime ECL allowance for trade receivables was RM0.4 million, whilst reversal of impairment loss from credit impaired was due to collection from trade receivables amounting to RM1.2 million in FPE 2021.

However, the reversal of impairment was offset by the impairment loss in relation to debtors who have been individually determined to be in significant financial difficulties and have defaulted on their payments. The amount has increased in FYE 2019 by RM0.5 million due to additional provision for debts overdue from customers and further increased in FYE 2020 by RM1.2 million mainly due to impairment of debts of our associates i.e. BLG Swift and its subsidiary, Swift Mega Carriers of RM1.6 million in FYE 2020. In FPE 2021, impairment loss increased by RM0.8 million or 107.3% to RM1.5 million, from RM0.7 million in FPE 2020 mainly due to impairment made on trade and other receivables of RM0.6 million in Sentiasa Hebat, Sentiasa Hebat (Penang), Top Tyres & Workshop, Earth Move International, Agensi Tanjung Bruas and Northern Gateway Depot (collectively, "**Sentiasa Hebat Group**").

11. FINANCIAL INFORMATION (Cont'd)

(vi) Administrative and other operating expenses

Our Group's administrative expenses are the expenses incurred in the ordinary course of business and can be categorised into staff costs, other administrative expenses, rental and establishment costs, depreciation, marketing expenses, disposal of assets, impairment loss on assets, fair value losses on other investments and write off of assets.

For the FYE 2019, our Group's administrative and other operating expenses increased by RM12.2 million or 10.0% to RM134.7 million, from RM122.5 million in FYE 2018 mainly due to increase in staff cost due to the full year consolidation of costs incurred by Tanjong Express Group and Komunajaya in FYE 2019 as compared to 6 months costs consolidated in FYE 2018 in view that the acquisitions of Tanjong Express Group and Komunajaya were completed in July 2018.

For the FYE 2020, our Group's administrative and other operating expenses increased marginally by RM0.7 million or 0.5% to RM134.7 million, from RM135.4 million in FYE 2019 mainly due to increase in impairment loss of assets but was partially offset by the decrease in staff costs.

For the FPE 2021, our Group's administrative and other operating expenses decreased by RM0.9 million or 1.9% to RM48.9 million, from RM49.8 million in FPE 2020 mainly due to fair value loss from other investments in other logistic company of RM0.7 million in FPE 2020.

The table below sets out the breakdown and analysis of our Group's administrative expenses for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Staff costs	70,987	57.9	86,843	64.4	78,099	57.7
Other administrative expenses	16,500	13.5	13,406	10.0	15,423	11.4
Rental and establishment costs	13,077	10.7	13,861	10.3	11,681	8.6
Depreciation	10,791	8.8	11,162	8.3	9,237	6.8
Marketing expenses	4,799	3.9	4,465	3.3	2,383	1.8
Disposal of assets	4,304	3.5	24	0.0	894	0.7
Impairment loss on assets	979	0.8	3,000	2.2	16,267	12.0
Fair value losses on other investments	562	0.5	1,700	1.3	700	0.5
Write off of assets	481	0.4	263	0.2	689	0.5
Total	122,480	100.0	134,724	100.0	135,373	100.0

11. FINANCIAL INFORMATION (Cont'd)

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Staff costs	31,701	63.6	33,294	68.1
Other administrative expenses	7,470	15.0	6,051	12.4
Rental and establishment costs	4,137	8.3	4,100	8.4
Depreciation	4,673	9.4	4,655	9.5
Marketing expenses	1,132	2.3	711	1.5
Disposal of assets	10	- ^	36	0.1
Fair value losses on other investments	700	1.4	-	-
Write off of assets	-	-	19	- ^
Total	49,823	100.0	48,866	100.0

	Increase/(Decrease) from FYE 2018 to FYE 2019		Increase/(Decrease) from FYE 2019 to FYE 2020		Increase/(Decrease) from FPE 2020 to FPE 2021	
	RM'000	%	RM'000	%	RM'000	%
Staff costs	15,856	22.3	(8,744)	(10.1)	1,593	5.0
Other administrative expenses	(3,094)	(18.8)	2,017	15.0	(1,419)	(19.0)
Rental and establishment cost	784	6.0	(2,180)	(15.7)	(37)	(0.9)
Depreciation	371	3.4	(1,925)	(17.2)	(18)	(0.4)
Marketing expenses	(334)	(7.0)	(2,082)	(46.6)	(421)	(37.2)
Disposal of assets	(4,280)	(99.4)	870	3,625.0	26	260.0
Impairment loss on assets	2,021	206.4	13,267	442.2	-	-
Fair value losses on other investments	1,138	202.5	(1,000)	(58.8)	(700)	(100.0)
Write off of assets	(218)	(45.3)	426	162.0	19	100.0
Total	12,244	10.0	649	0.5	(957)	(1.9)

Note:

^ Negligible as the value is less than 0.1%.

11. FINANCIAL INFORMATION (Cont'd)

The commentaries on our Group's administrative expenses for the Financial Years Under Review and FPE 2021 are as follows:

(a) Staff costs

Our Group's staff costs mainly include salaries and emoluments, EPF and SOCSO contributions, directors' fees and allowances.

The breakdown of our Group's staff costs for the Financial Years Under Review, FPE 2020 and FPE 2021 are as follows:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Salaries and other emoluments	59,644	72,482	66,413	26,401	27,976
Defined contribution plan	5,761	8,188	7,123	3,376	3,392
Other benefits	4,676	4,811	3,292	1,375	1,404
Social security contribution	569	639	787	366	328
Directors' fees	337	723	484	183	194
Total	70,987	86,843	78,099	31,701	33,294

Staff costs represented about 57.9%, 64.4%, 57.7% and 68.1% of our Group's administrative and other operating expenses for FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively. Included in the staff costs of our Group are Directors' remuneration of our Group amounting to RM7.1 million, RM7.7 million, RM7.6 million and RM4.7 million for FYE 2018, FYE 2019, FYE 2020 and FPE 2021, respectively.

Comparison between FYE 2018 and FYE 2019

The increase in staff costs by RM15.8 million or 22.3% to RM86.8 million in FYE 2019, from RM71.0 million in FYE 2018 was mainly attributable to the factors below:

- (i) acquisitions of Tanjong Express Group and Komunajaya (completed in July 2018) and Agenda Wira (completed in January 2019). In FYE 2019, a full year consolidation was applied to Tanjong Express Group and Komunajaya as compared to 6 months consolidation in FYE 2018. Tanjong Express Group and Komunajaya contributed an additional RM7.5 million while Agenda Wira contributed about RM2.1 million to staff costs in FYE 2019; and
- (ii) average annual salary increment of 5% and additional bonus paid of RM3.3 million in FYE 2019 as compared to FYE 2018.

Comparison between FYE 2019 and FYE 2020

The decrease in staff costs by RM8.7 million or 10.1% to RM78.1 million in FYE 2020, from RM86.8 million in FYE 2019 was primarily attributable to lower performance bonus paid in FYE 2020 as compared to FYE 2019 and due to the departure of previous management of Tanjong Express Group and Komunajaya from our Group in FYE 2019.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FPE 2020 and FPE 2021**

The increase in staff costs by RM1.6 million or 5.0% to RM33.3 million in FPE 2021, from RM31.7 million in FPE 2020 was primarily attributable to average annual salary increment of 5% effective from January 2021.

(b) Other administrative expenses

The breakdown of our Group's other administrative expenses for the Financial Years Under Review, FPE 2020 and FPE 2021 are as follows:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Professional and consultancy fees	4,828	3,515	6,289	849	1,354
Loss on foreign exchange	3,497	497	226	2,805	1,248
Fair value loss on derivative	-	1,259	1,594	-	-
Repair and maintenance	3,210	3,843	2,778	1,580	1,416
General expenses	2,153	1,342	2,121	1,293	1,046
Printing and stationery	1,510	1,679	1,444	524	608
Insurance	1,302	1,271	971	419	379
Total	16,500	13,406	15,423	7,470	6,051

Our other administrative expenses decreased by RM3.1 million or 18.8% to RM13.4 million in FYE 2019, from RM16.5 million in FYE 2018 which was mainly attributable to lower professional and consultancy fees, loss on foreign exchange, general expenses and insurance. However, the decrease was offset by higher fair value loss on derivative, repair and maintenance, printing and stationery costs.

Our other administrative expenses increased by RM2.0 million or 15.0% to RM15.4 million in FYE 2020, from RM13.4 million in FYE 2019 which was mainly attributable to increase in professional and consultancy fees.

Our other administrative expenses decreased by RM1.4 million or 19.0% to RM6.1 million in FPE 2021, from RM7.5 million in FPE 2020 which was mainly attributable to lower loss made on foreign exchange, repair and maintenance, general expenses and insurance.

Our professional and consultancy fees relate to audit fees, management fees, legal fees, secretarial fees, corporate overhead, tax fees and other professional fees.

In FYE 2018, our professional and consultancy fees of RM4.8 million mainly relate to legal and consultancy fees incurred for the acquisitions of Tanjong Express Group and Komunajaya of RM1.6 million, legal fees incurred for banking facilities of RM0.3 million as well as other fees incurred in the ordinary course of business.

11. FINANCIAL INFORMATION (Cont'd)

In FYE 2019, our professional and consultancy fees amounting to RM3.5 million mainly relate to legal fees incurred for banking facilities of RM0.3 million, professional fees incurred in relation to a corporate exercise of RM0.3 million and legal and consultancy fees incurred for the acquisition of Agenda Wira of RM0.2 million as well as other fees incurred in the ordinary course of business.

In FYE 2020, our professional and consultancy fees of RM6.3 million mainly relate to the legal and consultancy fees incurred for the issuance of the Sukuk Programme amounting to RM2.9 million, professional fees of RM1.2 million incurred for financial, legal and tax due diligence conducted on our Group by potential investors as well as other fees incurred in the ordinary course of business.

In FPE 2021, our professional and consultancy fees of RM1.4 million mainly relate to legal fees incurred for banking facilities of RM0.1 million, professional fees of RM0.04 million incurred for legal and tax due diligence conducted for the acquisitions of Sentiasa Hebat Group, Hypercold Logistics and Ann Joo Properties and other fees incurred in the ordinary course of business.

Loss in foreign exchange in FYE 2018 mainly relates to unrealised loss on the valuation of foreign currency loan which was taken up by our subsidiary (Swift Integrated Logistics) of USD15.0 million during the year. In FYE 2019 and FYE 2020, foreign exchange losses were due to realised loss on foreign currency transaction for trade purposes.

Loss in foreign exchange in FPE 2020 and FPE 2021 mainly relates to unrealised loss on the valuation of foreign currency loan which was taken up by our subsidiary (Swift Integrated Logistics) of USD15.0 million in FYE 2018. The unrealised loss on foreign currency in relation to the loan was RM2.7 million in FPE 2020 and RM1.0 million in FPE 2021.

The fair value loss on derivative mainly relates to the valuation of our cross currency interest rate swap contract in FYE 2018 via a foreign currency loan of USD15.0 million which was taken up by our subsidiary, Swift Integrated Logistics. The fair value loss on derivative in relation to the foreign currency loan was RM1.3 million and RM1.6 million for FYE 2019 and FYE 2020 respectively.

Repair and maintenance cost increased in FYE 2019 by RM0.6 million mainly due to full year consolidation of Tanjong Express Group and Komunajaya as compared to 6 months consolidation in FYE 2018. Besides, the increase in repair and maintenance cost was also due to the acquisition of Agenda Wira in January 2019.

Repair and maintenance cost slightly decreased by RM0.2 million or 10.4% to RM1.4 million in FPE 2021, from RM1.6 million in FPE 2020 mainly due to lower IT maintenance cost during the financial period.

11. FINANCIAL INFORMATION (Cont'd)

General expenses comprise bank charges, COVID-19 related expenses, consumables and other administrative expenses. The decrease in general expenses by RM0.9 million to RM1.3 million in FYE 2019, from RM2.2 million in FYE 2018 was due to higher expenses incurred in FYE 2018 mainly to strike off Swift Integrated Logistics (NL) B.V. of RM0.5 million which was completed in FYE 2019 and lower bank charges by RM 0.2 million in FYE 2019. The increase in general expenses by RM0.8 million to RM2.1 million in FYE 2020, from RM1.3 million in FYE 2019 was mainly due to provision for repair of reach stackers of RM0.6 million in relation to an incident occurred at a container yard tenanted by Container Connections and increase in consumables and COVID-19 related expenses of RM0.2 million. Please refer to Section 8.1.14 of this Prospectus for further details of the incident. Printing and stationery cost and insurance remain relatively constant for the Financial Years Under Review and FPE 2021.

(c) Rental and establishment costs

The breakdown of our Group's rental and establishment costs for the Financial Years Under Review, FPE 2020 and FPE 2021 are as follows:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Utilities and upkeep	6,050	7,014	6,486	2,016	2,076
Rental	3,300	2,622	1,434	472	461
Security charges	2,033	2,196	1,834	806	766
Quit rent and assessment	1,694	2,029	1,927	843	797
Total	13,077	13,861	11,681	4,137	4,100

Rental and establishment costs comprise utilities and upkeep, rental, security charges and quit rent and assessment. These costs increased slightly by RM0.8 million or 6.0% to RM13.9 million in FYE 2019, from RM13.1 million in FYE 2018 and decreased by RM2.2 million or 15.7% to RM11.7 million in FYE 2020, from RM13.9 million in FYE 2019.

For the FPE 2020 and FPE 2021 rental and establishment costs remain relatively constant at RM4.1 million.

Major contributors to the increase in rental and establishment costs in FYE 2019 were utilities and upkeep and quit rent and assessment mainly due to the full year consolidation following the acquisitions of Tanjong Express Group and Komunajaya in July 2018 as compared to 6 months consolidation in FYE 2018. In FYE 2020, the decrease in utilities and upkeep by RM0.5 million was mainly due to closure of certain offices under Tanjong Express Group as the staff were reallocated to our Group's offices, thus reducing the utilities and upkeep cost. Further, our Group has received discount of 2% on utilities for 6 months period from April 2020 to September 2020 under the 2020 Stimulus Package announced by the Government of Malaysia in March 2020.

In FYE 2019, the decrease in rental expenses by RM0.7 million to RM2.6 million, from RM3.3 million in FYE 2018 was mainly due to the rental cost being replaced by depreciation of right-of-use assets upon the adoption of MFRS 16 in FYE 2019 and expiry of the rental of properties by Komunajaya and Tanjong Express Logistic during the year.

11. FINANCIAL INFORMATION (Cont'd)

In FYE 2020, the decrease in rental expenses by RM1.2 million to RM1.4 million, from RM2.6 million in FYE 2019 was mainly due to the decrease in rental cost as our Group had purchased two units of offices at Intan Millennium Square 2 (IMS 2), Klang which are currently occupied by our project logistics team and central forwarding team. Our project logistics team was relocated to the new office unit whereas our central forwarding team had previously rented the newly purchased office unit from a related party.

(d) Depreciation

Depreciation comprises depreciation on leasehold land, structure and renovation, right-of-use assets, buildings, computers and peripherals, other vehicles, and furniture, fittings, and office equipment. Depreciation increased in FYE 2019 by RM0.4 million to RM11.2 million in FYE 2019 from RM10.8 million in FYE 2018 mainly due to the adoption of MFRS 16 which relates to the reclassification of rental to depreciation. In FYE 2020, depreciation decreased by RM2.0 million to RM9.2 million in FYE 2020 from RM11.2 million in FYE 2019 mainly due to the disposal of leasehold land at Mukim Plentong, Kawasan Perindustrian Pasir Gudang, Johor to a third party and some property, plant and equipment was fully depreciated in FYE 2020.

Depreciation remained relatively constant in FPE 2020 and FPE 2021 with depreciation cost of RM4.7 million.

(e) Marketing expenses

The breakdown of our Group's marketing expenses for the Financial Years Under Review, FPE 2020 and FPE 2021 are as follows:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Travelling and accommodation	3,715	3,329	1,833	780	471
Advertising and entertainment	1,084	1,136	550	352	240
Total	4,799	4,465	2,383	1,132	711

Travelling and accommodation represents 77.4%, 74.6%, 76.9% and 66.2% of total marketing expenses for the FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. Travelling and accommodation mainly relates to cost of accommodation, travelling and petrol allowance. The declining trend in travelling and accommodation costs by RM0.3 million from RM4.8 million in FYE 2018 to RM4.5 million in FYE 2019 was due to realignment of mileage claims and petrol allowance for staffs in FYE 2019 for better monitoring of costs.

Marketing expenses in FYE 2020 have decreased by RM2.1 million or 46.6% from RM4.5 million in FYE 2019 to RM2.4 million in FYE 2020 mainly due to lesser marketing activities were carried out by our Group as a result of MCO whereby interstate travel was limited and most of our customers were working from home which resulted in a lower customer visitation.

11. FINANCIAL INFORMATION (Cont'd)

In FPE 2021, the decrease in marketing expenses by RM0.4 million or 37.2% to RM0.7 million, from RM1.1 million in FPE 2020 was mainly contributed by lower travelling and accommodation expenses due to the revision of staff entitlement for petrol allowance that was reduced by 50% effective May 2020 and lesser travelling made by staff in FPE 2021 due to the restriction of physical meetings with customers.

(f) Disposal of assets

In FYE 2018, the expense incurred from disposal of assets was due to loss on disposal of other investment namely, MILS Cold Chain Logistics Sdn Bhd of RM4.3 million to a third party.

In FYE 2020, the expense incurred from disposal of assets relates to loss on disposal of prime movers of RM0.9 million as these prime movers were no longer operating economically.

(g) Impairment loss on assets

In FYE 2018, impairment loss on assets relates to impairment of intangible assets of RM1.0 million due to loss of contract with a customer.

For FYE 2019, the impairment loss on assets was mainly due to impairment of goodwill of Agenda Wira amounting to RM3.0 million as a result of reorganisation of its container haulage business to our Company.

For FYE 2020, the impairment loss on assets were mainly due to impairment of goodwill of RM11.8 million for certain subsidiaries within our Group namely, Komunajaya, Delta Express, Agenda Wira, Agensi Tanjung Bruas, Earth Move International and Sentiasa Hebat (Penang). The remaining RM4.5 million relates to impairment of property, plant and equipment as our Group has planned to demolish a warehouse located at Kota Kinabalu, Sabah.

(h) Fair value losses on other investments

For FYE 2018, the fair value losses on other investments were mainly due to fair value loss on investments in Swift Integrated Logistics (NL) B.V. of RM0.5 million and Tasek Express (M) Sdn Bhd of RM0.1 million.

For FYE 2019, the fair value losses on other investments were due to RM1.7 million loss on investments in Roda Warna Sdn Bhd, Mekar Canggih Sdn Bhd, Tasek Express (M) Sdn Bhd, Suria Kontraktor (M) Sdn Bhd and Panwise Corporation Sdn Bhd.

For FYE 2020, there was a fair value loss of RM0.7 million on investment made in a logistics company.

There was no fair value loss on other investments in FPE 2021.

11. FINANCIAL INFORMATION (Cont'd)**(i) Write off of assets**

Write off of assets mainly relates to property, plant and equipment written off. In FYE 2018, RM0.2 million of assets written off were computers and peripherals and RM0.1 million of assets written off were mechanical equipment. In addition to the property, plant and equipment, there were RM0.2 million of inventories written off in FYE 2018.

In FYE 2019, write off of assets mainly relates to write off of mechanical equipment of RM0.2 million.

In FYE 2020 assets written off of RM0.7 million mainly relates to buildings, structure and renovation cost located at the rented properties of Komunajaya and Tanjong Express Logistic in which the rental agreement has expired.

(vii) Finance costs

The table below sets out the finance costs of our Group for the Financial Years, FPE 2020 and FPE 2021 Under Review:

	Audited					
	FYE 2018		FYE 2019		FYE 2020	
	RM'000	%	RM'000	%	RM'000	%
Term loans	25,925	67.4	13,564	38.6	11,450	38.7
Trade financing	6,327	16.4	6,613	18.8	4,821	16.3
Hire purchase and finance lease liabilities	4,559	11.9	-	-	-	-
Bank overdrafts	1,270	3.3	1,205	3.4	600	2.0
Revolving credits	229	0.6	1,987	5.7	1,395	4.8
Lease liabilities	-	-	11,733	33.4	9,370	31.7
Unrated Islamic medium term notes	-	-	-	-	1,689	5.7
Others	156	0.4	52	0.1	237	0.8
Total	38,466	100.0	35,154	100.0	29,562	100.0

	Unaudited		Audited	
	FPE 2020		FPE 2021	
	RM'000	%	RM'000	%
Term loans	4,382	35.1	3,398	30.9
Trade financing	2,612	20.9	1,010	9.2
Bank overdrafts	207	1.7	172	1.6
Revolving credits	746	6.0	-	-
Lease liabilities	4,535	36.3	2,811	25.5
Unrated Islamic medium term notes	-	-	3,473	31.5
Others	-	-	149	1.3
Total	12,482	100.0	11,013	100.0

11. FINANCIAL INFORMATION (Cont'd)

Our finance costs mainly arise from utilisation of our banking facilities which comprise term loans, trade financing, hire purchase and finance lease liabilities, bank overdrafts, revolving credits, lease liabilities and unrated Islamic medium term notes. Our term loan facility was mainly used to part finance the acquisition of subsidiaries, purchase of prime movers, trailers and leasehold land.

Finance costs for the FYE 2019 decreased by RM3.3 million or 8.6% to RM35.2 million, from RM38.5 million in FYE 2018. The term loan interest expense in FYE 2018 includes amortisation of transaction cost of RM7.1 million that was capitalised in prior years upon partial settlement of RM171.0 million and refinancing of RM60.0 million term loan related to the acquisition of Swift Integrated Logistics. This resulted in reduction of term loan interest expense of RM2.4 million in FYE 2019 but was offset by full year term loan interest expenses related to the acquisition of Tanjong Express Group of RM3.2 million.

In FYE 2019, lease liabilities interest expense was incurred due to reclassification of term loan interest amounted to RM5.1 million into lease liabilities interest in relation to the purchase of leasehold land financed via term loan, hire purchase interest of RM6.1million and unwinding of interest of RM0.50 million on the lease liabilities from leased assets upon the adoption of the MFRS 16.

In FYE 2019, revolving credit and trade financing interest expense increased due to additional working capital requirement in line with growth in revenue.

In addition to the above, there was lower interest rate in FYE 2019 as compared to FYE 2018 with weighted average effective interest rate for bank overdrafts of 6.46% (FYE 2019) as compared to 7.88% (FYE 2018).

Finance costs for the FYE 2020 decreased by RM5.6 million or 15.9% to RM29.6 million, from RM35.2 million in FYE 2019. In FYE 2020, our Company secured a total financing of RM731.0 million from three banks namely, AmBank Islamic Berhad, OCBC Al-Amin Bank Berhad and United Overseas Bank (Malaysia) Berhad as follows:

- (i) RM500.0 million unrated Islamic medium-term notes ("**Sukuk Programme**"); and
- (ii) RM231.0 million of working capital facilities.

RM300.0 million which forms the first tranche of the RM500.0 million Sukuk Programme has been utilised to refinance our Group's existing facilities and for additional working capital purposes. The remaining balance of RM200.0 million (second tranche) of the Sukuk Programme is pending issuance and will be intended to raise funds for our Group's future expansion. As for the working capital facilities, RM9.1 million has been utilised for our Group's working capital requirements and the remaining unutilised balances of RM221.9 million will be used for our Group's future working capital requirement.

The Sukuk Programme's interest rate of 3.38% is lower as compared to the weighted average interest rate in FYE 2020 of 3.73% for trade financing, 5.70% for bank overdrafts and 5.04% for term loans.

In FYE 2020, the lease liabilities interest expense is reduced by RM2.4 million due to repayment of lease liabilities.

11. FINANCIAL INFORMATION (Cont'd)

In addition to the lower interest rate above, lower weighted average interest rate in FYE 2020 as compared to FYE 2019 as listed below contributed to lower interest expense in FYE 2020.

- (i) Bank overdrafts : 5.70% (FYE 2020) as compared to 6.46% (FYE 2019)
- (ii) Term loans : 5.04% (FYE 2020) as compared to 5.31% (FYE 2019)
- (iii) Trade financing : 3.73% (FYE 2020) as compared to 5.00% (FYE 2019)
- (iv) Revolving credits : 3.82% (FYE 2020) as compared to 5.26% (FYE 2019)

In FPE 2021, interest expense reduced by RM1.5 million or 11.8% to RM11.0 million, from RM12.5 million in FPE 2020 mainly due to lower weighted average interest rate in FPE 2021 as compared to FPE 2020 as below:

- (i) Bank overdrafts : 4.81% (FPE 2021) as compared to 5.25% (FPE 2020)
- (ii) Term loans : 4.46% (FPE 2021) as compared to 5.01% (FPE 2020)
- (iii) Trade financing : 3.09% (FPE 2021) as compared to 3.98% (FPE 2020)
- (iv) Unrated Islamic medium term notes : 3.61% (FPE 2021)

(viii) Share of results of associates

Based on our audited combined statements of profit or loss and other comprehensive income, our Group's share of results of associates is accounted for using equity accounting method. Our Group's share of results of associates (net of tax) for the Financial Years Under Review, FPE 2020 and FPE 2021 can be analysed as follows:

	% held	Audited					
		FYE 2018		FYE 2019		FYE 2020	
		RM'000	%	RM'000	%	RM'000	%
BLG Swift	60	852	146.1	1,073	147.4	450	(335.8)
Global Vision Logistics	25	(269)	(46.1)	(345)	(47.4)	(584)	435.8
Total		583	100.0	728	100.0	(134)	100.0

	% held	Unaudited		Audited	
		FPE 2020		FPE 2021	
		RM'000	%	RM'000	%
BLG Swift	60	136	1,360.0	(664)	46.4
Global Vision Logistics	25	(126)	(1,260.0)	(767)	53.6
Total		10	100.0	(1,431)	100.0

All of our associated companies' revenue is solely derived from Malaysia for the Financial Years Under Review and FPE 2021.

11. FINANCIAL INFORMATION (Cont'd)

BLG Swift and its subsidiary, Swift Mega Carriers' revenue largely relates to provision of warehousing services and car carrier transportation services and other related services, whilst Global Vision Logistics is principally involved in the provision of warehousing services.

For the FYE 2019, our Group's share of profit from associates increased by RM0.1 million or 24.9% to RM0.7 million, from RM0.6 million in FYE 2018 mainly due to a higher share of profits amounting to RM0.2 million from BLG Swift due to higher demand for warehouse services from customers in the automotive industry. However, this was offset by higher share of loss from Global Vision Logistics of RM0.1 million due to higher interest expenses.

For the FYE 2020, our Group recorded share of loss from associates amounting to RM0.1 million due to lower profit contributed by BLG Swift of approximately RM0.6 million or 58.1% to RM0.5 million, from RM1.1 million in FYE 2019 as a result of lesser warehousing and transportation services provided to its customers in the automotive industry, as the industry was adversely affected by the impact of COVID-19 pandemic and MCO. In addition, share of loss from Global Vision Logistics increased by RM0.2 million due to higher administrative expenses.

For the FPE 2021, our Group recorded share of loss from associates amounting to RM1.4 million. Share of loss contributed from BLG Swift of RM0.6 million in FPE 2021 as compared to share of profit of RM0.1 million in FPE 2020 was mainly due to lower revenue from warehousing and transportation services provided to its customers in the automotive industry in FPE 2021 as the industry was adversely affected by the impact of COVID-19 pandemic. Higher share of loss contributed from Global Vision Logistics by RM0.7 million to RM0.8 million in FPE 2021, from RM0.1 million in FPE 2020 was mainly due to higher operating expenses.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

(ix) Profit before tax ("PBT") and PBT margin

Taking into consideration the various factors affecting our Group's GP, GP margin, other income, administrative expenses, finance costs and share of results of associates, our Group's PBT during the Financial Years Under Review, FPE 2020 and FPE 2021 are depicted as below:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before tax (RM'000)	61,729	59,150	53,893	15,174	29,235
(Decrease)/Increase as compared to previous financial year/period (RM'000)	-	(2,579)	(5,257)	-	14,061
PBT margin (%)	12.4	9.7	9.7	6.8	11.8

The decrease in PBT by RM2.5 million to RM59.2 million in FYE 2019, from RM61.7 million in FYE 2018 and the decrease in PBT margin by 2.7% to 9.7% in FYE 2019, from 12.4% in FYE 2018 mainly due to a one-off gain on disposal of land recognised in FYE 2018 of RM23.9 million as explained in Section 11.3.3 of this Prospectus. Our Group's PBT for FYE 2018 excluding the one-off gain will be RM37.8 million or 7.6% of PBT margin. In comparison to our PBT (excludes one-off gain of RM23.9 million) for FYE 2018, our PBT for FYE 2019 increased by RM21.3 million or 56.3%. The increase was mainly contributed by the economies of scale resulting from the acquisitions of Tanjong Express Group and Komunajaya in July 2018 and Agenda Wira at the end of January 2019. Apart from the contributions from the newly acquired companies, our Group's performance also improved in 2019 with higher TEU recorded in FYE 2019 with an increase of 66,931 TEU in FYE 2019.

For the FYE 2020, our Group's PBT reduced by RM5.3 million or 8.9% to RM53.9 million, from RM59.2 million in FYE 2019 mainly due to the reduction in GP margin by 1.0% against the GP margin for FYE 2019 which stood at 33.4% resulting from the impact of MCO in the first half of FYE 2020. However, the GP margin gradually increased in the second half of FYE 2020 once the MCO was lifted. The acquisitions of subsidiaries, namely Tanjong Express Group and Komunajaya (at the end of July 2018), Agenda Wira (at the end of January 2019) and Sentiasa Hebat Group (at the end of August 2020) contributed to better economies of scale and an internal restructuring that was performed upon the acquisitions of these companies had assisted in reducing the impact of the COVID-19 pandemic.

Our Group recorded other income from the earlier mentioned one-off reversal of accrual of RM20.0 million in relation to a legal claim made by a customer of Swift Integrated Logistics. However, this was offset by a one-off impairment loss on non-financial instruments of RM16.3 million and RM5.6 million of professional and consultancy fees. Hence, the financial results of our Group were not significantly affected by the one off reversal of accrual recorded during the FYE 2020.

For the FPE 2021, our Group's PBT increased by RM14.0 million or 92.7% to RM29.2 million, from RM15.2 million in FPE 2020. Further, our Group's PBT margin improved by 5.0% to 11.8% in FPE 2021, from 6.8% in FPE 2020. The increase in PBT and PBT margin was mainly due to:

11. FINANCIAL INFORMATION (Cont'd)

- (i) higher GP by RM7.3 million or 10.0% in line with the higher revenue recorded by RM24.4 million to RM248.5 million in FPE 2021, from RM224.1 million in FPE 2020;
- (ii) lower administrative and operating expenses by RM1.0 million or 1.9% and lower interest expense by RM1.5 million or 11.8% in FPE 2021; and
- (iii) higher other income by RM7.0 million to RM9.9 million in FPE 2021, from RM2.9 million in FPE 2020 mainly due to settlement of claims received from former shareholders of Tanjong Express Group for claims of RM4.4 million.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

(x) Tax expenses

The table below sets out our Group's tax expense for the Financial Years Under Review, FPE 2020 and FPE 2021:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Current tax expenses based on profit for the year/period	12,471	15,897	12,266	3,497	4,841
Deferred tax	5,012	(4,222)	352	99	2,061
Real property gain tax	1,729	-	65	-	-
	19,212	11,675	12,683	3,596	6,902
(Over)/Under provision in prior year/period:					
Income tax	(27)	4,847	146	-	-
Deferred tax	1,488	5,655	(1,416)	-	-
Tax expense	20,673	22,177	11,413	3,596	6,902

The following sets out the reconciliation of tax expense applicable to PBT:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Profit before tax	61,729	59,150	53,893	15,174	29,235
Tax at statutory tax rate of 24%	14,815	14,196	12,934	3,642	7,016
Tax effects in respect of:					
Income not subject to tax	(18,494)	(12,552)	(9,567)	(1,339)	(3,055)
Expenses not deductible for tax purposes	21,731	8,752	8,808	1,168	3,636
Movement in deferred tax assets not recognised	940	1,727	528	149	(695)
Effect of tax rate on incremental chargeable income	(1,509)	(448)	(85)	(24)	-
Real property gains tax	1,729	-	65	-	-
(Over)/Under provision in prior year/period:					
Income tax	(27)	4,847	146	-	-
Deferred tax	1,488	5,655	(1,416)	-	-
Tax expense	20,673	22,177	11,413	3,596	6,902
Effective tax rate	33.5%	37.5%	21.2%	23.7%	23.6%

11. FINANCIAL INFORMATION (Cont'd)

Our Company was granted tax incentive under the Investment Tax Allowance (“ITA”) category as approved by the Malaysian Investment Development Authority (MIDA). The tax incentive allows our Company to claim the ITA of 60% on qualifying capital expenditure for a period of 5 years from 6 July 2017 until 5 July 2022. Our Company intends to apply for the tax incentive as and when MIDA opens the next round of ITA application.

The ITA is allowed to be deducted against our Company’s statutory income up to a maximum of 70% for the relevant year of assessment (“YA”). The ITA as of YA 2019 which has yet to be utilised by our Company is RM51.7 million. In the event our Company is not able to renew the tax incentive granted under the ITA, we do not expect the non-renewal of the aforementioned tax incentive would have any material impact to our Group’s financial position since any unused ITA can be carried forward indefinitely and can be utilised in future years.

For the FYE 2018, our Group’s effective tax rate was 33.5%. The effective tax rate for FYE 2018 was higher than the statutory tax rate of 24% mainly due to under provision of prior years’ deferred tax of RM1.5 million and non-deductible expenses for tax purposes. The expenses were mainly related to interest expense on term loan and facilities fees of RM9.4 million and RM9.7 million respectively, whereby the term loan was being utilised for the acquisitions of subsidiaries and thus, is non-tax deductible. The non-deductible expenses were offset by capital gain which was subject to real property gain tax on disposal of leasehold land in FYE 2018 with a lower tax rate.

For the FYE 2019, our Group’s effective tax rate was 37.5%. The effective tax rate for FYE 2019 was higher than the statutory tax rate of 24% mainly due to interest expense of RM10.0 million on acquisition of subsidiaries which was a non-deductible expense for tax purposes and additional tax paid during the year of RM3.4 million as part of the Special Program for Voluntary Disclosure for eligible taxpayers following the Budget 2019 announcement by the Minister of Finance on 2 November 2018 (“**Special Program**”). As part of our Group’s initiative to review tax compliance for the acquired entities in FYE 2018, namely Tanjong Express Group and Komunajaya, the entities have submitted revised tax submissions under the Special Program.

In addition to the additional tax paid under the Special Program, our Group also incurred additional tax expense of RM0.8 million in FYE 2019 as a result of the Group’s initiative to finalise Swift Integrated Logistics’ tax matters with the Inland Revenue Board for YA 2007 which precedes the acquisition of the Swift Integrated Logistics by our Group in 2016.

For the FYE 2020, our Group’s effective tax rate was 21.2% which is lower than the statutory tax rate of 24% mainly due to under claim of ITA for existing vehicles acquired via hire purchase in FYE 2018 of RM14.6 million and FYE 2019 of RM5.0 million. However, the ITA was offset by non-deductible interest expenses of RM 7.7 million on acquisition of subsidiaries.

For the FPE 2020 and FPE 2021, our Group’s effective tax rate was 23.7% and 23.6% respectively, which are slightly lower than the statutory tax rate of 24%. The lower effective tax rate was mainly due to the qualifying capital expenditure claimed under the ITA, amounting to RM12.3 million and RM3.4 million for the FPE 2020 and FPE 2021 respectively. In addition to the ITA, there is an amount of RM4.4 million in relation to claims settlement that is investment in nature which is non-taxable in FPE 2021.

11. FINANCIAL INFORMATION (Cont'd)

(xi) Profit after tax ("PAT")

Taking into consideration the various factors affecting our Group's PBT and effective tax rate, our Group's PAT during the Financial Years Under Review, FPE 2020 and FPE 2021 are depicted below:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
Profit after tax (RM'000)	41,056	36,973	42,480	11,578	22,333
Increase/(Decrease) as compared to previous financial year/period (RM'000)	-	(4,083)	5,507	-	10,755
PAT margin (%)	8.3	6.1	7.6	5.2	9.0

The variance between PAT margins for the Financial Years Under Review and FPE 2021 was as a result of the reasons described in Sections 11.3.3 (vi) and 11.3.3 (vii) of this Prospectus with regard to PBT and PBT margins and taxation expenses.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

11.4 LIQUIDITY AND CAPITAL RESOURCES

11.4.1 Working capital

Our working capital is financed by a combination of cash generated from our operating activities, credit granted by our suppliers, finance lease and borrowings from financial institutions and non-financial institutions as well as our existing cash and cash equivalents.

As at the LPD, we had cash and cash equivalents of RM24.3 million, total bank borrowings of RM622.0 million and total lease liabilities of RM70.7 million. We also had RM268.6 million in undrawn credit facilities comprising term loans of RM7.4 million, unrated Islamic medium term notes of RM140.0 million, trade financing of RM39.8 million, bank overdrafts of RM31.5 million and revolving credits of RM49.8 million.

Based on the above and after taking into consideration our funding requirements for our committed capital expenditure, expected cash flows from operations, existing level of cash and cash equivalents and credit sources together with the estimated net proceeds to be raised from our IPO, our Board is of the opinion that we will have sufficient working capital for at least 12 months from the date of this Prospectus.

11.4.2 Cash flow

The summary of our Group's cash flow based on our Group's historical combined statements of cash flows for the Financial Years Under Review, FPE 2020 and FPE 2021 is as follows:

	Audited			Unaudited	Audited
	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FPE 2020 RM'000	FPE 2021 RM'000
Net cash from operating activities	133,702	130,388	139,174	65,198	17,257
Net cash used in investing activities	(113,525)	(56,855)	(29,840)	(2,759)	(23,894)
Net cash (used in)/from financing activities	(32,489)	(67,851)	(111,388)	(72,946)	6,206
Net (decrease)/increase in cash and cash equivalents	(12,312)	5,682	(2,054)	(10,507)	(431)
Effect of exchange rate changes on cash and cash equivalents	(361)	(978)	(84)	29	203
Cash and cash equivalents at beginning of year / period	28,460	15,787	20,491	20,491	18,353
Cash and cash equivalents at end of year / period	15,787	20,491	18,353	10,013	18,125

11. FINANCIAL INFORMATION (Cont'd)

Details of the cash and cash equivalents are as follows:

	Audited			Unaudited	Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	49,669	29,310	32,891	23,270	34,371
Less:					
Bank overdraft included in borrowings	(27,657)	(2,815)	(8,181)	(7,389)	(9,633)
Deposits with licenced banks with maturity of over three months	(4,484)	(4,263)	(4,616)	(4,127)	(3,921)
Restricted cash	(1,741)	(1,741)	(1,741)	(1,741)	(2,692)
Cash and cash equivalents at end of year/period	15,787	20,491	18,353	10,013	18,125

Most of our cash and cash equivalents are held in RM. There are no legal, financial or economic restrictions on our subsidiaries' ability to transfer funds to our Group in the form of cash dividends, loans or advances, subject to the availability of distributable reserves, loans or advances in compliance with any applicable financial covenants.

(a) Net cash generated from operating activities

FYE 2018

Our operating cash flow before changes in working capital amounted to RM104.5 million. After adjusting for the working capital changes below, our cash generated from operations is RM152.1 million.

The working capital changes are as follows:

- (i) decrease in trade and other receivables of RM77.4 million mainly attributable to the reduction in trade receivables during the year by Swift Integrated Logistics of approximately RM18.9 million and the decrease in trade and other receivables by Tanjong Express Group and Komunajaya, which were acquired during the year, of approximately RM55.0 million;
- (ii) decrease in trade and other payables by RM26.9 million mainly represented by timely payments made to our creditors, including the settlement of other creditors of Tanjong Express Group amounting to RM28.7 million upon the acquisition in FYE 2018. However, this was offset mainly due to an increase in trade and other creditors by RM1.8 million; and
- (iii) increase in inventories which are mainly spare parts, consumables goods and prime movers by RM2.9 million due to the acquisition of Tanjong Express Group and Komunajaya in FYE 2018 which contributed to the increase.

After tax payments of RM18.5 million and tax refund of less than RM0.1 million, our net cash from operating activities is RM133.7 million.

11. FINANCIAL INFORMATION (Cont'd)

FYE 2019

Our adjusted operating profit before changes in working capital amounted to RM133.1 million. After adjusting for the working capital changes below, our cash generated from operations is RM146.0 million.

The working capital changes are as follows:

- (i) decrease in trade and other receivables by RM39.5 million mainly attributable to the improvement in collections with improved trade receivables turnover period from 67.2 days to 64.4 days;
- (ii) decrease in trade and other payables of RM23.8 million mainly due to timely payment to our creditors reflected in the improved trade payables turnover period from 39.1 days to 33.6 days; and
- (iii) increase in inventories by RM2.8 million which was mainly due to an increase in prime movers held for sale by our subsidiary, namely Q-Team, a 3S dealer for Mercedes Benz, of RM7.0 million which was offset by a decrease in spare parts and consumable goods of RM4.2 million.

After tax payments of RM19.5 million and tax refund of RM3.9 million, our net cash from operating activities is RM130.4 million.

FYE 2020

Our adjusted operating profit before changes in working capital amounted to RM147.2 million. After adjusting for the working capital changes below, our net cash generated from operations is RM151.4 million.

The working capital changes are as follows:

- (i) decrease in trade and other receivables by RM30.7 million mainly attributable to improvements in collections and improved trade receivables turnover period from 64.4 days to 63.0 days; and
- (ii) decrease in trade and other payables of RM30.5 million mainly due to timely payment to our creditors and payment of trade and other payables of Sentiasa Hebat Group which was acquired at the end of August 2020.
- (iii) decrease in inventories by RM4.0 million mainly due to the decrease in prime movers held for sale by our subsidiary i.e. Q-Team, a 3S dealer for Mercedes Benz by RM3.6 million and also decrease in spare parts and consumable goods by RM0.4 million.

After tax payments of RM14.4 million and tax refund of RM2.2 million, our net cash from operating activities is RM139.2 million.

FPE 2021

Our adjusted operating profit before changes in working capital amounted to RM59.7 million. After adjusting for the working capital changes below, our net cash generated from operations is RM24.6 million.

11. FINANCIAL INFORMATION (Cont'd)

The working capital changes are as follows:

- (i) increase in trade and other receivables by RM21.2 million mainly attributable to higher amount billed in FPE 2021 of RM408.0 million, with an increase by RM44.6 million, from RM363.4 million in FPE 2020. Despite the higher billing in FPE 2021, the trade receivables turnover period has decreased from 60.5 days in FPE 2020 to 57.8 days in FPE 2021. The overall monthly gross billings in FPE 2021 were higher as compared to FPE 2020 monthly gross billings. Hence, the increase in total gross billings outweighs the increase in average trade receivables resulting in a lower trade receivables turnover period.
- (ii) decrease in trade and other payables of RM14.8 million mainly due to timely payment to our creditors which is reflected in improved creditors turnover period from 29.7 days in FPE 2020 to 27.2 days in FPE 2021.
- (iii) decrease in inventories by RM0.8 million mainly due to the decrease in prime movers to be delivered by our subsidiary i.e. Q-Team, a 3S dealer for Mercedes Benz by RM2.4 million, which was offset by the increase in spare parts and consumable goods by RM1.6 million.

After tax payments of RM7.4 million, our net cash from operating activities is RM17.2 million.

(b) Net cash used in investing activities

FYE 2018

For the FYE 2018, our net cash used in investing activities amounted to RM113.5 million primarily attributable to:

- (i) acquisition of Tanjong Express Group, net of cash acquired of RM195.0 million and additional investment in Global Vision Logistics, an associate of our Group of RM13.8 million; and
- (ii) purchase of property, plant and equipment of RM44.9 million, which mainly include purchase of prime movers, trailers and extension of lease period for the land in Mukim Tebrau, Johor, net of financing,

which was partially offset by the following:

- (i) net proceeds from disposal of non-current assets held for sale of RM106.5 million, disposal of property, plant and equipment of RM7.8 million and disposal of MILS Cold Chain Logistics Sdn Bhd of RM8.7 million;
- (ii) advances from former shareholder of Tanjong Express for settlement of Tanjong Express' loan of RM10.8 million pending refinancing; and
- (iii) withdrawals of deposits placed with financial institutions of RM4.7 million.

FYE 2019

For the FYE 2019, our net cash used in investing activities amounted to RM56.9 million primarily attributable to:

- (i) acquisition of Agenda Wira, net of cash acquired of RM16.3 million;

11. FINANCIAL INFORMATION (Cont'd)

- (ii) repayment to former shareholder of Tanjong Express for settlement of Tanjong Express' loan in FYE 2018 of RM10.8 million and payment made on behalf of former shareholder of Tanjong Express for cost incurred of RM0.4 million in relation to the purchase of land which was subsequently repaid in FYE 2020; and
- (iii) purchase of property, plant and equipment of RM30.2 million, which mainly include purchase of prime movers and trailers, net of financing, and structure and renovation cost for bare land upgrading works to interlocking concrete pavers at Lot 23, Northport (Port Klang) and Lot 87989, Westport (Port Klang),

which was partially offset by the net proceeds from the disposal of property, plant and equipment of RM4.4 million.

FYE 2020

For the FYE 2020, our net cash used in investing activities amounted to RM29.8 million primarily attributable to:

- (i) acquisition of Sentiasa Hebat Group, net of cash acquired of RM8.8 million; and
- (ii) purchase of property, plant and equipment of RM31.8 million, which mainly include purchase of prime movers, trailers and trucks, net of financing, and acquisition of an office space located at Suite 8.02 in Intan Millennium Square 2 (IMS 2), Klang, Selangor,

which was partially offset by the net proceeds from disposal of non-current assets held for sale of RM7.6 million.

FPE 2021

For the FPE 2021, our net cash used in investing activities amounted to RM23.9 million primarily attributable to:

- (i) purchase of property, plant and equipment of RM25.0 million which mainly includes purchase of prime movers, trailers and trucks, net of financing, and extension of our existing warehouse at Tebrau, Johor and Seberang Prai, Penang; and
- (ii) advances to associate of RM1.3 million to support its administration and other operating expenses;

which was partially offset by the net proceeds from disposal of prime movers, trailers and other vehicles of RM3.6 million.

(c) Net cash (used in)/from financing activities

FYE 2018

For the FYE 2018, our net cash used in financing activities amounted to RM32.5 million primarily attributable to:

- (i) repayment of term loans of RM69.5 million;
- (ii) payment of interest expense of RM31.4 million in respect of our borrowings; and

11. FINANCIAL INFORMATION (Cont'd)

(iii) net repayments of hire purchase and finance lease liabilities of RM30.5 million, which was offset by the following:

- (i) net proceeds from the issuance of ordinary shares of RM30.9 million; and
- (ii) drawdown of revolving credits and trade financing of RM68.8 million.

FYE 2019

For the FYE 2019, our net cash used in financing activities amounted to RM67.9 million primarily attributable to:

- (i) repayment of lease liabilities and term loans of RM87.6 million; and
 - (ii) payment of interest expense of RM33.3 million in respect of our borrowings,
- which was partially offset by the following:
- (i) net drawdown of trade financing of RM35.5 million; and
 - (ii) net proceeds from the issuance of redeemable convertible preference shares of RM18.4 million.

FYE 2020

For the FYE 2020, our net cash used in financing activities amounted to RM111.4 million primarily attributable to:

- (i) net repayment of term loan and lease liabilities of RM219.9 million;
- (ii) net repayment of revolving credits and trade financing of RM163.8 million; and
- (iii) payment of interest expense of RM27.4 million in respect of our borrowings,

which was partially offset by the drawdown of unrated Islamic medium term notes of RM300.0 million.

FPE 2021

For the FPE 2021, our net cash used in financing activities amounted to RM6.2 million primarily attributable to:

- (i) net repayment of lease liabilities and term loans of RM81.5 million; and
- (ii) payment of interest expense of RM10.7 million in respect of our borrowings,

which was partially offset by net drawdown of trade financing of RM98.4 million.

11. FINANCIAL INFORMATION (Cont'd)

11.4.3 Lease liabilities and bank borrowings

The table below sets out the details of our Group's lease liabilities and bank borrowings as at 31 May 2021:

Type of facilities	Tenure	Weighted average effective interest rate %	Credit limit	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
Secured : Lease liabilities										
Fixed rates										
Lease liabilities ⁽¹⁾	5 years	5.69	-	36,424	30,010	15,417	5,566	1,883	-	89,300
Floating rates										
Lease liabilities ⁽¹⁾	5 to 20 years	5.58	37,100	2,525	2,571	2,620	1,930	1,284	21,258	32,188
Total lease liabilities			37,100	38,949	32,581	18,037	7,496	3,167	21,258	121,488
Secured: Bank borrowings										
Floating rates										
Term loans ⁽²⁾	5 to 20 years	4.46	254,455	24,596	44,132	15,000	9,143	3,029	2,899	98,799
Unrated Islamic medium term notes ⁽³⁾	7 years	3.61	500,000	21,000	36,000	38,700	39,600	39,600	125,100	300,000
Trade financing ⁽⁴⁾	1 to 3 months	3.09	189,524	117,315	-	-	-	-	-	117,315
Bank overdrafts ⁽⁴⁾	Repayable on demand	4.81	41,371	9,633	-	-	-	-	-	9,633
Revolving credit ⁽⁴⁾	1 to 3 months	-	61,000	-	-	-	-	-	-	-
Total bank borrowings			172,544	80,132	53,700	48,743	42,629	127,999	525,747	
Total lease liabilities and bank borrowings										
			211,493	112,713	71,737	56,239	45,796	149,257	647,235	

11. FINANCIAL INFORMATION (Cont'd)

Notes:

- (1) Lease liabilities comprise lease liabilities owing to financial institutions and non-financial institutions. Lease liabilities owing to financial institutions are utilised to part finance the purchase of prime movers, trailers, other equipment and leasehold land, whereas lease liabilities owing to non-financial institutions relate to leased assets.
- (2) The term loans were mainly utilised to part finance the acquisition of subsidiaries and purchase of land, building and prime movers.
- (3) On 4 November 2020, our Company issued the Sukuk Programme as explained in Section 11.3.3 (vii) of this Prospectus. The proceeds raised from the Sukuk Programme have been utilised to refinance existing borrowings, i.e. term loans and other working capital facilities, for working capital requirements and to defray expenses incurred in relation to the Sukuk Programme.
- (4) Trade financing, bank overdraft and revolving credits are used to part finance the working capital of our Group. Further to our existing facilities, in FYE 2020, our Group secured RM231.0 million of working capital facilities, which form part of the refinancing of our Group's banking facilities with AmBank Islamic Berhad, OCBC Al-Amin Bank Berhad and United Overseas Bank (Malaysia) Berhad together with the Sukuk Programme, as set out in Section 11.3.3 (vii) of this Prospectus.

The banking facilities above are secured by:

- (i) first legal charge over the freehold land, leasehold land, buildings and vehicles and mechanical equipment of our Group;
- (ii) restricted cash of our Group;
- (iii) pledge of unquoted shares of certain subsidiaries;
- (iv) personal and corporate guarantees by related parties. Persada Bina, Loo Hooi Keat, and Loo Yong Hui have provided personal and corporate guarantees, respectively for part of lease liabilities, term loans and trade financing facilities. Save for Loo Hooi Keat and Loo Yong Hui, none of our Directors provided any guarantees for any financing facilities of our Group;
- (v) pledge of our Group's fixed deposits;
- (vi) corporate guarantee provided by Swift Integrated Logistics and Delta Express for part of fixed rate lease liabilities facilities;
- (vii) personal guarantees provided by the former directors and/or shareholders of Agenda Wira, Northern Gateway Depot, Sentiasa Hebat, Sentiasa Hebat (Penang), and Tanjong Express prior to the acquisition of these companies by our Group, for part of term loans and hire purchase facilities; and
- (viii) personal and corporate guarantees by the former shareholders of Sentiasa Hebat and a company owned by one of the former shareholders of Sentiasa Hebat, respectively for term loan and trade bills.

11. FINANCIAL INFORMATION (Cont'd)

As at the LPD, the relevant financiers have provided their approvals to release and/or substitute the personal and corporate guarantees given by the related parties, former directors and/or shareholders and/or former shareholders of Sentiasa Hebat and a company owned by one of the former shareholders of Sentiasa Hebat for the credit facilities of our Group, as stated above, with corporate guarantees to be provided by our Company or our subsidiaries, as the case may be as follows:

- (i) the borrowings for which the corporate guarantees are provided by Persada Bina and personal guarantees are provided by the former directors and/or shareholders of Agenda Wira, Northern Gateway Depot, Sentiasa Hebat, Sentiasa Hebat (Penang) and Tanjong Express have been paid and the discharge of the guarantors is in progress;
- (ii) the borrowings for which the personal and corporate guarantees (as the case may be) are provided by the former shareholders of Sentiasa Hebat and a company owned by one of the former shareholders of Sentiasa Hebat have been paid and the discharge of the guarantors is in progress (please refer to Section 9.1.4 of this Prospectus for further details of the facilities which have been paid);
- (iii) personal guarantees provided by Loo Hooi Keat and Loo Yong Hui to our Company will be released subject to the following conditions imposed:
 - The Listing is to be completed by March 2022; and
 - Release of the personal guarantees is subject to all the banks agreeing to the release and/or substitute of the personal guarantees as well as subject to all the banks being ranked *pari passu*; and

As all the relevant banks have issued the letter agreeing to the release and/or substitution of the personal guarantees, the above conditions will be met upon Listing.

- (iv) personal guarantees provided by Loo Hooi Keat and Loo Yong Hui to our Group, excluding our Company, will be substituted with a corporate guarantee by our Company subject to the Listing. We expect to complete the substitution of the personal guarantees with a corporate guarantee by our Company within 2 months of our Listing.

Our Group has not defaulted on payments of either interest and/or principal sums in relations to any bank borrowings or finance lease throughout the Financial Years Under Review, FPE 2021 and up to the LPD. We do not encounter seasonality in our borrowings trend and there are no restrictions on our committed banking facilities.

As at the LPD, we are not in breach of any terms and conditions or covenants associated with our finance lease and bank borrowings which can materially affect our financial position and results or business operations, or the investments by holders of securities in our Group.

11.4.4 Financial instrument, treasury policies and objectives

The financial instruments of our Group which are used in the ordinary course of business of our Group, from an accounting perspective, may include financial assets such as fixed deposits with licenced banks, cash and bank balances, trade and other receivables excluding prepayment, other investments and derivative financial assets as well as financial liabilities such as trade payables, other payables, derivative financial liabilities, lease liabilities and bank borrowings.

Our treasury objective is to maintain sufficient working capital to finance our operations and meet our anticipated commitments arising from operational expenditure and financial liabilities, if any, by maintaining adequate liquidity and credit facilities. We manage our liquidity to ensure access to sufficient funding at acceptable costs to meet our business needs and financial obligations throughout our business cycles.

11. FINANCIAL INFORMATION (Cont'd)

Our liquidity and funding objectives are designed to meet our funding requirements, which include primarily payment for services, purchase of consumables, wages and salaries, interest and principal payments on outstanding bank borrowings and general obligations such as administrative expenses.

We have historically relied on cash generated from our operating activities, credit extended by our vendors, credit lines such as invoice financing, lease payables and term loans. Our funding objective is to obtain the most suitable types of financing and favourable cost of funding as our financing needs arise. Bank borrowings are negotiated with a view to secure the best possible terms and rates of interest.

Our Group has exposure to foreign currency risk through revenue generated from international customers and our subsidiary in Thailand. Our Group's exposure to foreign currency risk makes up a small percentage of our total revenue as it only represented 3.5%, 3.8% and 3.2% of our total revenue for the FYE 2018, FYE 2019 and FYE 2020 respectively. Our Group did not enter into any forward currency contract to manage exposures to currency risk for receivables and payables which are denominated in currencies other than the functional currency of our Group. Our Group foreign exchange management policy is to advocate matching principle in managing exposure of foreign currency risk (natural hedge). However, our Group entered into cross-currency interest rate swap contract in FYE 2018 to manage exposures to foreign currency and interest rate risks of a term loan of USD15,000,000. Any implementation of hedging strategies moving forward shall be subject to management discretion taking into consideration the level of currency risk exposure.

As at the LPD, save for the lease liabilities and bank borrowings as disclosed above, our Group does not use any other financial instruments.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

11.4.5 Material commitments

As at the LPD, our Group's material commitments (including commitments to be incurred) for capital expenditure are as follows:

	As at LPD RM'000
Approved but not contracted for	24,246
Contracted but not provided for	81,183
Total material commitments for capital expenditure	105,429

Our approved but not contracted for capital expenditure commitments as at LPD mainly comprises of the following:

- Upgrading our existing facilities which includes extension of our yard, renovation of our operations offices and also includes purchase of racking system for our existing and new warehouses which totalled up to approximately RM9.2 million;
- Purchase of commercial vehicles which includes prime movers, trailers and trucks with an estimated value of RM8.1 million;
- Purchase of other equipment and installation of solar systems for our warehouses with total estimated capital expenditure of RM3.5 million; and
- Enhancement of our operations systems and purchase of computers and other peripherals of approximately RM2.5 million.

Our contracted but not provided for capital expenditure commitments as at LPD primarily comprise:

- The construction and extension of warehouses:
 - (i) extension of our existing warehouse at Seberang Prai, Penang with construction cost of RM9.5 million (of which RM8.1 million has been paid as progress payment); and
 - (ii) construction of new warehouse of 178,000 sq. ft. at Port Klang Free Zone, Pulau Indah with the construction cost of RM28.6 million (of which RM1.5 million is in relation to structure and renovation cost that has been approved but not contracted for);
- Purchase of land relates to the purchase of leasehold land of approximately 1,263,231 sq. ft. in size with land tenure valid until 30 June 2105 by Ann Joo Properties from PKNS at a purchase consideration of RM59.4 million (of which RM17.8 million has been paid as progress payment). (Further information on the purchase of land and salient terms of the SPA are set out in Sections 6.21 and 13.7 of this Prospectus respectively); and
- Capital expenditure commitments for the purchase of 18 prime movers with total cost of RM6.8 million, 1 truck with total cost of RM0.2 million, 25 curtain sidlers with total cost of RM3.0 million and 20 trailers with total cost of RM1.1 million which will be used for the expansion our Group's container haulage and land transportation operations.

We plan to meet our capital expenditure commitments through combination of proceeds raised from our Public Issue, bank borrowings and internally generated funds.

11. FINANCIAL INFORMATION (Cont'd)

Save as disclosed above, as at the LPD, we do not have any other material capital commitments (being our capital expenditure commitments) incurred or known to be incurred by us that have not been provided for which, upon becoming enforceable, may have a material impact on our financial results.

11.4.6 Material litigation

As at the LPD, neither our Company nor our subsidiaries is engaged in any governmental, legal or arbitration proceedings, including those relating to bankruptcy, receivership or similar proceedings which may have or have had, material or significant effects on our financial position or profitability, in the 12 months immediately preceding the date of this Prospectus.

11.4.7 Contingent liabilities

Secured guarantees

**As at LPD
RM'000**

Bank guarantees utilised ⁽¹⁾	16,082
---	--------

Note:

- (1) Arrangement between our Group and our customers and suppliers (inclusive of port authorities and Customs).

As part of the contractual obligation with our customers mainly from oil, gas and petrochemical industry and government agencies, we are required to provide performance guarantee to our customers to ensure that we fulfil the contractual obligation.

Bank guarantee is provided to our suppliers to ensure that our Group will fulfil the obligation of paying for services rendered by our suppliers.

Save as disclosed above, as at the LPD, our Board, having made all reasonable enquiries, confirms that there are no contingent liabilities that, upon becoming enforceable, may have a material adverse impact on our financial condition or results of operations.

11.4.8 Key financial ratios

The following table sets out certain key financial ratios of our Group based on the combined financial statements of our Group for the Financial Years Under Review and FPE 2021:

	Audited			Audited
	FYE 2018 RM'000	FYE 2019 RM'000	FYE 2020 RM'000	FPE 2021 RM'000
Trade receivables turnover period (days)	67.2	64.4	63.0	57.8
Trade payables turnover period (days)	39.1	33.6	32.6	27.2
Inventory turnover period (days)	3.7	6.6	7.1	5.1
Current ratio (times)	0.7	0.7	0.9	0.9
Gearing ratio (times)	1.8	1.6	1.4	1.4
Net gearing ratio (times)	1.7	1.5	1.4	1.4

Please refer below for commentary on our Group's key financial ratios.

11. FINANCIAL INFORMATION (Cont'd)

(a) Trade receivables turnover period

	Audited			Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Average trade receivables ⁽¹⁾	165,516	172,448	154,407	156,124
Gross billing ⁽²⁾	898,382	976,908	894,734	407,950
Trade receivables turnover period (days)⁽³⁾	67.2	64.4	63.0	57.8

Notes:

- (1) Computed based on the average trade receivables as at the beginning and end of the financial year
- (2) Revenue is based on total billings for the financial year/period.
- (3)
$$\frac{\text{Average trade receivables}}{\text{Total revenue}} \times 365/151 \text{ days}$$

Our trade receivables are based on the amount billed to our customers. As such, our trade receivables turnover period is based on the total gross billing to our customers. The credit term typically granted to our customers ranges from 30 days to 90 days.

Our trade receivables turnover period has improved from 67.2 days to 64.4 days, 63.0 days and subsequently 57.8 days in FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. The decrease in our trade receivables turnover period was primarily due to lower trade receivables in FYE 2019 and FYE 2020 as a result of improvement in collections during the Financial Years Under Review. Improvement in trade receivables turnover period in FPE 2021 was mainly due to better collections during the financial period even though there was higher billing of RM408.0 million in FPE 2021 as compared to RM363.4 million in FPE 2020. This is due to effort by our Group to continuously improve our collections processes and procedures through close monitoring and increase in follow up actions on our trade debtors to reduce the risk of default. In addition, our Group consistently review our exposure to credit risk and we have stringent credit management policies in place through the application of credit approval, credit limit and monitoring procedures on an on-going basis. Our Group only provides credit terms to recognised and credit worthy customers and we deal with all other customers solely on a cash basis. We perform credit evaluations on our customers and an appropriate credit limit is then allocated to each customer based on their observed risk level.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

The ageing analysis of our Group's trade receivables as at 31 May 2021 is as follows:

	Not past due	Past due				Total
		1-30 Days	31 - 60 Days	61 - 90 Days	>90 Days	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade receivables	109,174	35,647	15,264	5,264	7,918	173,267
Less: Impairment losses	(1,061)	(343)	(156)	(578)	(5,818)	(7,956)
Trade receivables (net)	108,113	35,304	15,108	4,686	2,100	165,311
% of total trade receivables	65.4	21.4	9.1	2.8	1.3	100.0
Subsequent collections up to the LPD	107,967	34,226	13,484	4,628	2,100	162,405
Outstanding trade receivables as at the LPD	146	1,078	1,624	58	-	2,906

The trade receivables not past due is within the credit term period. Trade receivables ageing for our Group remain largely within credit period given to customers whereby 65.4% of trade receivables ageing was below credit terms as of 31 May 2021. The remaining 34.6% exceeded the credit period, whereby 30.5% of our trade receivables ageing was past due within 1 to 60 days.

As at LPD, a total of RM162.4 million was collected which represents 98.3% from an amount outstanding as at 31 May 2021 has been subsequently collected.

The Directors took reasonable steps to ascertain and satisfy themselves that all known bad debts had been written off and adequate provision had been made for doubtful debts. In the opinion of our Directors, the remaining outstanding trade receivables of our Group are collectible, and no further provision is required to be made.

Our Group does not have any significant exposure to any individual customer which our Group believes is not recoverable.

(b) Trade payables turnover period

	Audited			FPE 2021
	FYE 2018	FYE 2019	FYE 2020	
	RM'000	RM'000	RM'000	RM'000
Average trade payables ⁽¹⁾	74,666	67,008	59,306	55,866
Gross purchases ⁽²⁾	696,707	727,516	664,171	310,280
Trade payables turnover period (days)⁽³⁾	39.1	33.6	32.6	27.2

Notes:

(1) Computed based on the average trade payables as at the beginning and end of the financial year.

(2) Gross purchases include cost of sales, recoverable cost and excludes depreciation.

11. FINANCIAL INFORMATION (Cont'd)

$$(3) \quad \frac{\text{Average trade payables}}{\text{Gross credit purchases}} \times 365/151 \text{ days}$$

Our trade payables relate to transactions with third party suppliers. The credit period granted to our Group by our suppliers mainly ranges between 14 days to 90 days.

Our trade payables turnover period stood at 39.1 days, 33.6 days, 32.6 days and 27.2 days in FYE 2018, FYE 2019, FYE 2020 and FPE 2021 respectively. The decreasing trend in trade payables turnover period was mainly due to the timely payments made to our creditors. On average, our trade payables turnover period remained within the credit period granted to us by our suppliers.

The ageing analysis of our Group's trade payables as at 31 May 2021 is as follows:

	Not past due	Past due			Total
		1-30 Days	31 – 60 Days	>60 Days	
	RM'000	RM'000	RM'000	RM'000	RM'000
Trade payables	48,060	2,388	333	1,578	52,359
% of total trade payables	91.8	4.6	0.6	3.0	100.0
Subsequent payments up to the LPD	47,861	2,377	326	1,226	51,790
Outstanding trade payables as at the LPD	199	11	7	352	569

Trade payables ageing for our Group as of 31 May 2021 was largely within the credit period of below 90 days i.e. 91.8% of trade payables falls within this period. Only the remaining 8.2% of our trade payables exceeded the credit period normally given by our creditors.

Our Group endeavours to pay our suppliers within the credit periods granted to us to ensure our supplies are not disrupted. As at the LPD, our Group does not have any material disputes in respect of our trade payables and no material legal proceedings to demand for payment have been initiated by our suppliers against us.

As at LPD, we have paid almost all our trade payables which were outstanding as at 31 May 2021.

11. FINANCIAL INFORMATION (Cont'd)**(c) Inventory turnover period**

	Audited			Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Average inventories ⁽¹⁾	7,118	13,188	12,960	10,541
Gross purchases ⁽²⁾	696,707	727,516	664,171	310,280
Inventory turnover period (days)⁽³⁾	3.7	6.6	7.1	5.1

Notes:

- (1) Computed based on the average inventories as at the beginning and end of the financial year.
- (2) Gross purchases include cost of sales, recoverable cost and excludes depreciation.
- (3) $\frac{\text{Average inventories}}{\text{Gross purchases}} \times 365/151 \text{ days}$

Our inventories mainly relate to spare parts, consumables goods and prime movers. Our inventory turnover period increased from 3.7 days in FYE 2018 to 6.6 days in FYE 2019 which was primarily due to an increase in prime movers to be delivered by our subsidiary, namely Q-Team, a 3S dealer for Mercedes Benz, of RM7.0 million.

Our inventory turnover period for FYE 2020 has increased to 7.1 days mainly due to an increase in prime movers held by our subsidiary, namely Q-Team, which was attributable to 10 prime movers ordered in October 2020 and subsequently delivered in March 2021. Our inventory turnover period decreased to 5.1 days in FPE 2021 mainly due to lower prime movers held by our subsidiary, namely Q-Team, a 3S dealer for Mercedes Benz, of RM1.6 million prior to the delivery of the prime movers to its customers.

(d) Current ratio

	Audited			Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Current assets (RM'000)	284,370	249,867	238,593	282,624
Current liabilities (RM'000)	408,231	379,708	266,956	308,691
Current ratio (times)⁽¹⁾	0.7	0.7	0.9	0.9

Note:

- (1) Current assets divided by current liabilities.

Comparison between FYE 2018 and FYE 2019

Our Group's current ratio remained at 0.7 times, for FYE 2018 and FYE 2019 which represents a net current liabilities position mainly due to the short term bank borrowings of our Group which were utilised to part finance our Group's working capital requirements and capital expenditure for our operational purposes.

11. FINANCIAL INFORMATION (Cont'd)

In the FYE 2019, our current assets decreased by RM34.5 million to RM249.9 million, from RM284.4 million in FYE 2018 in correspondence with decreased in current liabilities by RM28.5 million to RM379.7 million, from RM408.2 million in FYE 2018 mainly due to the following:

- (i) decrease in trade and other receivables which was in line with the improvement in trade receivables turnover ratio to 64.4 days in FYE 2019 from 67.2 days in FYE 2018. The decrease in our trade receivables turnover period was primarily due to lower trade receivables in FYE 2019 as a result of improvement in collections during the Financial Years Under Review. This was due to effort by our Group to continuously improve our collections processes and procedures through close monitoring and increase in follow up actions on our trade debtors to reduce the risk of default;
- (ii) decrease in cash and bank balances which was in line with the improvement in trade payables turnover ratio to 33.6 days in FYE 2019 from 39.1 days in FYE 2018 and also due to purchase of property, plant and equipment, which mainly include prime movers and trailers and structure and renovation cost for bare land upgrading works for interlocking concrete pavers at Lot 23, Northport (Port Klang) and Lot 87989, Westport (Port Klang); and
- (iii) decrease in trade and other payables in line with improvement in trade payables turnover ratio as mentioned above as our Group had been making regular payment to creditors within the credit terms.

However, the decrease was offset with the increase in borrowings and lease liabilities by RM19.6 million to RM271.2 million in FYE 2019, from RM251.6 million in FYE 2018 due to financing undertaken for purchases of prime movers, mechanical equipment, buildings and others.

Comparison between FYE 2019 and FYE 2020

In FYE 2020, our Group's current ratio increased from 0.7 times in FYE 2019 to 0.9 times in FYE 2020, representing net current liabilities position, as our Group restructured some of our existing term loans from short term borrowings to long term borrowings via the Sukuk Programme.

Our current assets decreased by RM11.3 million to RM238.6 million in FYE 2020, from RM249.9 million in FYE 2019 in correspondence with the decreased in current liabilities by RM112.8 million to RM266.9 million in FYE 2020, from RM379.7 million in FYE 2019 mainly contributed by the following:

- (i) decrease in trade and other receivables which was in line with the improvement in trade receivables turnover ratio to 63.0 days in FYE 2020 from 64.4 days in FYE 2019; and
- (ii) restructuring of working capital debts into long term debt via the Sukuk Programme amounting to RM300.0 million (being the first tranche of the Sukuk Programme). The restructuring of working capital debts into long term debts as mentioned above resulted to reduction of our current borrowings and lease liabilities in FYE 2020.

11. FINANCIAL INFORMATION (Cont'd)**Comparison between FYE 2020 and FPE 2021**

In FPE 2021, our Group's current ratio remained at 0.9 times, representing a net current liabilities position.

In the FPE 2021, our current assets increased by RM44.0 million to RM282.6 million, from RM238.6 million in FYE 2020 in correspondence with the increase in current liabilities by RM41.7 million to RM308.7 million in FPE 2021, from RM267.0 million in FYE 2020 mainly due to the following:

- (i) increase in trade and other receivables by RM23.0 million to RM201.1 million in FPE 2021, from RM178.1 million in FYE 2020. The increase was mainly attributable to higher amount billed in FPE 2021 of RM408.0 million, with an increase by RM44.6 million, from RM363.4 million recorded in FPE 2020;
- (ii) increase in assets held for sale by RM17.2 million to RM27.2 million in FPE 2021, from RM10.0 million in FYE 2020 as our Group has entered into a sale and purchase agreement to dispose land owned by Tanjong Express; and
- (iii) increase in short term borrowings by RM59.7 million to RM172.5 million in FPE 2021, from RM112.8 million in FYE 2020 mainly for our working capital purposes.

However, the increase was offset by decrease in trade and other payables by RM14.2 million to RM96.6 million in FPE 2021, from RM110.8 million in FPE 2020 which was in line with the improvement in trade payables turnover ratio to 27.2 days in FPE 2021 from 32.6 days in FYE 2020.

As at the LPD, our Group has an unutilised balance of RM140.0 million from the Sukuk Programme available to our Group for working capital requirements and future capital expansion purposes. The Sukuk Programme allows our Group to restructure some of our short term borrowings to long term thereby increasing the current ratio further.

Based on the pro forma statements of financial position of our Group (after the Share Split and the IPO) as at 31 May 2021, our net current liabilities position of RM26.1 million is expected to improve to a net current assets position of RM0.4 million, which represents a current ratio of 1.0 times.

Following the Listing, our Group plans to maintain a net current assets position. Any funds required for working capital requirements and future capital expansion purposes can be sourced from the Sukuk Programme, which allows longer repayment term.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)**(e) Gearing ratio and net gearing ratio**

	Audited			Audited
	FYE 2018	FYE 2019	FYE 2020	FPE 2021
	RM'000	RM'000	RM'000	RM'000
Borrowings	607,728	412,610	479,317	525,747
(Less)/Add:				
Cross currency interest rate swap	(2,119)	(860)	734	(694)
Net borrowings after cross currency interest rate swap	605,609	411,750	480,051	525,053
Lease liabilities owing to:				
-Financial institutions	-	194,184	121,775	107,918
-Non-financial institutions	-	9,814	16,287	13,570
Total debt	605,609	615,748	618,113	646,541
Less:				
Cash and bank balances	(49,669)	(29,310)	(32,891)	(34,371)
Short term fund	(1,012)	(1,160)	(2,009)	(2,024)
Total net debt	554,928	585,278	583,213	610,146
Total capital	334,674	388,951	430,398	451,926
Gearing ratio (times)⁽¹⁾	1.8	1.6	1.4	1.4
Net gearing ratio (times)⁽²⁾	1.7	1.5	1.4	1.4

Notes:

(1) Gearing ratio represents total debt divided by total capital

(2) Net gearing ratio represents total net debt divided by total capital.

Our Group's gearing ratio decreased from 1.8 times as at 31 December 2018 to 1.6 times as at 31 December 2019 primarily due to the increase in our total equity, as a result of increase in our retained earnings by RM36.1 million and total capital from the issuance of redeemable convertible preference shares of RM18.4 million in FYE 2019. As at 31 December 2020, our Group's gearing ratio further decreased to 1.4 times primarily due to the decrease in our net debts of RM2.1 million and increase in our retained earnings of RM41.7 million. Our gearing ratio remained at 1.4 times as at 31 May 2021.

Our Group's net gearing ratio decreased from 1.7 times as at 31 December 2018 to 1.5 times as at 31 December 2019 primarily due to the increase in our total equity, as a result of increase in our retained earnings by RM36.1 million and total capital from the issuance of redeemable convertible preference shares of RM18.4 million in FYE 2019.

11. FINANCIAL INFORMATION (Cont'd)

As at 31 December 2020, our Group's net gearing ratio further decreased to 1.4 times primarily due to the decrease in our net debts of RM2.1 million and increase in our retained earnings of RM41.7 million. Our Group's net gearing ratio remained at 1.4 times as at 31 May 2021.

Based on the pro forma statements of financial position of our Group (after the Share Split and the IPO) as at 31 May 2021, our Group's gearing ratio and net gearing ratio are expected to improve to 1.0 times and 0.9 times, respectively.

11.4.9 Inflation

Inflation has not had a material impact on our business, financial condition or results of operations for the Financial Years Under Review and FPE 2021. However, inflation may affect our financial performance by increasing our operating expenses, such as selling and administrative expenses. Any increase in the inflation rate beyond levels experienced in the past may affect our operations and financial performance if we are unable to fully offset higher costs through increased revenues.

(The rest of this page has been intentionally left blank)

11. FINANCIAL INFORMATION (Cont'd)

11.5 ORDER BOOK

Due to the nature of our business, we do not maintain an order book.

11.6 TREND INFORMATION

Save as disclosed in this Section and in Sections 6, 7 and 8 of this Prospectus, to the best of our Board's knowledge and belief, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the financial condition and results of operations of our Group.

11.7 SIGNIFICANT CHANGES

Save as disclosed, no significant changes have occurred since the FYE 2020, being our most recent annual financial statements, which may have a material effect on the financial position and results of our Group.

11.8 DIVIDEND POLICY

We target a pay-out ratio of up to 30% of our PAT attributable to the owners of our Company of each fiscal year on a consolidated basis after considering our capital requirements including working and maintenance capital. Dividend pay-out is subjected to the confirmation of our Board as well as any applicable law, licence conditions and contractual obligations and provided that such distribution will not be detrimental to our Group's cash requirements or any plans approved by our Board.

Save for certain banking restrictive covenants which our Group are subject to, there are no dividend restrictions imposed on our Group as at the LPD.

Investors should note that this dividend policy merely describes our present intention and shall not constitute legally binding statements in respect of our Company's future dividends which are subject to modification (including non-declaration thereof) at our Board's discretion. We cannot assure you that we will be able to pay dividends or that our Board will declare dividends in the future. There can also be no assurance that future dividends declared by our Board, if any, will not differ materially from our historical dividend levels. Please refer to Section 8 of this Prospectus for risk factors that may affect or restrict our ability to pay dividends. No inference should be made from any of the foregoing statements as to our actual future profitability or our ability to pay dividends in the future.

Dividend payments, capital gains and profits from dealing in our Shares will not be subject to Malaysian taxation (not applicable to entities including companies with trading of shares as their principal business activity). No withholding tax is imposed on the above transactions. Potential investors are advised to consult their professional tax advisors if they are in any doubt as to the taxation implication of subscribing, holding or disposing of and dealing in our Shares.

11. FINANCIAL INFORMATION (Cont'd)

11.9 REPORTING ACCOUNTANTS' REPORT ON THE PRO FORMA STATEMENTS OF FINANCIAL POSITION



Tel : +603 2616 2888
Fax : +603 2616 3190 / 3191
www.bdo.my

Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia

The Board of Directors
Swift Haulage Berhad
Suite 8.02, Level 8, Intan Millennium Square (IMS2),
No.88, Jalan Batai Laut 4,
Taman Intan,
41300 Klang,
Selangor Darul Ehsan.

Date: 15 November 2021

Our ref: BDO/PZH/TKYee/sml

Dear Sirs

**SWIFT HAULAGE BERHAD ("Swift Haulage" or "the Company") AND ITS COMBINING ENTITIES (collectively "the Group")
REPORT ON COMPILATION OF THE PRO FORMA STATEMENTS OF FINANCIAL POSITION INCLUDED IN A PROSPECTUS ("THIS REPORT")**

We have completed our assurance engagement to report on the compilation of the Pro Forma Statements of Financial Position of the Group prepared by the Board of Directors of the Company. The Pro Forma Statements of Financial Position as at 31 May 2021 together with the accompanying notes thereon, for which we have stamped for purpose of identification only, have been prepared for inclusion in the Prospectus of the Company in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad.

The applicable criteria on the basis of which the Board of Directors has compiled the Pro Forma Statements of Financial Position are described in Note 2 to the Pro Forma Statements of Financial Position. The Pro Forma Statements of Financial Position is prepared in accordance with paragraph 9.18 of Chapter 9, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia ("Prospectus Guidelines").

The Pro Forma Statements of Financial Position have been compiled by the Board of Directors to illustrate the impact of the transactions as set out in Note 3 to the Pro Forma Statements of Financial Position on the Group's financial position as at 31 May 2021 had the transactions been effected on 31 May 2021. As part of this process, information about the financial position of the Group has been extracted by the Board of Directors from the Group's audited financial statements for the financial period ended 31 May 2021.

Directors' Responsibilities for the Pro Forma Statements of Financial Position

The Board of Directors is solely responsible for compiling the Pro Forma Statements of Financial Position on the basis as described in Note 2 to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Reporting Accountants' Independence and Quality Control

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

11. FINANCIAL INFORMATION (Cont'd)**Reporting Accountants' Independence and Quality Control (continued)**

The firm applies International Standard on Quality Control 1 (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and, accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by the Prospectus Guidelines, about whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, by the Board of Directors on the basis described in the Note 2 to the Pro Forma Statements of Financial Position.

We conducted our engagement in accordance with International Standard on Assurance Engagement (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors has compiled, in all material respects, the Pro Forma Statements of Financial Position on the basis set out in the Notes thereon to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Statements of Financial Position. In providing this opinion, we do not accept any responsibility for such reports or opinions beyond that owed to those to whom reports or opinion were addressed by us at the dates of their issue.

The purpose for inclusion of the Pro Forma Statements of Financial Position in the Prospectus is solely to illustrate the impact of significant events or transactions on unadjusted financial information of the entity as if the events had occurred or the transactions had been undertaken at an earlier date selected for purposes of illustration. Accordingly, we do not provide any assurance that the actual outcome of the events or transactions at that date would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Board of Directors in the compilation of the Pro Forma Statements of Financial Position provides a reasonable basis for presenting the significant effects directly attributable to the events or transactions, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Pro Forma Statements of Financial Position reflect the proper application of those adjustments to the unadjusted financial information.

11. FINANCIAL INFORMATION (Cont'd)



Reporting Accountants' Responsibilities (continued)

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the events or transactions in respect of which the Pro Forma Statements of Financial Position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Statements of Financial Position.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Pro Forma Statements of Financial Position have been compiled, in all material respects, on the basis set out in the Note 2 to the Pro Forma Statements of Financial Position and in accordance with the requirements of the Prospectus Guidelines.

Other Matter

This report has been prepared solely for the purpose stated above, in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad. As such, this Report should not be used for any other purpose without our prior written consent. Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any party in respect of this Report contrary to the aforesaid purpose.

A handwritten signature in black ink, appearing to read 'BDO PLT'.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Pang Zhi Hao'.

Pang Zhi Hao
03450/09/2023 J
Chartered Accountant

11. FINANCIAL INFORMATION (Cont'd)***Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position*****1. INTRODUCTION**

The Pro Forma Statements of Financial Position of Swift Haulage Berhad (“Swift Haulage” or “the Company”) and its combining entities (collectively “the Group”) as at 31 May 2021 (“Pro Forma SOFP”) together with the notes thereon, for which the Directors of the Company are solely responsible, have been prepared for illustrative purposes only for the purpose of inclusion in the Prospectus in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad (“Listing”).

2. BASIS OF PREPARATION

The Pro Forma SOFP have been prepared on the basis consistent with the accounting policies adopted by the Group, in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and with the requirements of the Prospectus Guidelines.

The Pro Forma SOFP have been prepared for illustrative purposes only to show the effects of the transactions as set out in Note 3 on the audited statements of financial position of the Group as at 31 May 2021 had the transactions been effected on 31 May 2021, and should be read in conjunction with the notes thereon. Due to its nature, the Pro Forma SOFP is not necessarily indicative of the financial position of the Group that would have been attained had the effects of the transactions as set out in Note 3 actually occurred at the respective dates. Further, such information does not purport to predict the future financial position of the Group.

The audited financial statements of the Group for the financial period ended 31 May 2021 was not subject to any audit qualification.

3. LISTING SCHEME

The subsequent events, Share Split and IPO as disclosed in Notes 3.1, 3.2 and 3.3 respectively are included in the Pro Forma SOFP to show the effects of the transactions on the audited statements of financial position of the Group as at 31 May 2021 had the transactions been effected on 31 May 2021 in accordance with the Prospectus Guidelines.

3.1 Subsequent events**3.1.1 Investment in a joint venture**

On 21 April 2021, the Group entered into conditional Share Sale Agreement (“JV SSA”) with a third party to acquire 50% of the ordinary shares comprising 1,285,000 ordinary shares in Hypercold Logistics Sdn. Bhd. for a purchase consideration of RM10,550,000. The JV SSA has been completed on 16 June 2021.

3.1.2 Other investment

On 23 April 2021, the Group entered into a conditional Share Sale Agreement (“Other Investment SSA”) with a third party to acquire 15% of the ordinary shares comprising 15,000 ordinary shares in Platinum Coldchain Sdn. Bhd. for a purchase consideration of RM37,500. The Other Investment SSA has been completed on 16 June 2021.



11. FINANCIAL INFORMATION (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))**
Pro Forma Statements of Financial Position**3. LISTING SCHEME (continued)****3.1 Subsequent events (continued)****3.1.3 Acquisition of a subsidiary**

On 28 May 2021, the Company entered into conditional Share Sale Agreement ("Subsidiary SSA") with a third party to acquire the entire equity interest of the ordinary shares comprising 10,000,000 ordinary shares in Ann Joo Properties Sdn. Bhd. ("AJP") for a total cash consideration of RM10,000,000. The Subsidiary SSA has been completed on 15 July 2021.

AJP's identifiable assets and liabilities have been included in the Pro Forma SOFP based on their relative fair values and allocated from the cost of acquisition at the acquisition date. The relative fair value of the assets and liabilities as at the acquisition date are as follows:

	RM'000
Property, plant and equipment	5
Investment property	14,909
Trade and other receivables	17
Cash and bank balances	38
	<hr/>
Total identifiable assets	14,969
Current tax liabilities	(351)
Trade and other payables	(4,618)
	<hr/>
Total identifiable net assets/cost of acquisition	<u>10,000</u>

3.1.4 Purchase of land

On 26 August 2021, the Group entered into a Sale and Purchase Agreement ("SPA") with a third party for the purchase of leasehold land held under HS(D) 116369, P.T. No. 185, Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor Darul Ehsan for a total purchase consideration of RM59,372,000. The SPA has not been completed as at the date of this report.

3.2 Share Split

In conjunction with the Listing, the Company carried out a subdivision of 1 ordinary share in the Company to 6 ordinary shares in the Company ("Share Split") on 15 November 2021. Upon completion of the Share Split, the total number of ordinary shares in the Company increased from 122,110,267 shares to 732,661,602 shares.

No impact will be illustrated in the below Pro Forma SOFP as the Share Split does not have any impact to the Pro Forma SOFP.



11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

3. LISTING SCHEME (continued)**3.3 IPO**

In conjunction with the Listing, the Company will undertake an IPO comprising public issue of 157,142,900 new ordinary shares in the Company ("Public Issue") and offer for sale of approximately up to 157,000,000 existing ordinary shares in the Company at an indicative IPO price of RM1.03 per share.

Upon completion of the IPO, the Company will seek admission into the Official List of Bursa Malaysia Securities Berhad and the entire ordinary shares in the Company will be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad.

Utilisation of Proceeds

The proceeds from the Public Issue of approximately RM161.9 million are expected to be utilised in the following manner:

	RM'000
Capital expenditure ⁽¹⁾	82,125
Repayment of bank borrowings	69,732
Estimated listing expenses ⁽²⁾	10,000
	161,857

Notes:

- (1) The total estimated project cost for the construction of new warehouse in Port Klang Free Zone is estimated at approximately RM28,565,000 and the total purchase price for acquisition of 30 units of prime movers is estimated at approximately RM12,000,000. Balance of RM41,560,000 will be used to fund the purchase of land for expansion of existing container haulage, land transportation and/or warehousing and container depot services. As at the latest practicable date of the prospectus, the use of proceeds for capital expenditure is RM82,125,000 and the Group, in accordance with Paragraph 9.18(a)(ii) of the Prospectus Guidelines, has illustrated the total utilisation of proceeds for capital expenditure of RM82,125,000 to be raised from the Public Issue in the Pro Forma Statements of Financial Position.
- (2) The estimated listing expenses totaling RM10,000,000 to be borne by the Company comprise underwriting fees, placement fees, brokerage fees, regulatory fees, professional fees and miscellaneous expenses relating to the Public Issue and the Listing. A total of approximately RM5,477,000 of the estimated listing expenses is assumed to be directly attributable to the Public Issue and as such, will be debited against the share capital of the Company and the remaining expenses of RM4,523,000 is expensed off to the profit or loss.



11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

4. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2021

The Pro Forma SOFP have been prepared for illustrative purposes only to show the effects on the Statements of Financial Position ("SOFP") of the Group at 31 May 2021 based on the assumptions that the transactions set out in Note 3 had been effected on that date, and should be read in conjunction with the notes thereon.

		Audited	Adjustments for subsequent events		Pro Forma I		Adjustments for Share Split		Pro Forma II		Adjustments for IPO		Pro Forma III	
Note		As at 31 May 2021 RM'000	RM'000	RM'000	After subsequent events RM'000	RM'000	RM'000	After Pro Forma I and Share Split RM'000	RM'000	RM'000	After Pro Forma II and the IPO RM'000	RM'000	RM'000	
ASSETS														
Non-current assets														
Property, plant and equipment	4.2.1	405,538		5	405,543		-	405,543		40,565	446,108			
Investment properties	4.2.2	1,686		32,721	34,407		-	34,407		41,560	75,967			
Right-of-use assets		471,269		-	471,269		-	471,269		-	471,269			
Other investments	4.2.3	460		38	498		-	498		-	498			
Investments in associates		18,755		-	18,755		-	18,755		-	18,755			
Goodwill		68,813		-	68,813		-	68,813		-	68,813			
Investment in a joint venture	4.2.4	-		10,550	10,550		-	10,550		-	10,550			
Deferred tax assets		1,569		-	1,569		-	1,569		-	1,569			
		968,090		43,314	1,011,404		-	1,011,404		82,125	1,093,529			
Current assets														
Inventories		10,122		-	10,122		-	10,122		-	10,122			
Trade and other receivables	4.2.5	201,128		17	201,145		-	201,145		-	201,145			
Current tax assets		7,091		-	7,091		-	7,091		-	7,091			
Derivative financial asset		694		-	694		-	694		-	694			
Short term fund		2,024		-	2,024		-	2,024		-	2,024			
Cash and bank balances	4.2.6	34,371		(20,550)	13,821		-	13,821		-	13,821			
		255,430		(20,533)	234,897		-	234,897		-	234,897			

11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

4. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2021 (continued)

	Audited	Pro Forma I		Pro Forma II		Pro Forma III	
Note	As at 31 May 2021 RM'000	Adjustments for subsequent events RM'000	After subsequent events RM'000	Adjustments for Share Split RM'000	After Pro Forma I and Share Split RM'000	Adjustments for IPO RM'000	After Pro Forma II and the IPO RM'000
Current assets (continued)							
Non-current asset held for sale	27,194	-	27,194	-	27,194	-	27,194
TOTAL ASSETS	1,250,714	22,781	1,273,495	-	1,273,495	82,125	1,355,620
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Share capital	228,042	-	228,042	-	228,042	156,380	384,422
Retained earnings	224,374	-	224,374	-	224,374	(4,523)	219,851
Exchange translation reserve	(490)	-	(490)	-	(490)	-	(490)
Non-controlling interests	451,926 530	- -	451,926 530	- -	451,926 530	151,857 -	603,783 530
TOTAL EQUITY	452,456	-	452,456	-	452,456	151,857	604,313

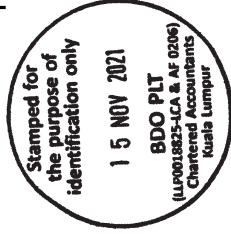


11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

4. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2021 (continued)

	Note	Audited As at 31 May 2021 RM'000	Adjustments for subsequent events RM'000	Pro Forma I After subsequent events RM'000	Adjustments for Share Split RM'000	Pro Forma II After Pro Forma I and Share Split RM'000	Adjustments for IPO RM'000	Pro Forma III After Pro Forma II and the IPO RM'000
EQUITY AND LIABILITIES (continued)								
LIABILITIES								
Non-current liabilities								
Borrowings		353,203	-	353,203	-	353,203	-	353,203
Lease liabilities		82,539	-	82,539	-	82,539	-	82,539
Deferred tax liabilities		53,825	-	53,825	-	53,825	-	53,825
		489,567	-	489,567	-	489,567	-	489,567
Current liabilities								
Trade and other payables	4.2.9	96,551	4,618	101,169	-	101,169	-	101,169
Borrowings	4.2.10	172,544	17,812	190,356	-	190,356	(69,732)	120,624
Lease liabilities		38,949	-	38,949	-	38,949	-	38,949
Current tax liabilities	4.2.11	647	351	998	-	998	-	998
		308,691	22,781	331,472	-	331,472	(69,732)	261,740
TOTAL LIABILITIES		798,258	22,781	821,039	-	821,039	(69,732)	751,307



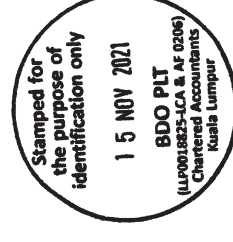
11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

4. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2021 (continued)

	Audited	Adjustments for subsequent events RM'000	Pro Forma I After subsequent events RM'000	Adjustments for Share Split RM'000	Pro Forma II After Pro Forma I and Share Split RM'000	Adjustments for IPO RM'000	Pro Forma III After Pro Forma II and the IPO RM'000
EQUITY AND LIABILITIES (continued)							
TOTAL EQUITY AND LIABILITIES	1,250,714	22,781	1,273,495	-	1,273,495	82,125	1,355,620
No. of shares ('000)	122,110	-	122,110	610,552	732,662	157,143	889,805
Gearing ratio (times) ⁽¹⁾	1.4		1.5		1.5		1.0

⁽¹⁾ Gearing ratio represents borrowings (including lease liabilities arising from rental of leased assets) divided by total equity attributable to the Group.



11. FINANCIAL INFORMATION (Cont'd)*Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position***4. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2021 (continued)****4.1 Pro Forma Adjustments to the Pro Forma Statements of Financial Position****(i) Pro Forma I**

Pro Forma I incorporated the effects of the subsequent events as set out in Note 3.1.

(ii) Pro Forma II

Pro Forma II incorporated the effects of Pro Forma I and the Share Split as set out in Note 3.2.

(iii) Pro Forma III

Pro Forma III incorporated the effects of Pro Forma II and the effects of the IPO as set out in Note 3.3.

4.2 Notes to the Pro Forma SOFP**4.2.1 Property, plant and equipment**

	RM'000
Balance as at 31 May 2021	405,538
Acquisition of a subsidiary	5
	<hr/>
Pro Forma I/II	405,543
Utilisation of proceeds for capital expenditure	40,565
	<hr/>
Pro Forma III	446,108
	<hr/>

4.2.2 Investment properties

	RM'000
Balance as at 31 May 2021	1,686
Acquisition of a subsidiary	14,909
Purchase of land*	17,812
	<hr/>
Pro Forma I/II	34,407
Utilisation of proceeds for capital expenditure	41,560
	<hr/>
Pro Forma I, Pro Forma II and Pro Forma III	75,967
	<hr/>

* The purchase consideration for purchase of land is amounted to RM59,372,000 and the remaining balance of RM41,560,000 is funded by the IPO proceeds.

4.2.3 Other investments

	RM'000
Balance as at 31 May 2021	460
Other investment	38
	<hr/>
Pro Forma I, Pro Forma II and Pro Forma III	498
	<hr/>



11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

4. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2021 (continued)

4.2 Notes to the Pro Forma SOFP (continued)

4.2.4 Investment in a joint venture

	RM'000
Balance as at 31 May 2021	-
Investment in a joint venture	10,550
Pro Forma I, Pro Forma II and Pro Forma III	10,550

4.2.5 Trade and other receivables

	RM'000
Balance as at 31 May 2021	201,128
Acquisition of a subsidiary	17
Pro Forma I, Pro Forma II and Pro Forma III	201,145

4.2.6 Cash and bank balances

	RM'000
Balance as at 31 May 2021	34,371
Investment in a joint venture	(10,550)
Other investment	(38)
Acquisition of a subsidiary, net of cash acquired*	(9,962)
Pro Forma I and Pro Forma II	13,821
Proceeds from the IPO	161,857
Utilisation of proceeds from the IPO	
- Capital expenditure	(82,125)
- Repayment of bank borrowings	(69,732)
- Estimated listing expenses	(10,000)
Pro Forma III	13,821

* The purchase consideration for the acquisition of a subsidiary amounted to RM10,000,000, less cash and cash equivalents of the subsidiary acquired of RM38,000.

4.2.7 Share capital

	RM'000
Balance as at 31 May 2021/Pro Forma I/Pro Forma II	228,042
Public Issue	161,857
Issued share capital	389,899
Estimated listing expenses attributable to the Public Issue	(5,477)
Pro Forma III	384,422



11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

4. PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 MAY 2021 (continued)

4.2 Notes to the Pro Forma SOFP (continued)

4.2.8 Retained earnings

	RM'000
Balance as at 31 May 2021/Pro Forma I/Pro Forma II	224,374
Estimated other listing expenses	(4,523)
Pro Forma III	219,851

4.2.9 Trade and other payables

	RM'000
Balance as at 31 May 2021	96,551
Acquisition of a subsidiary	4,618
Pro Forma I, Pro Forma II and Pro Forma III	101,169

4.2.10 Borrowings

	RM'000
Balance as at 31 May 2021/Pro Forma I/Pro Forma II	172,544
Purchase of land	17,812
Pro Forma I and Pro Forma II	190,356
Repayment of bank borrowings	(69,732)
Pro Forma III	120,624

4.2.11 Current tax liabilities

	RM'000
Balance as at 31 May 2021	647
Acquisition of a subsidiary	351
Pro Forma I, Pro Forma II and Pro Forma III	998



11. FINANCIAL INFORMATION (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Pro Forma Statements of Financial Position

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors of Swift Haulage Berhad in accordance with a resolution dated 15 November 2021.

Signed on behalf of the Board of Directors,



Loo Yong Hui
Director

12. ACCOUNTANTS' REPORT



Tel : +603 2616 2888
Fax : +603 2616 3190 / 3191
www.bdo.my

Level 8
BDO @ Menara CenTARa
360 Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Malaysia

The Board of Directors
Swift Haulage Berhad
Suite 8.02, Level 8, Intan Millennium Square 2 (IMS2),
No.88, Jalan Batai Laut 4,
Taman Intan,
41300 Klang,
Selangor Darul Ehsan.

Date: 15 November 2021

Our ref: BDO/PZH/TKYee/sml

Dear Sirs

Reporting Accountant's Opinion on the Combined Financial Statements Contained in the Accountants' Report of Swift Haulage Berhad ("Swift Haulage" or the "Company")

Opinion

We have audited the combined financial statements of Swift Haulage Berhad and its combining entities ("the Group"), which comprise the combined statements of financial position as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021 of the Group, and combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows of the Group for the financial years/period ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021, and notes to the combined financial statements, including a summary of significant accounting policies as set out in this report.

This historical combined financial statements have been prepared for inclusion in the prospectus of the Company (the "Prospectus") in connection with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad (the "Listing"). This report is given for the purpose of complying with the Prospectus Guidelines issued by the Securities Commission Malaysia and for no other purpose.

In our opinion, the accompanying combined financial statements give a true and fair view of the financial position of the Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021 and of its financial performance and its cash flows for the financial years/period ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021 in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

12. ACCOUNTANTS' REPORT (Cont'd)**Directors' Responsibilities for the Combined Financial Statements**

The Directors of the Company are responsible for the preparation of the combined financial statements of the Group that give a true and fair view in accordance with MFRSs and IFRSs. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of combined financial statements of the Group that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements of the Group or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern.

12. ACCOUNTANTS' REPORT (Cont'd)



Reporting Accountants' Responsibilities for the Audit of the Combined Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group, including the disclosures, and whether the financial statements of the Group represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

The comparative information in respect of the combined statements of profit or loss and other comprehensive income, combined statements of changes in equity, combined statements of cash flows and related notes to the combined financial statements for the financial period ended 31 May 2020 has not been audited.

This report has been prepared solely to comply with Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines issued by the Securities Commission Malaysia and for inclusion in the Prospectus in connection with the Listing and for no other purposes. We do not assume responsibility to any other person for the content of this report.

BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Pang Zhi Hao
03450/09/2023 J
Chartered Accountant

12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF FINANCIAL POSITION**

	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	6	765,717	367,031	383,955	405,538
Investment property	7	-	-	1,693	1,686
Right-of-use assets	8	-	468,883	496,280	471,269
Other investments	9	2,443	743	309	460
Investments in associates	11	19,287	20,015	20,186	18,755
Goodwill	12	71,821	75,304	68,813	68,813
Intangible assets	13	-	-	-	-
Deferred tax assets	23	1,238	1,709	2,513	1,569
		860,506	933,685	973,749	968,090
Current assets					
Inventories	14	11,415	14,960	10,959	10,122
Trade and other receivables	15	209,093	191,058	178,129	201,128
Current tax assets		11,062	5,523	4,605	7,091
Derivative financial asset	16	2,119	860	-	694
Short term fund	17	1,012	1,160	2,009	2,024
Cash and bank balances	18	49,669	29,310	32,891	34,371
		284,370	242,871	228,593	255,430
Non-current assets held for sale	19	-	6,996	10,000	27,194
TOTAL ASSETS		1,144,876	1,183,552	1,212,342	1,250,714

EQUITY AND LIABILITIES**Equity attributable to owners
of the parent**

Share capital	24	102,786	121,180	121,180	228,042
Convertible redeemable loan stock	26	106,863	106,863	106,863	-
Retained earnings		125,097	161,234	202,920	224,374
Exchange translation reserve	25	(72)	(326)	(565)	(490)
		334,674	388,951	430,398	451,926
Non-controlling interests	10(d)	(138)	(502)	(349)	530
TOTAL EQUITY		334,536	388,449	430,049	452,456



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF FINANCIAL POSITION (continued)**

	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
EQUITY AND LIABILITIES (continued)					
LIABILITIES					
Non-current liabilities					
Borrowings	20	356,133	190,843	366,512	353,203
Lease liabilities	8	-	154,554	96,117	82,539
Deferred tax liabilities	23	45,976	49,998	52,708	53,825
Other payable	22	-	20,000	-	-
		402,109	415,395	515,337	489,567
Current liabilities					
Trade and other payables	22	154,411	107,231	110,790	96,551
Borrowings	20	251,595	221,767	112,805	172,544
Lease liabilities	8	-	49,444	41,945	38,949
Derivative financial liability	16	-	-	734	-
Current tax liabilities		2,225	1,266	682	647
		408,231	379,708	266,956	308,691
TOTAL LIABILITIES		810,340	795,103	782,293	798,258
TOTAL EQUITY AND LIABILITIES		1,144,876	1,183,552	1,212,342	1,250,714



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

		1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
	Note					
Revenue	27	496,979	610,201	555,838	248,533	224,159
Cost of sales and services		(319,653)	(400,047)	(370,099)	(168,568)	(151,462)
Gross profit		177,326	210,154	185,739	79,965	72,697
Other income		39,010	9,242	29,335	9,930	2,867
Net gain on impairment of financial instruments		5,756	8,904	3,888	650	1,905
Administrative and operating expenses		(122,480)	(134,724)	(135,373)	(48,866)	(49,823)
Finance costs	28	(38,466)	(35,154)	(29,562)	(11,013)	(12,482)
		61,146	58,422	54,027	30,666	15,164
Share of results of associates		583	728	(134)	(1,431)	10
Profit before tax	29	61,729	59,150	53,893	29,235	15,174
Tax expense	31	(20,673)	(22,177)	(11,413)	(6,902)	(3,596)
Profit for the financial year/period		41,056	36,973	42,480	22,333	11,578
Other comprehensive income:						
Item that may be reclassified subsequently to profit or loss						
Foreign currency translations		(335)	(254)	(239)	75	12
Total comprehensive income for the financial year/period		40,721	36,719	42,241	22,408	11,590
Profit attributable to:						
Owners of the parent		40,883	36,317	41,686	21,454	11,173
Non-controlling interests		173	656	794	879	405
		41,056	36,973	42,480	22,333	11,578



12. ACCOUNTANTS' REPORT (Cont'd)***Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report*****COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)**

		1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
	Note					
Total comprehensive income attributable to:						
Owners of the parent		40,548	36,063	41,447	21,529	11,185
Non-controlling interests		173	656	794	879	405
		<u>40,721</u>	<u>36,719</u>	<u>42,241</u>	<u>22,408</u>	<u>11,590</u>
Earnings per share attributable to owners of the parent (RM)						
Basic	32(a)	0.61	0.50	0.57	0.27	0.15
Diluted	32(b)	<u>0.37</u>	<u>0.32</u>	<u>0.34</u>	<u>0.18</u>	<u>0.09</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

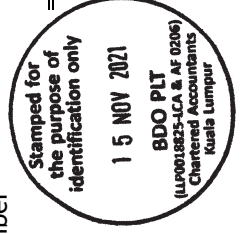


12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY

		[-----Non-distributable-----]					Distributable		
		Ordinary shares capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Audited	Note								
Balance as at 1 January 2018		71,914	106,863	1	263	92,145	271,186	432	271,618
Effects on adoption of MFRS 9	4.1(a)	-	-	-	-	(7,931)	(7,931)	(15)	(7,946)
Balance as at 1 January 2018, as restated		71,914	106,863	1	263	84,214	263,255	417	263,672
Profit for the financial year		-	-	-	-	40,883	40,883	173	41,056
Other comprehensive loss, net of tax		-	-	-	(335)	-	(335)	-	(335)
Total comprehensive (loss)/ income		-	-	-	(335)	40,883	40,548	173	40,721
Transactions with owners									
Dividend paid to non-controlling interests of a subsidiary	10(e)	-	-	-	-	-	-	(728)	(728)
Issuance of ordinary shares	24	30,871	-	-	-	-	30,871	-	30,871
Total transactions with owners		30,871	-	-	-	-	30,871	(728)	30,143
Balance as at 31 December 2018/1 January 2019		102,785	106,863	1	(72)	125,097	334,674	(138)	334,536



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)

[-----Non-distributable-----] Distributable									
		Ordinary shares capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Audited	Note								
Balance as at 31 December 2018/1 January 2019		102,785	106,863	1	(72)	125,097	334,674	(138)	334,536
Effects on adoption of MFRS 16	4.1(c)	-	-	-	-	(180)	(180)	(147)	(327)
Balance as at 1 January 2019, as restated		102,785	106,863	1	(72)	124,917	334,494	(285)	334,209
Profit for the financial year		-	-	-	-	36,317	36,317	656	36,973
Other comprehensive loss, net of tax		-	-	-	(254)	-	(254)	-	(254)
Total comprehensive (loss)/ income		-	-	-	(254)	36,317	36,063	656	36,719
Transactions with owners									
Dividend paid to non-controlling interests of a subsidiary	10(e)	-	-	-	-	-	-	(873)	(873)
Issuance of redeemable convertible preference shares	24	-	-	18,394	-	-	18,394	-	18,394
Total transactions with owners		-	-	18,394	-	-	18,394	(873)	17,521
Balance as at 31 December 2019/1 January 2020		102,785	106,863	18,395	(326)	161,234	388,951	(502)	388,449

Stamped for
the purpose of
identification only

15 NOV 2021

BDO PLT
(UJ001825-LCA & AF 0206)
Chartered Accountants
Kuala Lumpur

12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)

		[-----Non-distributable-----] Distributable					Total		
		Ordinary shares capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
<u>Audited</u>	Note								
Balance as at 31 December 2019/1 January 2020		102,785	106,863	18,395	(326)	161,234	388,951	(502)	388,449
Profit for the financial year		-	-	-	-	41,686	41,686	794	42,480
Other comprehensive loss, net of tax		-	-	-	(239)	-	(239)	-	(239)
Total comprehensive (loss)/ income		-	-	-	(239)	41,686	41,447	794	42,241
Transactions with owners									
Dividend paid to non-controlling interests of a subsidiary	10(e)	-	-	-	-	-	-	(308)	(308)
Additional investment in a subsidiary	10(c)(vii)	-	-	-	-	-	-	(333)	(333)
Total transactions with owners		-	-	-	-	-	-	(641)	(641)
Balance as at 31 December 2020/1 January 2021		102,785	106,863	18,395	(565)	202,920	430,398	(349)	430,049



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)

[-----Non-distributable-----] Distributable

	Note	Ordinary shares capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 31 December 2020/1 January 2021		102,785	106,863	18,395	(565)	202,920	430,398	(349)	430,049
Profit for the financial period		-	-	-	-	21,454	21,454	879	22,333
Other comprehensive income, net of tax		-	-	-	75	-	75	-	75
Total comprehensive income		-	-	-	75	21,454	21,529	879	22,408
Transactions with owners									
Conversion of shares	24,26	125,257	(106,863)	(18,394)	-	-	-	-	-
Redemption of shares	24	-	-	(1)	-	-	(1)	-	(1)
Total transactions with owners		125,257	(106,863)	(18,395)	-	-	(1)	-	(1)
Balance as at 31 May 2021		228,042	-	-	(490)	224,374	451,926	530	452,456



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

COMBINED STATEMENTS OF CHANGES IN EQUITY (continued)

	[-----Non-distributable-----] Distributable					Total		
	Ordinary shares capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	attributable to owners of the parent RM'000	Non- controlling interests RM'000	Total equity RM'000
<u>Unaudited</u>								
Balance as at 31 December 2019/1 January 2020	102,785	106,863	18,395	(326)	161,234	388,951	(502)	388,449
Profit for the financial period	-	-	-	-	11,173	11,173	405	11,578
Other comprehensive income, net of tax	-	-	-	12	-	12	-	12
Total comprehensive income	-	-	-	12	11,173	11,185	405	11,590
Balance as at 31 May 2020	102,785	106,863	18,395	(314)	172,407	400,136	(97)	400,039



12. ACCOUNTANTS' REPORT (Cont'd)*Swift Haulage Berhad (200001030627 (533234 - V))**Accountants' Report***COMBINED STATEMENTS OF CASH FLOWS**

		1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
	Note					
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		61,729	59,150	53,893	29,235	15,174
Adjustments for:						
Bad debts written off:						
- trade receivables		86	8	13	81	13
- other receivables		23	2	11	5	-
Depreciation of:						
- property, plant and equipment		35,140	26,823	30,190	12,246	12,478
- right-of-use assets	8(d)	-	23,577	23,871	10,107	9,945
- investment property		-	-	-	7	-
Dividend from other investments		(2,525)	(559)	-	-	-
Fair value gain on non-current other receivables		(209)	-	-	-	-
Fair value (gain)/loss on derivative	16(c)	(2,119)	1,259	1,594	(1,428)	(1,519)
Fair value (gain)/loss on short-term fund		(7)	(10)	3	-	3
Fair value loss/(gain) on other investments		562	1,700	504	(8)	700
Gain from bargain purchase	39	-	-	(3,294)	-	-
Gain on disposal of property, plant and equipment		(1,792)	(2,604)	(371)	(2,961)	(343)
Loss/(Gain) on disposal of right-of-use assets		-	14	411	-	(20)
Loss/(Gain) on disposal of other investment		3,786	-	-	(160)	-
Gain on disposal of non-current assets held for sale		(23,895)	-	(568)	-	-
Income distribution from short term fund		(5)	(38)	(52)	(15)	(19)
Interest expense	28	38,466	35,154	29,562	11,013	12,482
Interest income		(1,586)	(676)	(448)	(135)	(210)
Inventories written off	14(a)	180	-	17	-	-
Impairment losses on:						
- amounts owing by associates		-	204	1,731	-	-
- intangible assets		979	-	-	-	-
- goodwill		-	3,000	11,783	-	-
- other receivables		2,053	569	450	63	188
- property, plant and equipment		-	-	4,484	-	-
- trade receivables		1,320	3,135	2,929	1,421	528



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF CASH FLOWS (continued)**

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Note					
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Adjustments for: (continued)					
Reversal of impairment losses on:					
- amounts owing by associates	(118)	-	-	(189)	-
- investments in associates	-	-	(255)	-	-
- other receivables	(1,096)	(1,814)	(153)	(326)	(118)
- trade receivables	(7,915)	(10,998)	(8,845)	(1,619)	(2,503)
Share of results of associates	(583)	(728)	134	1,431	(10)
Property, plant and equipment written off	301	263	532	19	-
Right-of-use assets written off	-	-	140	-	-
Net unrealised loss/(gain) on foreign exchange	2,773	(860)	(1,094)	962	2,640
Net waiver of debt	(1,046)	(3,496)	32	-	-
Operating profit before changes in working capital	104,502	133,075	147,204	59,749	49,409
Changes in working capital:					
Inventories	(2,864)	(2,759)	3,984	837	5,207
Trade and other receivables	77,357	39,473	30,701	(21,178)	31,264
Trade and other payables	(26,920)	(23,781)	(30,520)	(14,789)	(18,009)
Cash generated from operations	152,075	146,008	151,369	24,619	67,871
Tax refunded	83	3,879	2,180	23	1,433
Tax paid	(18,456)	(19,499)	(14,375)	(7,385)	(4,106)
Net cash from operating activities	133,702	130,388	139,174	17,257	65,198



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF CASH FLOWS (continued)**

		1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
	Note					
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisition of subsidiaries, net of cash acquired	39	(195,047)	(16,337)	(8,838)	-	-
Additional investment in an associate	11	(13,800)	-	(50)	-	-
Acquisition of shares from non-controlling interest	10(c)	-	-	(333)	-	-
Acquisition of other investment		-	-	-	(405)	-
Advances from/ (Repayments to) related parties		10,790	(11,202)	411	73	411
Repayments from / (Advances to) associates		440	(1,574)	(2,843)	(1,249)	-
Dividend from other investments		2,525	559	-	-	-
Interest received		897	676	448	135	210
Proceeds from:						
- disposal of a subsidiary, net of cash disposed	40	-	-	(31)	-	-
- disposal of property, plant and equipment		7,771	4,419	3,431	3,615	913
- disposal of right-of-use assets		-	464	3,128	-	2,549
- disposal of other investment		8,676	-	-	422	-
- disposal of non-current assets held for sale	19	106,463	-	7,564	-	-
Placement of short-term fund		(1,000)	(100)	(800)	-	(400)
Purchase of intangible assets	41	(979)	-	-	-	-
Purchase of property, plant and equipment	6(a)	(44,936)	(30,184)	(31,804)	(24,977)	(3,738)
Purchase of right-of-use assets	8(b)	-	(3,918)	(889)	(1,252)	(2,840)
Withdrawal/ (Placement) of deposits with licensed banks and restricted cash		4,675	342	766	(256)	136
Net cash used in investing activities		(113,525)	(56,855)	(29,840)	(23,894)	(2,759)



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF CASH FLOWS (continued)**

		1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
	Note					
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividend paid to non-controlling interest of a subsidiary	10(e)	(728)	(873)	(308)	-	-
Net drawdown/(repayment) of revolving credits		37,000	-	(38,000)	-	(17,000)
Net drawdown/(repayment) of trade financing		31,763	35,502	(125,761)	98,367	(69,328)
Interest paid		(31,350)	(33,266)	(27,427)	(10,692)	(12,270)
Net proceeds from issuance of ordinary shares	24	30,871	-	-	-	-
Net proceeds from issuance of redeemable convertible preference shares	24	-	18,394	-	-	-
Net repayments of hire purchase and finance lease liabilities		(30,526)	-	-	-	-
Net repayments of lease liabilities		-	(52,903)	(126,825)	(21,306)	(18,917)
Net (repayments)/drawdown of term loans		(69,519)	(34,705)	(93,067)	(60,162)	44,569
Drawdown of unrated Islamic medium term notes		-	-	300,000	-	-
Redemption of redeemable preference shares	24	-	-	-	(1)	-
Net cash (used in)/from financing activities		(32,489)	(67,851)	(111,388)	6,206	(72,946)
Net (decrease)/increase in cash and cash equivalents		(12,312)	5,682	(2,054)	(431)	(10,507)
Effect of exchange rate changes on cash and cash equivalents		(361)	(978)	(84)	203	29
Cash and cash equivalents at beginning of financial year/period		28,460	15,787	20,491	18,353	20,491
Cash and cash equivalents at end of financial year/period 18(a)		15,787	20,491	18,353	18,125	10,013



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF CASH FLOWS (continued)****RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

		1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
	Note					
Borrowings*						
At 1 January, as previously reported		466,451	580,071	409,795	471,136	409,795
Effect on adoption of MFRS 16	4.1	-	(200,544)	-	-	-
At 1 January, as restated		466,451	379,527	409,795	471,136	409,795
Cash flows:						
- net (repayments)/drawdown of borrowings		(61,362)	(20,080)	25,142	30,175	(49,499)
- interest paid		30,080	20,877	18,030	8,030	7,740
		(31,282)	797	43,172	38,205	(41,759)
Non-cash flows:						
- Acquisition of property, plant and equipment	6(a)	87,774	28,714	15,690	5,771	6,985
- Acquisition of subsidiaries	39	47,094	343	2,007	-	-
- Amortisation of transaction costs		7,116	1,339	1,562	-	-
- Unrealised loss/(gain) on foreign exchange	20(e)	2,918	(925)	(1,090)	1,002	2,685
At 31 December/31 May		<u>580,071</u>	<u>409,795</u>	<u>471,136</u>	<u>516,114</u>	<u>377,706</u>

* Borrowings exclude bank overdrafts.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****COMBINED STATEMENTS OF CASH FLOWS (continued)****RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (continued)**

		1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
	Note				
Lease liabilities					
At 1 January, as previously reported		-	203,998	138,062	203,998
Effect on adoption of MFRS 16	4.1	210,800	-	-	-
At 1 January, as restated		210,800	203,998	138,062	203,998
Cash flows:					
- payment of lease liabilities		(64,087)	(135,622)	(27,222)	(23,240)
- drawdown of lease liabilities*		-	-	3,426	-
- interest paid		11,184	8,797	2,490	4,323
		(52,903)	(126,825)	(21,306)	(18,917)
Non-cash flows:					
- Re-measurement of lease liabilities		-	166	-	166
- Disposal of a subsidiary	40	-	(281)	-	-
- Acquisition of subsidiaries	39	3,246	35,175	-	-
- Drawdown of lease liabilities for right-of-use assets acquired during the financial year/period		42,306	25,256	4,411	8,171
- Unwinding of interest		549	573	321	212
At 31 December/31 May		203,998	138,062	121,488	193,630

* The amount represents lease liabilities drawdown during the financial period for assets manufactured and used by the Group during the financial year ended 31 December 2020.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business of the Company is located at Lot 3, Jalan Sultan Mohamed 5, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Port Klang, Selangor.

The Company is principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services, and investment holding. The principal activities of the combining entities are set out in Note 10 to the financial statements.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The combined financial statements of the Group has been prepared in accordance with paragraph 10.04 of Chapter 10, Part II Division 1: Equity of the Prospectus Guidelines. For the purpose of this Accountants' Report, the Company has prepared the combined financial statements instead of consolidated financial statements as the Group has demerged insignificant part of its economic activities and aimed to present the financial information for its remaining economic activities.

The combined financial statements of the Group, which consist of the financial statements of the 24 entities as disclosed in Note 10, have been prepared in accordance with the Guidance Note on "Combined Financial Statements" issued by the Malaysian Institute of Accountants and the entities are operating under common control.

Entities under common control are entities which are ultimately controlled by the same parties and that control is not transitory. Control exists when the same parties have, as a result of contractual agreements, ultimate collective power to govern the financial and operating policies of each of the commonly controlled entities so as to obtain benefits from their activities, and that ultimate collective power is not transitory. The financial statements of commonly controlled entities are included in the combined financial statements from the day that control commences until the date that control ceases.

The financial information presented in the combined financial statements may not correspond with the consolidated financial statements of the Group, after effecting the relevant disposals. Such financial information from the combined financial statements does not purport to predict the financial positions, results of operation and cash flows of the Group.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES**3.1 Basis of accounting**

The combined financial statements of the Group for the financial years/period ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") (including MFRS 134 *Interim Financial Reporting*) and International Financial Reporting Standards ("IFRSs").

The combined financial statements of the Group have been prepared under the historical cost convention except as otherwise stated in the financial statements and also on the basis of accounting principles applicable to a going concern.

The ability of the Group to continue as a going concern is dependent on the Group's ability to generate positive cash flows. In the opinion of the Directors, the Group is able to continue as a going concern despite its net current liabilities position as the Directors are of the view that the Group will be able to continue to generate net cash inflows from its operating activities for a period of 12 months from the date these financial statements were approved and to enable it to meet its financial obligations as and when they fall due. In addition, the Group has sufficient unutilised banking facilities available for future use should the need arise.

The preparation of these financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 5 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

3.2 Basis of combination**3.2.1 Combining entities**

The combined financial statements comprise the financial statements of the Company and its combining entities as at the reporting dates. The financial statements of the Company and its combining entities used in the preparation of the combined financial statements are prepared as of the same reporting dates.

The combining entities are entities, including structured entities, under common control of the shareholders that control the Company and the combining entities ("Controlling Shareholders"), and are accounted for as if the Company and the combining entities are a single economic entity at the beginning of the earlier comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities of the combining entities are recognised at the carrying amounts recognised in the respective combining entities' financial statements. The components of equity of the combining entities are added to the same components within the Group's equity and any resulting gain/loss is recognised directly in equity.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Basis of combination (continued)****3.2.1 Combining entities (continued)**

The Controlling Shareholders control an entity when they are exposed, or have rights, to variable returns from their involvement with the entity and have the ability to affect those returns through their power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Controlling Shareholders also consider they have *de facto* power over an investee when, despite not having the majority of voting rights, they have the current liability to direct the activities of the investee that significantly affect the investee's return.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the combined financial statements.

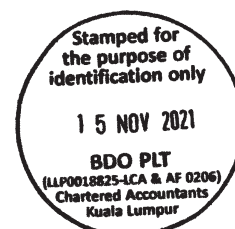
3.2.2 Business combination

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) assets (or disposal group) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Basis of combination (continued)

3.2.2 Business combination (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
- (b) Other contingent consideration that:
 - (i) is within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss in accordance with MFRS 9.
 - (ii) is not within the scope of MFRS 9 shall be measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the combined statements of financial position. The accounting policy for goodwill is set out in Note 3.6 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Basis of combination (continued)****3.2.3 Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the combined financial statements from the date that control commences until the date that control ceases.

A subsidiary is an entity in which the Group is exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amounts and recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

3.2.4 Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

An investment in associate is accounted for in the combined financial statements using the equity method of accounting. The investment in associate in the combined statements of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the share of net assets of the investments of the Group.

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of the profit or loss of the associate by the Group during the financial year is included in the combined financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised directly in equity of the Group.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.2 Basis of combination (continued)****3.2.4 Associates (continued)**

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed off and the carrying amount of the investment at the date when the equity method is discontinued is recognised in profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3.3 Property, plant and equipment

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.3 Property, plant and equipment (continued)**

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. The principal depreciation rates and periods are as follows:

Leasehold land*	93 - 99 years
Buildings	2%
Structure and renovation	10%
Vehicles and mechanical equipment	5 - 14 years
Furniture, fittings and office equipment	10%
Other vehicles	10% - 20%
Computers and peripherals	20% - 33.33%
Containers	10%

Freehold land has unlimited useful life and is not depreciated. Work-in-progress representing building, vehicles and mechanical equipment, and software under development is stated at cost. Work-in-progress is not depreciated until such time when the asset is available for use.

* Upon adoption of MFRS 16 *Leases*, the carrying amount of the leasehold land previously classified as finance leases had been recognised by the Group immediately before transition as the carrying amount of the right-of-use assets at the date of initial application as disclosed in Note 8 to the financial statements.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 3.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.4 Investment property**

Investment property is property which is held to earn rental yields or for capital appreciation or for both and is not occupied by the Group. Investment property is initially measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the carrying amount of the investment property or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of investment property are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the investment properties are acquired, if applicable.

After initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the investment property to its residual value on a straight-line basis over its estimated useful lives. The principal depreciation period for the investment property is fifty (50) years.

At the end of each reporting period, the carrying amount of an item of the investment property is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 3.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment property. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Investment property is derecognised when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The gain or loss arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceed, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases

Accounting policies applied from 1 January 2019 onwards

The Group as lessee

The Group recognises a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

- (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use asset

The right-of-use asset is initially recorded at cost, which comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use asset is measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.5 Leases (continued)****Accounting policies applied from 1 January 2019 onwards (continued)**

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	2 to 99 years
Buildings	2 years
Vehicles and mechanical equipment	1 to 14 years
Other vehicles	5 to 10 years
Computers and peripherals	2 years

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rate of the Group. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Accounting policies applied until 31 December 2018**(a) Finance leases and hire purchase**

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.5 Leases (continued)

Accounting policies applied until 31 December 2018 (continued)

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

3.6 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.7 Impairment of non-financial assets**

The carrying amount of assets, except for financial assets (interests in associates), deferred tax assets, inventories and non-current assets (or disposal groups) held for sale, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill that has an indefinite useful life is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset amount or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.8 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the combined statements of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

(a) Financial assets

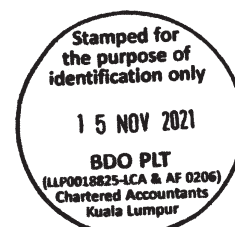
When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group determines the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses, if any.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.8 Financial instruments (continued)****(a) Financial assets (continued)****(ii) Financial assets measured at fair value**

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group had elected an irrevocable option to designate its equity instruments not held for trading other than investments in associates at initial recognition as financial assets measured at FVTPL.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash on hand, bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by the Group in the management of their short term commitments. For the purpose of the combined statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.8 Financial instruments (continued)****(a) Financial assets (continued)**

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability.

Financial liabilities are recognised in the combined statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortised cost.

(i) Financial liabilities measured at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group that does not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for when the Group's own credit risk increases or decreases which is recognised in other comprehensive income. Net gains or losses on derivatives include exchange differences.

(ii) Financial liabilities measured at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expired. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.8 Financial instruments (continued)****(b) Financial liabilities (continued)**

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.9 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these corporate guarantees as insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assesses whether its recognised insurance liabilities, if any, are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities, if any, are only removed from the combined statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

3.10 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

Redeemable preference shares issued are classified as equity as the preference shares bear no predetermined dividend rate and are redeemable at the discretion of the Board of Directors. The dividend on these preference shares are recognised in the combined statements of changes in equity in the financial year in which they are paid or declared.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.11 Impairment of financial assets**

The Group recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. The Group applies the simplified and general approach to measure expected credit loss ("ECL") on trade and other receivables.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group considers credit loss experience and observable data such as current changes and future forecasts in economic conditions of the Group's industry to estimate the amount of expected impairment loss. The methodology and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the combined statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables and amounts owing by related parties are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment by other receivables and related parties are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables and amounts owing by related parties.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.11 Impairment of financial assets (continued)**

It requires management to exercise significant judgement in determining the probability of default by trade receivables, other receivables and amounts owing by related parties as well as the use of appropriate forward-looking information and significant increases in credit risk. The Group has identified the Malaysia gross domestic product ("GDP"), inflation, unemployment, and transport and services GDP as the key macroeconomic factors.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

3.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.13 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using weighted average formula. Cost of consumables comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.14 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes and real property gains taxes payable on the disposal of properties.

Taxes in the combined statements of profit or loss and other comprehensive income comprise current tax and deferred tax.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.14 Income taxes (continued)****(a) Current tax**

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group) and real property gain taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the combined statements of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

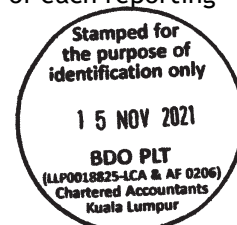
A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax is related to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.15 Provisions**

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

3.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.17 Employee benefits****(a) Short term employee benefits**

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

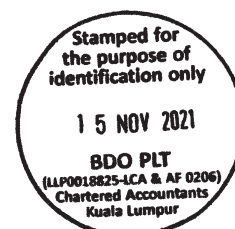
The subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

3.18 Foreign currencies**(a) Functional and presentation currency**

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The combined financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Group.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.18 Foreign currencies (continued)****(c) Foreign operations**

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the combined financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed off or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

In the combined financial statements, exchange differences arising on a monetary item that forms part of the net investment in a foreign operation shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

3.19 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided as the Group performs;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Revenue recognition (continued)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(a) Sale of goods

Revenue from sales of goods is recognised at a point in time when the goods have been transferred to the customer and coincides with the delivery of goods and acceptance by customers.

(b) Services

Revenue from services such as freight forwarding is recognised at a point in time when services have been rendered to the customer and coincides with the delivery of services and acceptance by customers.

Revenue from services such as container haulage, land transportation and warehousing and container depot are recognised based on the stage of completion of the transaction and performance obligations are satisfied over time. The customer is able to benefit from the Group's performance as it occurs and the other entity would not need to substantially reperform the Group's performance to date. The Group has selected the output measure which can most appropriately depicts the transfer of control of the service to the customer.

(c) Management fee

Management fee is recognised at a point in time when management services is rendered.

Revenue recognition not in relation to performance obligations is described below:

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.



12. ACCOUNTANTS' REPORT (Cont'd)

***Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report***

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Operating segments

Operating segments are defined as components of the Group that:

- (a) engage in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) whose operating results are regularly reviewed by the chief operating decision maker of the Group, particularly in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.
- (b) the absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- (c) its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.21 Earnings per share****(a) Basic**

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

3.22 Fair value measurements

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method adopted assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

- (a) the condition and location of the asset; and
- (b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

3. SIGNIFICANT ACCOUNTING POLICIES (continued)**3.23 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amounts would be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets shall be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. The probability of shareholders' approval (if required in the jurisdiction) is considered as part of the assessment of whether the sale is highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the asset.

A non-current asset is classified as held for distribution to owners when the entity is committed to distribute the asset to the owners. For this to be the case, the assets must be available for immediate distribution in their present condition and the distribution must be highly probable. For the distribution to be highly probable, actions to complete the distribution must have been initiated and should be expected to be completed within one year from the date of classification. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) should be considered as part of the assessment of whether the distribution is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the assets are measured in accordance with applicable MFRSs. On initial classification as held for sale, non-current assets are measured at the lower of its carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets held for sale are classified as current assets in the combined statements of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current assets classified as held for sale is presented separately.

If the asset is being classified as asset held for sale or held for distribution but subsequently, the criteria for classification is not met, it will cease to be classified as non-current assets held for sale and will be measured at the lower of:

- (i) its carrying amount before the assets was classified as held for sale or held for distribution, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale or held for distribution; and
- (ii) its recoverable amount at the date of the subsequent decision not to sell or distribute.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs****4.1 New MFRSs adopted during the financial years/period**

The Group adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years/period:

Title	Effective Date
Amendments to MFRS 1 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018
Amendments to MFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
Amendments to MFRS 128 <i>Annual Improvements to MFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
Amendments to MFRS 140 <i>Transfers of Investment Property</i>	1 January 2018
Amendments to MFRS 4 <i>Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts</i>	See MFRS 4 Paragraphs 46 and 48
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendment to MFRS 16 <i>Covid-19-Related Rent Concessions</i>	1 June 2020 (early adopted)
Amendments to MFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9</i>	17 August 2020 (effective immediately)
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 <i>Leases</i>)	1 April 2021 (early adopted)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group except for the adoption of MFRS 9, MFRS 15 and MFRS 16 as described in the following section.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)**4.1 New MFRSs adopted during the financial years/period (continued)****(a) MFRS 9 *Financial Instruments***

MFRS 9 replaces MFRS 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, encompassing all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied MFRS 9 prospectively, with an initial application date of 1 January 2018. Differences arising from the adoption of MFRS 9 have been recognised directly in retained earnings and other components of equity.

(i) Classification of financial assets and financial liabilities

The Group classifies its financial assets into the following measurement categories depending on the business model of the Group for managing the financial assets and the terms of contractual cash flows of the financial assets:

- Those to be measured at amortised cost; and
- Those to be measured subsequently at fair value either through other comprehensive income or through profit or loss.

The following summarises the key changes:

- The Available-For-Sale ('AFS'), Held-To-Maturity ('HTM') and Loans and Receivables ('L&R') financial asset categories were removed.
- A new financial asset category measured at Amortised Cost ('AC') was introduced. This applies to financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by collecting contractual cash flows.
- A new financial asset category measured at Fair Value Through Other Comprehensive Income ('FVTOCI') was introduced. This applies to debt instruments with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- A new financial asset category for non-traded equity investments measured at FVTOCI was introduced.

MFRS 9 largely retains the existing requirements in MFRS 139 for the classification of financial liabilities.

However, under MFRS 139 all fair value changes of liabilities designated as FVTPL are recognised in profit or loss, whereas under MFRS 9 these fair value changes are generally presented as follows:

- Amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in Other Comprehensive Income; and
- The remaining amount of change in the fair value is presented in profit or loss.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)**4.1 New MFRSs adopted during the financial years/period (continued)****(a) MFRS 9 *Financial Instruments* (continued)****(ii) Impairment of financial assets**

The adoption of MFRS 9 has fundamentally changed the accounting for impairment losses for financial assets of the Group by replacing the incurred loss approach of MFRS 139 with a forward-looking expected credit loss ('ECL') approach. MFRS 9 requires the Group to record an allowance for expected credit losses for all debt financial assets not held at fair value through profit or loss.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Impairment for trade receivables and contract assets that do not contain a significant financing component are recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the combined statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectible, the gross carrying value of the asset would be written off against the associated impairment.

Impairment for other receivables and amounts owing by related parties are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)****4.1 New MFRSs adopted during the financial years/period (continued)****(a) MFRS 9 *Financial Instruments* (continued)****(iii) Classification and measurement**

The following table summarises the reclassification and measurement of the financial assets and financial liabilities of the Group as at 1 January 2018:

	Classification	
	MFRS 139	MFRS 9
Financial assets		
Trade and other receivables, net of prepayments	L&R	AC
Cash and bank balances	L&R	AC
Financial liabilities		
Trade and other payables	OFL *	AC
Borrowings	OFL *	AC

* Other Financial Liabilities at Amortised Cost.

	MFRS 139 As at 31 December 2017 RM'000	Remeasure- ment RM'000	MFRS 9 As at 1 January 2018 RM'000
Trade and other receivables:			
Opening balance	174,145	-	174,145
Increase in impairment loss	-	(10,388)	(10,388)
Total trade and other receivables	174,145	(10,388)	163,757
Retained earnings:			
Opening balance	92,145	-	92,145
Increase in impairment loss for trade and other receivables	-	(10,388)	(10,388)
Deferred tax assets	-	2,457	2,457
Total retained earnings	92,145	(7,931)	84,214
Non-controlling interests:			
Opening balance	432	-	432
Increase in impairment loss	-	(15)	(15)
Total non-controlling interests	432	(15)	417



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)**4.1 New MFRSs adopted during the financial years/period (continued)****(b) MFRS 15 *Revenue from Contracts with Customers***

MFRS 15 establishes a comprehensive framework for revenue recognition and measurement. It replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts*, and related Interpretations. Under MFRS 15, revenue is recognised when a customer obtains control of the goods or services. Revenue will be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Determining the timing of the transfer of control, at a point in time or over time, requires significant judgement.

There is no impact on the adoption of MFRS 15 on the financial statements of the Group.

(c) MFRS 16 *Leases*

MFRS 16 supersedes MFRS 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors would continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have a material impact for leases for which the Group is the lessor.

The Group applied MFRS 16 using the modified retrospective approach, for which the cumulative effect of initial application is recognised in retained earnings as at 1 January 2019. Accordingly, the comparative information presented is not restated.

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 January 2019.

In order to compute the transition impact of MFRS 16, a significant data extraction exercise was undertaken by management to summarise all property and equipment lease data such that the respective inputs could be uploaded into management's model. The incremental borrowing rate method has been adopted where the implicit rate of interest in a lease is not readily determinable.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)**4.1 New MFRSs adopted during the financial years/period (continued)****(c) MFRS 16 Leases (continued)**

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability respectively at the date of initial application. The measurement principles of MFRS 16 are only applied after that date.

In applying MFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- (a) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (b) Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 January 2019;
- (c) Accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 and do not contain a purchase option as short-term leases;
- (d) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- (e) Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

On transition to MFRS 16, the Group recognised right-of-use assets and lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

		As at 31 December 2018	Impact	As at 1 January 2019
	Note	RM'000	RM'000	RM'000
Property, plant and equipment		765,717	(464,655)	301,062
Right-of-use assets	(a)	-	474,481	474,481
Deferred tax assets		1,238	103	1,341
Borrowings		607,728	(200,544)	407,184
Retained earnings		125,097	(180)	124,917
Non-controlling interests		(138)	(147)	(285)
Lease liabilities	(b)	-	210,800	210,800

- (a) The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the financial statements as at 31 December 2018.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****4. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (continued)****4.1 New MFRSs adopted during the financial years/period (continued)****(c) MFRS 16 Leases (continued)****(b) Lease liabilities are measured as follows:**

	RM'000
Operating lease commitments at 31 December 2018 as disclosed under MFRS 117	5,409
Weighted average incremental borrowing rate as at 1 January 2019	5.22%
Discounted operating lease commitments as at 1 January 2019	3,856
Contracts reassessed as lease contracts	6,483
Recognition exemption for leases of low value assets	(83)
Finance lease liabilities recognised as at 31 December 2018	200,544
Lease liabilities recognised at 1 January 2019	210,800

4.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to MFRS 101 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group is still in the process of assessing the impact of implementing these standards, since the effects would only be observable in future financial years.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS**5.1 Changes in estimates**

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates during the reporting period and at the end of the reporting period.

5.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(a) Classification of leasehold land

During the financial year ended 31 December 2018, the Group had assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group had classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

During the financial years/period ended 31 December 2019, 31 December 2020 and 31 May 2021, the Group had adopted MFRS 16 *Leases*. The carrying amount of the long term leasehold land previously classified as finance leases had been recognised by the Group immediately before transition as the carrying amount of the right-of-use assets at the date of initial application on 1 January 2019.

(b) Contingent liabilities

The determination and treatment of contingent liabilities is based on the Directors' and management's view of the expected outcome of the contingencies for matters in the ordinary course of business.

(c) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(d) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of the financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their rights to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**5.2 Critical judgements made in applying accounting policies (continued)**

The following are judgements made by management in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements. (continued)

(e) Non-current assets held for sale

Certain non-current assets as disclosed in Note 19 to the financial statements has been classified as held for sale as the management has committed to a plan to sell the assets as at the end each the reporting period. Barring any unforeseen circumstances, the Group expects that the sale of the assets to be completed within the next twelve (12) months.

5.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and is significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's assessment for impairment of goodwill. The assumptions used are disclosed in Note 12 to the financial statements.

(b) Depreciation of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in the factors mentioned above. Changes in these factors could impact the useful lives and the residual values of these assets; therefore future depreciation charges could be revised.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**5.3 Key sources of estimation uncertainty (continued)****(c) Determination of the lease term for leases**

The Group determines the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if the Group is reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of the Group.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profits would be available against which the losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based upon the likely timing and extent of future taxable profits together with future tax planning strategies.

(e) Recoverability of trade receivables

Recoverability of trade receivables requires management to exercise significant judgements in determining the probability of default by trade receivables as well as the use of appropriate forward-looking information.

(f) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

(g) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

5. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**5.3 Key sources of estimation uncertainty (continued)****(h) Write-down for obsolete or slow-moving inventories**

The Group writes down its obsolete or slow moving inventories based on an assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse sales trend and current economic trends when making a judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

(i) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfer of items between levels are recognised in the period they occur.

The Group measures financial instruments at fair value as disclosed in Note 37 to the financial statements.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT

Audited	Buildings RM'000	Leasehold land RM'000	Freehold land RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and office equipment RM'000	Computers and peripherals RM'000	Containers RM'000	Work-in- progress RM'000	Total RM'000
31.12.2018											
Carrying amount											
At 1 January 2018	72,200	255,552	40,884	3,902	159,516	218	3,134	2,496	23	202	538,127
Additions	239	37,305	4,489	3,354	77,786	650	773	1,312	-	6,802	132,710
Disposals	-	(90)	-	(480)	(5,376)	-	(12)	(21)	-	-	(5,979)
Written off	-	-	-	-	(62)	-	(21)	(218)	-	-	(301)
Transfer from held for sale	815	-	-	-	-	-	-	-	-	-	815
Acquisition of subsidiaries (Note 39)	8,825	28,912	20,633	1,464	72,179	2,342	705	165	-	-	135,225
Depreciation charge for the financial year	(3,052)	(3,975)	-	(897)	(24,761)	(473)	(1,032)	(940)	(10)	-	(35,140)
Reclassification	-	-	-	(288)	(1)	1	296	(8)	-	-	-
Foreign currency translation differences	-	-	-	11	235	-	10	4	-	-	260
At 31 December 2018	79,027	317,704	66,006	7,066	279,516	2,738	3,853	2,790	13	7,004	765,717



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
31.12.2018			
Buildings	118,486	(39,459)	79,027
Leasehold land	340,633	(22,929)	317,704
Freehold land	66,006	-	66,006
Structure and renovation	13,180	(6,114)	7,066
Vehicles and mechanical equipment	562,257	(282,741)	279,516
Other vehicles	6,845	(4,107)	2,738
Furniture, fittings and office equipment	15,627	(11,774)	3,853
Computers and peripherals	33,272	(30,482)	2,790
Containers	142	(129)	13
Work-in-progress	7,004	-	7,004
	1,163,452	(397,735)	765,717



12. ACCOUNTANTS' REPORT (Cont'd)

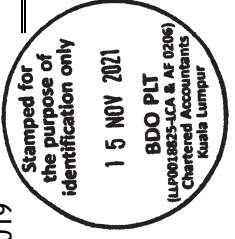
Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Buildings RM'000	Leasehold land RM'000	Freehold land RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and Computers equipment RM'000	Containers RM'000	Work-in- progress RM'000	Total RM'000
31.12.2019										
Carrying amount										
At 1 January 2019	79,027	317,704	66,006	7,066	279,516	2,738	3,853	2,790	13	765,717
Effects on adoption of MFRS 16	-	(317,704)	-	-	(145,576)	(1,375)	-	-	-	(464,655)
Additions	5,571	-	-	7,237	35,034	313	944	1,806	390	58,953
Disposals	(470)	-	-	-	(1,248)	(79)	(12)	-	(6)	(1,815)
Written off	-	-	-	-	(237)	-	(26)	-	-	(263)
Transferred from right-of-use assets (Note 8)	-	-	-	-	26,152	238	-	-	-	26,390
Acquisition of a subsidiary (Note 39)	470	-	-	74	7,888	-	185	139	-	8,756
Depreciation for the financial year	(2,270)	-	-	(941)	(19,895)	(490)	(1,047)	(1,452)	(728)	(26,823)
Reclassification	-	-	-	115	(3,146)	606	(518)	2	2,941	-
Foreign currency translation differences	-	-	-	22	670	33	29	17	-	771

At 31 December

2019	82,328	-	66,006	13,573	179,158	1,984	3,408	3,302	2,610	14,662	367,031
------	--------	---	--------	--------	---------	-------	-------	-------	-------	--------	---------



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
31.12.2019			
Buildings	124,087	(41,759)	82,328
Freehold land	66,006	-	66,006
Structure and renovation	20,027	(6,454)	13,573
Vehicles and mechanical equipment	518,550	(339,392)	179,158
Other vehicles	7,987	(6,003)	1,984
Furniture, fittings and office equipment	16,067	(12,659)	3,408
Computers and peripherals	35,227	(31,925)	3,302
Containers	7,750	(5,140)	2,610
Work-in-progress	14,662	-	14,662
	810,363	(443,332)	367,031



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Buildings RM'000	Freehold land RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and Computers equipment peripherals RM'000	Containers RM'000	Work-in- progress RM'000	Total RM'000
31.12.2020									
Carrying amount									
At 1 January 2020	82,328	66,006	13,573	179,158	1,984	3,408	2,610	14,662	367,031
Additions	4,950	-	720	27,746	2,478	1,040	235	9,399	47,502
Disposals	-	-	-	(2,909)	(149)	(2)	-	-	(3,060)
Written off	(376)	-	(76)	(18)	-	(33)	-	-	(532)
Transferred from right-of- use assets (Note 8)	-	-	-	13,805	397	-	-	-	14,202
Acquisition of subsidiaries (Note 39)	-	-	3,927	2,776	4	43	13	-	6,818
Disposal of a subsidiary (Note 40)	-	-	-	(1,462)	-	-	-	-	(1,464)
Depreciation for the financial year	(2,358)	-	(1,275)	(22,254)	(897)	(914)	(654)	-	(30,190)
Impairment	(3,574)	-	(64)	(791)	(35)	(13)	-	-	(4,484)
Reclassification	2,840	-	9	2,494	(198)	(93)	55	(6,711)	-
Reclassification to investment property (Note 7)	-	-	-	-	-	-	-	(1,693)	(1,693)
Reclassification to non-current assets held for sale (Note 19)	-	(10,000)	-	-	-	-	-	-	(10,000)
Foreign currency translation differences	-	-	-	(151)	(9)	(7)	(4)	-	(175)
At 31 December 2020	83,810	56,006	16,814	198,394	3,575	3,429	2,255	15,657	383,955

12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment ⁽¹⁾ RM'000	Carrying amount RM'000
31.12.2020				
Buildings	131,246	(43,862)	(3,574)	83,810
Freehold land	56,006	-	-	56,006
Structure and renovation	26,698	(9,591)	(293)	16,814
Vehicles and mechanical equipment	578,078	(378,599)	(1,085)	198,394
Other vehicles	9,040	(5,430)	(35)	3,575
Furniture, fittings and office equipment	16,196	(12,754)	(13)	3,429
Computers and peripherals	38,113	(34,083)	(15)	4,015
Containers	7,809	(5,554)	-	2,255
Work-in-progress	15,657	-	-	15,657
	878,843	(489,873)	(5,015)	383,955

⁽¹⁾ Accumulated impairment included impairment recognised in subsidiaries acquired during the financial year.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Buildings RM'000	Freehold land RM'000	Structure and renovation RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Furniture, fittings and Computers equipment peripherals RM'000	Containers RM'000	Work-in- progress RM'000	Total RM'000
31.5.2021									
Carrying amount									
At 1 January 2021	83,810	56,006	16,814	198,394	3,575	3,429	2,255	15,657	383,955
Additions	182	-	1,901	10,548	492	122	383	17,115	31,245
Disposals	-	-	-	(401)	(253)	-	-	-	(654)
Written off	-	-	(4)	(3)	-	(12)	-	-	(19)
Transferred from/(to) right-of-use assets (Note 8)	-	-	-	10,223	-	-	-	(2,720)	7,503
Depreciation for the financial period	(951)	-	(707)	(8,941)	(265)	(370)	(257)	-	(12,246)
Reclassification	1,865	-	1,243	339	144	(1)	9	(3,680)	-
Reclassification to non-current assets									
held for sale (Note 19)	(3,562)	-	(592)	-	-	(27)	-	-	(4,181)
Foreign currency translation differences	-	-	-	(81)	(2)	(3)	(2)	-	(65)
At 31 May 2021	81,344	56,006	18,655	210,078	3,691	3,138	2,413	26,372	405,538



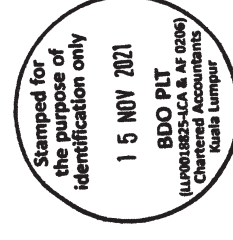
12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Audited	Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment RM'000	Carrying amount RM'000
31.5.2021				
Buildings	128,643	(43,725)	(3,574)	81,344
Freehold land	56,006	-	-	56,006
Structure and renovation	28,142	(9,194)	(293)	18,655
Vehicles and mechanical equipment	588,601	(376,899)	(1,624) ⁽²⁾	210,078
Other vehicles	9,752	(6,026)	(35)	3,691
Furniture, fittings and office equipment	15,262	(12,111)	(13)	3,138
Computers and peripherals	38,077	(34,221)	(15)	3,841
Containers	8,285	(5,872)	-	2,413
Work-in-progress	26,372	-	-	26,372
	899,140	(488,048)	(5,554)	405,538

⁽²⁾ Included transfer of accumulated impairment recognised in a subsidiary acquired during the financial year ended 31 December 2020 from right-of-use assets upon settlement of lease liabilities.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****6. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (a) During the financial years/periods, the Group made the following cash payments to purchase property, plant and equipment:

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Purchase of property, plant and equipment	132,710	58,953	47,502	31,245	10,723
Financed by hire purchase and finance lease arrangements	(53,957)	-	-	-	-
Financed by term loans	(33,817)	(28,714)	(15,690)	(5,771)	(6,985)
Unsettled and remained as other payables	-	(55)	(8)	(497)	-
Cash payments on purchase of property, plant and equipment	<u>44,936</u>	<u>30,184</u>	<u>31,804</u>	<u>24,977</u>	<u>3,738</u>

- (b) As of 31 December 2018, the carrying amounts of the property, plant and equipment of the Group under hire purchase and finance lease arrangements are as follows:

	31.12.2018 Audited RM'000
Vehicles and mechanical equipment	145,576
Other vehicles	<u>1,375</u>
	<u>146,951</u>

Upon adoption of MFRS 16 *Leases*, the carrying amounts of the vehicles and mechanical equipment previously classified as hire purchase and finance lease arrangement had been recognised by the Group immediately before transition as the carrying amount of the right-of-use assets at the date of initial application on 1 January 2019.

Details of the terms and conditions of the hire purchase and finance lease arrangements were disclosed in Notes 21 and 38 to the financial statements respectively.

- (c) During the financial year ended 31 December 2020, an impairment loss of RM4,484,000 was recognised in relation to property, plant and equipment as the recoverable amount determined is lower than the carrying amount of property, plant and equipment.

Recoverable amount of the property, plant and equipment amounted to RM3,659,000 of the Group was determined based on the value in use ("VIU") calculations. However, the assumptions in determining the VIU were not presented due to management has planned to demolish the warehouse in next financial year and no future cash inflows and outflows were expected.

12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))**
Accountants' Report**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

(c) (continued)

Recoverable amount of the remaining property, plant and equipment of the Group amounted to RM825,000 was determined based on fair value less costs of disposal. The fair value of the property, plant and equipment is categorised as Level 3 in fair value hierarchy. The fair value was recommended by the Directors based on quotation received which subject to the conditions of the vehicles.

(d) The carrying amounts of property, plant and equipment of the Group pledged as securities for banking facilities granted to the Group as disclosed in Note 20 are as follows:

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Freehold land	56,068	61,517	51,517	51,517
Leasehold land	309,313	-	-	-
Buildings	72,744	79,958	78,494	74,048
Vehicles and mechanical equipment	-	24,209	39,900	43,768
	<u>438,125</u>	<u>165,684</u>	<u>169,911</u>	<u>169,333</u>

7. INVESTMENT PROPERTY

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Carrying amount				
At 1 January	-	-	-	1,693
Depreciation	-	-	-	(7)
Reclassification from property, plant and equipment (Note 6)	-	-	1,693	-
At 31 December/31 May	<u>-</u>	<u>-</u>	<u>1,693</u>	<u>1,686</u>
Fair value	<u>-</u>	<u>-</u>	<u>1,951</u>	<u>1,951</u>

	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Audited			
31.12.2020			
Building	<u>1,693</u>	<u>-</u>	<u>1,693</u>
31.5.2021			
Building	<u>1,693</u>	<u>(7)</u>	<u>1,686</u>



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****7. INVESTMENT PROPERTY (continued)**

There is no rental income and direct operating expenses recognised in profit or loss during the financial year/period.

The investment property of the Group is categorised as Level 3 in fair value hierarchy.

- (a) There were no transfers between levels during the financial year/period ended 31 December 2020 and 31 May 2021.
- (b) Investment property at Level 3 fair value with carrying amounts of RM1,686,000 (31.12.2020: RM1,693,000) was recommended by the Directors based on comparison method that makes reference to recent market values of similar properties in the vicinity on a price per square feet basis. The price per square feet of the property adopted, which was significant input, is RM1,508 (31.12.2020: RM1,508). Any changes in the price per square feet will result in a reasonable change in the fair value of the investment property.

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**Right-of-use assets**

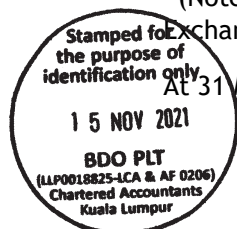
Audited	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Total RM'000
31.12.2019					
Carrying amount					
At 1 January 2019	-	-	-	-	-
Effects on adoption of MFRS 16 (Note 4.1)	317,704	5,539	145,577	5,661	474,481
Acquisition of a subsidiary (Note 39)	-	-	5,539	80	5,619
Additions	2,917	437	38,851	4,019	46,224
Disposal	-	-	(478)	-	(478)
Depreciation	(4,123)	(2,787)	(14,072)	(2,595)	(23,577)
Transferred to property, plant and equipment (Note 6)	-	-	(26,152)	(238)	(26,390)
Reclassification to non-current assets held for sale (Note 19)	(6,996)	-	-	-	(6,996)
At 31 December 2019	309,502	3,189	149,265	6,927	468,883



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****Right-of-use assets (continued)**

Audited	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Total RM'000
31.12.2020						
Carrying amount						
At 1 January 2020	309,502	3,189	149,265	6,927	-	468,883
Acquisition of subsidiaries (Note 39)	33,533	-	9,349	250	-	43,132
Disposal of a subsidiary (Note 40)	-	-	-	(294)	-	(294)
Re-measurement	-	166	-	-	-	166
Additions	7,909	-	17,805	330	101	26,145
Disposal	-	-	(3,539)	-	-	(3,539)
Depreciation	(4,638)	(2,158)	(16,908)	(116)	(51)	(23,871)
Written off	(140)	-	-	-	-	(140)
Reclassification	-	-	6,301	(6,301)	-	-
Transferred to property, plant and equipment (Note 6)	-	-	(13,805)	(397)	-	(14,202)
At 31 December 2020	346,166	1,197	148,468	399	50	496,280

Audited	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Total RM'000
31.5.2021						
Carrying amount						
At 1 January 2021	346,166	1,197	148,468	399	50	496,280
Additions	-	-	5,663	-	-	5,663
Depreciation	(2,925)	(213)	(6,917)	(31)	(21)	(10,107)
Reclassification	-	-	(69)	69	-	-
Reclassification to non-current assets held for sale (Note 19)	(13,013)	-	-	-	-	(13,013)
Transferred to property, plant and equipment (Note 6)	-	-	(7,503)	-	-	(7,503)
Exchange differences	-	-	(51)	-	-	(51)
At 31 May 2021	330,228	984	139,591	437	29	471,269



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)
Lease liabilities

Audited	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Total RM'000
31.12.2019					
Carrying amount					
At 1 January 2019	-	-	-	-	-
Effects on adoption of MFRS 16 (Note 4.1)	106,996	1,356	102,135	313	210,800
Acquisition of a subsidiary (Note 39)	-	-	3,246	-	3,246
Additions	1,796	-	40,510	-	42,306
Lease payments	(20,253)	(721)	(43,033)	(80)	(64,087)
Interest expense	5,245	52	6,418	18	11,733
At 31 December 2019	93,784	687	109,276	251	203,998

Audited	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Total RM'000
31.12.2020						
Carrying amount						
At 1 January 2020	93,784	687	109,276	251	-	203,998
Acquisition of subsidiaries (Note 39)	24,018	-	10,300	857	-	35,175
Additions	5,862	-	18,996	297	101	25,256
Re-measurement	-	166	-	-	-	166
Disposal of a subsidiary (Note 40)	-	-	-	(281)	-	(281)
Lease payments	(87,447)	(330)	(46,984)	(807)	(54)	(135,622)
Interest expense	3,411	34	5,848	73	4	9,370
At 31 December 2020	39,628	557	97,436	390	51	138,062



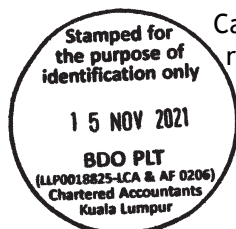
12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)****Lease liabilities (continued)**

Audited	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Total RM'000
31.5.2021						
Carrying amount						
At 1 January 2021	39,628	557	97,436	390	51	138,062
Additions	-	-	7,837	-	-	7,837
Lease payments	(3,156)	(83)	(23,903)	(58)	(22)	(27,222)
Interest expense	857	11	1,933	9	1	2,811
At 31 May 2021	37,329	485	83,303	341	30	121,488

	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Represented by:			
Current liabilities	49,444	41,945	38,949
Non-current liabilities	154,554	96,117	82,539
	203,998	138,062	121,488
	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Lease liabilities owing to financial institutions	194,184	121,775	107,918
Lease liabilities owing to non-financial institutions	9,814	16,287	13,570
	203,998	138,062	121,488

- (a) The Group has certain leases of machineries with lease term of 12 months or less, and low value leases of office equipment. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.
- (b) During the financial years/periods, the Group made the following cash payments to purchase right-of-use assets:

	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Purchase of right-of-use assets	46,224	26,145	5,663	11,011
Financed by lease liabilities	(42,306)	(25,256)	(4,411)	(8,171)
Cash payments on purchase of right-of-use assets	3,918	889	1,252	2,840



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)**

- (c) The carrying amounts of right-of-use assets of the Group pledged as securities for banking facilities granted to the Group are as follows:

	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Leasehold land	305,596	333,973	316,093
Vehicles and mechanical equipment	136,636	127,673	129,027
Other vehicles	288	243	224
	<u>442,520</u>	<u>461,889</u>	<u>445,344</u>

- (d) The following are the amounts recognised in profit or loss:

	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Depreciation charge of right-of-use assets (included in cost of sales and services and administrative expenses)	23,577	23,871	10,107	9,945
Interest expense on lease liabilities (included in finance costs)	11,733	9,370	2,811	4,535
Expense relating to short-term leases (included in cost of sales and services and administrative expenses)	881	487	810	342
Expense relating to leases of low-value assets (included in cost of sales and services and administrative expenses)	1,401	422	151	105
Variable lease payments (included in cost of sales and services)	<u>1,839</u>	<u>1,218</u>	<u>826</u>	<u>499</u>
	<u>39,431</u>	<u>35,368</u>	<u>14,705</u>	<u>15,426</u>

- (e) The securities of lease liabilities relating to leasehold land is disclosed in Note 20(a) to the financial statements.
- (f) The Group has lease contracts for machinery and equipment that contains variable payments based on the usage of the machinery and equipment. Variable payment terms are for machinery and equipment that are used by the Group for its day-to-day operations and the usage is not fixed. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur. An amount determined based on usage of the equipment at the agreed rate will be charged to the profit and loss. A 10% increase in usage of the Group during the financial period/years would increase the total lease payment by 0.28% (31.12.2020: 0.09%; 31.12.2019: 0.27%).



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

8. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

- (g) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.
- (h) Information of financial risks of the lease liabilities were disclosed in Note 38 to the financial statements.

9. OTHER INVESTMENTS

		31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
	Note				
Non-current					
Financial assets at fair value through profit or loss					
Memberships in clubs		43	43	43	43
Equity securities	(a)	2,400	700	266	417
		<u>2,443</u>	<u>743</u>	<u>309</u>	<u>460</u>

- (a) Equity securities represent quoted shares of RM417,000 (31.12.2020: RM266,000; 31.12.2019: RM Nil; 31.12.2018: RM Nil) and unquoted shares of RM Nil (31.12.2020: RM Nil; 31.12.2019: RM700,000; 31.12.2018: RM2,400,000).

- (b) Information on the fair value hierarchy is disclosed in Note 37 to the financial statements.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

10. COMBINING ENTITIES

Details of the combining entities are as follows:

	Country of incorporation	Effective interest in equity-----]				Principal activities
		31.12.2018 %	31.12.2019 %	31.12.2020 %	31.5.2021 %	
Delta Express (M) Sdn. Bhd.	Malaysia	100	100	100	100	Freight forwarding agency services and investment holding
Swift Consolidators Sdn. Bhd.	Malaysia	100	100	100	100	Freight forwarding services
Q-Team Sdn. Bhd.	Malaysia	100	100	100	100	Sales, service and spare parts for commercial vehicles, tyre retreading and investment holding
Container Connections (M) Sdn. Bhd.	Malaysia	51.5	51.5	61.5	61.5	Container depot services and investment holding
Swift Integrated Logistics Sdn. Bhd.	Malaysia	100	100	100	100	Integrated logistics services comprising container haulage, land transportation, warehousing and container depot, and freight forwarding agency services, and investment holding.
Swift Crossland Logistics Co., Ltd. ^{(1) (2)}	Thailand	49	49	49	49	Land transportation and freight forwarding agency services, and investment holding
Tanjong Express (M) Sdn. Bhd.	Malaysia	100	100	100	100	Container haulage and land transportation services, and investment holding
Komunajaya Sdn. Bhd.	Malaysia	100	100	100	100	Fabrication, repair and maintenance of trailers
Agenda Wira Sdn. Bhd.	Malaysia	-	100	100	100	Container haulage and freight forwarding services

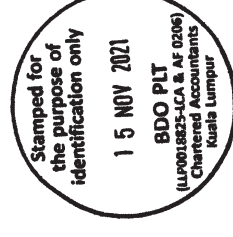


12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

10. COMBINING ENTITIES (continued)

	Country of incorporation	Effective interest in equity-----]				Principal activities
		31.12.2018	31.12.2019	31.12.2020	31.5.2021	
		%	%	%	%	
Subsidiary of Delta Express (M) Sdn. Bhd.						
Swift Logistics TA Sdn. Bhd.	Malaysia	100	100	100	100	Freight forwarding agency services
Subsidiaries of Q-Team Sdn. Bhd.						
Fleet Engineering Services Sdn. Bhd.	Malaysia	100	100	100	100	Repair, maintenance and configuration of commercial vehicle superstructures
Q-Team Risk Management Sdn. Bhd.	Malaysia	100	100	100	100	General insurance agency services
Subsidiary of Tanjong Express (M) Sdn. Bhd.						
Tanjong Express Logistic (M) Sdn. Bhd.	Malaysia	100	100	100	100	Container haulage services
Subsidiary of Container Connections (M) Sdn. Bhd.						
Northern Gateway Depot Sdn. Bhd.	Malaysia	-	-	61.5	61.5	Container depot services



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

10. COMBINING ENTITIES (continued)

	Country of incorporation	[-----Effective interest in equity-----]				Principal activities
		31.12.2018 %	31.12.2019 %	31.12.2020 %	31.5.2021 %	
Subsidiaries of Swift Integrated Logistics Sdn. Bhd.						
Swift Haulage Services Sdn. Bhd.	Malaysia	100	100	100	100	Dormant. The intended future business activities are to provide container haulage and land transportation services
Swift Commerce Sdn. Bhd. (f.k.a. Swift Trucking and Warehousing Services Sdn. Bhd.)						
	Malaysia	100	100	100	100	E-commerce retailing
Swift Mega Carriers Sdn. Bhd.	Malaysia	100	100	-	-	Provision of transportation services
MILS Cold Hub Sdn. Bhd.	Malaysia	100	100	100	100	Dormant. The intended future business activity is providing cold chain logistics services
Sentiasa Hebat Sdn. Bhd.	Malaysia	-	-	100	100	Container haulage services
Sentiasa Hebat (Penang) Sdn. Bhd.	Malaysia	-	-	100	100	Container haulage services
Earth Move International Sdn. Bhd.	Malaysia	-	-	100	100	Freight forwarding services

Stamp
for
the
purpose
of
the
statutory
audit



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

10. COMBINING ENTITIES (continued)

	Country of incorporation	Effective interest in equity-----]				Principal activities
		31.12.2018 %	31.12.2019 %	31.12.2020 %	31.5.2021 %	
Subsidiaries of Swift Integrated Logistics Sdn. Bhd. (continued)						
Agensi Tanjung Bruas Sdn. Bhd.	Malaysia	-	-	100	100	Freight forwarding agency services
Top Tyres & Workshop Sdn. Bhd.	Malaysia	-	-	100	100	Dormant. The intention is to strike-off the company
Subsidiary of Swift Crossland Logistics Co., Ltd.						
Crossland Forwarders Co., Ltd. ⁽¹⁾⁽²⁾	Thailand	49	49	49	49	Dormant

⁽¹⁾ Subsidiaries audited by BDO member firm.

⁽²⁾ The Group considers that it controls Swift Crossland Logistics Co., Ltd. ("SCL") even though it owns less than 50% of the shareholdings. This is due to the Group having control over the Board and power to govern the relevant activities of SCL. The remaining 51% of the equity interests in SCL, which are held by shareholders that are not related, would not have control over SCL.

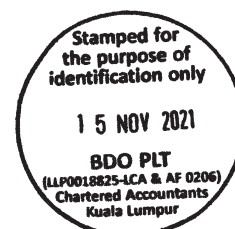


12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

10. COMBINING ENTITIES (continued)

- (a) During the financial year ended 31 December 2018:
- (i) On 6 July 2018, the Group acquired the entire equity interest comprising 1,500,000 ordinary shares in Tanjong Express (M) Sdn. Bhd. ("TEMSB") for a purchase consideration of RM164,454,000.
 - (ii) On 6 July 2018, the Group acquired the entire equity interest comprising 300,000 ordinary shares in Komunajaya Sdn. Bhd. ("KMJSB") for a purchase consideration of RM29,873,000.
- (b) On 30 January 2019, the Group acquired the entire equity interest comprising 500,000 ordinary shares in Agenda Wira Sdn. Bhd. ("AWSB") for a purchase consideration of RM18,000,000.
- (c) During the financial year ended 31 December 2020:
- (i) On 31 August 2020, the Group acquired the entire equity interest comprising 2,500,000 ordinary shares in Sentiasa Hebat Sdn. Bhd. ("STSB") for a purchase consideration of approximately RM7,990,000.
 - (ii) On 31 August 2020, the Group acquired the entire equity interest comprising 500,000 ordinary shares in Sentiasa Hebat (Penang) Sdn. Bhd. ("STPSB") for a purchase consideration of RM1,000,000.
 - (iii) On 31 August 2020, the Group acquired the entire equity interest comprising 100 ordinary shares in Earth Move International Sdn. Bhd. ("EMISB") for a purchase consideration of RM1.
 - (iv) On 31 August 2020, the Group acquired the entire equity interest comprising 100,000 ordinary shares in Agensi Tanjung Bruas Sdn. Bhd. ("ATBSB") for a purchase consideration of RM10,000.
 - (v) On 31 August 2020, the Group acquired the entire equity interest comprising 500,000 ordinary shares in Top Tyres & Workshop Sdn. Bhd. ("TTWSB") for a purchase consideration of RM1.
 - (vi) On 31 August 2020, Container Connections (M) Sdn. Bhd. ("CCMSB") acquired the entire equity interest comprising 100,000 ordinary shares in Northern Gateway Depot Sdn. Bhd. ("NGDSB") for a purchase consideration of RM1,000,000.
 - (vii) On 14 September 2020, the Group acquired additional equity interest comprising 235,000 ordinary shares in CCMSB for a purchase consideration of RM333,000. Subsequent to the acquisition of additional equity interest in CCMSB, the equity interest in CCMSB increased from 51.5% to 61.5%.
 - (viii) On 30 November 2020, the Group disposed off its entire equity interest comprising 2,450,000 ordinary shares in Swift Mega Carriers Sdn. Bhd. ("SMCSB") for a cash consideration of RM10,000. The transaction has been completed during the financial year 31 December 2020.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

10. COMBINING ENTITIES (continued)

(d) Subsidiaries of the Group that has non-controlling interests ("NCI") are as follows:

	SCL	CCMSB	Total
Audited			
31.12.2018			
NCI percentage of ownership interest and voting interest	51.00%	48.5%	
Carrying amount of NCI (RM'000)	<u>(2,813)</u>	<u>2,675</u>	<u>(138)</u>
(Loss)/Profit allocated to NCI (RM'000)	<u>(856)</u>	<u>1,029</u>	<u>173</u>
Audited			
31.12.2019			
NCI percentage of ownership interest and voting interest	51.00%	48.5%	
Carrying amount of NCI (RM'000)	<u>(2,721)</u>	<u>2,219</u>	<u>(502)</u>
Profit allocated to NCI (RM'000)	<u>92</u>	<u>564</u>	<u>656</u>
Audited			
31.12.2020			
NCI percentage of ownership interest and voting interest	51.00%	38.5%	
Carrying amount of NCI (RM'000)	<u>(2,422)</u>	<u>2,073</u>	<u>(349)</u>
Profit allocated to NCI (RM'000)	<u>299</u>	<u>495</u>	<u>794</u>
Audited			
31.5.2021			
NCI percentage of ownership interest and voting interest	51.00%	38.5%	
Carrying amount of NCI (RM'000)	<u>(1,890)</u>	<u>2,420</u>	<u>530</u>
Profit allocated to NCI (RM'000)	<u>532</u>	<u>347</u>	<u>879</u>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

10. COMBINING ENTITIES (continued)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

Audited	SCL RM'000	CCMSB RM'000
31.12.2018		
Assets and liabilities		
Non-current assets	9,866	432
Current assets	10,473	6,734
Non-current liabilities	(13,875)	(95)
Current liabilities	(11,894)	(1,556)
Net (liabilities)/assets	(5,430)	5,515
1.1.2018 to 31.12.2018		
Results		
Revenue	26,518	17,746
(Loss)/Profit for the financial year	(1,678)	2,121
Total comprehensive (loss)/income	(1,678)	2,121
Cash flows (used in)/from operating activities	(2,662)	2,639
Cash flows from/(used in) investing activities	710	(552)
Cash flows from/(used in) financing activities	650	(1,560)
Net (decrease)/increase in cash and cash equivalents	(1,302)	527
Dividend paid to NCI	-	(728)
Audited	SCL RM'000	CCMSB RM'000
31.12.2019		
Assets and liabilities		
Non-current assets	8,754	7,382
Current assets	10,764	6,519
Non-current liabilities	(14,959)	(3,274)
Current liabilities	(10,231)	(6,053)
Net (liabilities)/assets	(5,672)	4,574



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****10. COMBINING ENTITIES (continued)**

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (continued)

Audited	SCL RM'000	CCMSB RM'000
1.1.2019 to 31.12.2019		
Results		
Revenue	33,501	17,632
Profit for the financial year	180	1,164
Total comprehensive income	180	1,164
Cash flows from operating activities	1,930	6,196
Cash flows from/(used in) investing activities	425	(338)
Cash flows used in financing activities	(2,284)	(6,260)
Net increase/(decrease) in cash and cash equivalents	71	(402)
Dividend paid to NCI	-	(873)
Audited	SCL RM'000	CCMSB RM'000
31.12.2020		
Assets and liabilities		
Non-current assets	9,525	22,276
Current assets	14,771	9,422
Non-current liabilities	(16,622)	(12,220)
Current liabilities	(12,642)	(14,547)
Net (liabilities)/assets	(4,968)	4,931
1.1.2020 to 31.12.2020		
Results		
Revenue	37,930	22,776
Profit for the financial year	586	1,157
Total comprehensive income	586	1,157
Cash flows from operating activities	1,988	9,844
Cash flows used in investing activities	(525)	(1,161)
Cash flows used in financing activities	(958)	(7,103)
Net increase in cash and cash equivalents	505	1,580
Dividend paid to NCI	-	(308)



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****10. COMBINING ENTITIES (continued)**

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (continued)

Audited	SCL RM'000	CCMSB RM'000
31.5.2021		
Assets and liabilities		
Non-current assets	12,329	18,604
Current assets	17,008	10,700
Non-current liabilities	(18,129)	(9,119)
Current liabilities	(15,058)	(14,354)
Net (liabilities)/assets	(3,850)	5,831
1.1.2021 to 31.5.2021		
Results		
Revenue	19,439	13,219
Profit for the financial period	1,044	900
Total comprehensive income	1,044	900
Cash flows from operating activities	2,026	3,658
Cash flows used in investing activities	(3,690)	(199)
Cash flows from/(used in) financing activities	3,777	(3,916)
Net increase/(decrease) in cash and cash equivalents	2,113	(457)
Unaudited	SCL RM'000	CCMSB RM'000
1.1.2020 to 31.5.2020		
Results		
Revenue	15,607	7,235
Profit for the financial period	478	331
Total comprehensive income	478	331
Cash flows from operating activities	211	3,098
Cash flows used in investing activities	(631)	(371)
Cash flows from/(used in) financing activities	685	(2,120)
Net increase in cash and cash equivalents	265	607



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

11. INVESTMENTS IN ASSOCIATES

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Unquoted shares, at cost	19,240	19,240	19,290	19,290
Share of post-acquisition profits/ (loss), net of dividends received	302	1,030	896	(535)
Less: Accumulated impairment losses	(255)	(255)	-	-
	<u>19,287</u>	<u>20,015</u>	<u>20,186</u>	<u>18,755</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

11. INVESTMENTS IN ASSOCIATES (continued)

The details of the associates are as follows:

Name of company	Country of incorporation	[-----Effective interest in equity-----]				Principal activities
		31.12.2018	31.12.2019	31.12.2020	31.5.2021	
		%	%	%	%	
Global Vision Logistics Sdn. Bhd. ⁽¹⁾	Malaysia	25	25	25	25	Provision of warehousing services
BLG Swift Logistics Sdn. Bhd. ⁽²⁾	Malaysia	60	60	60	60	Investment holding and provision of automotive solutions and related integrated logistics services
Subsidiary of BLG Swift Logistics Sdn. Bhd.						
Swift Mega Carriers Sdn. Bhd.	Malaysia	-	-	60	60	Provision of transportation services

⁽¹⁾ Associate not audited by BDO PLT.

⁽²⁾ Although the Group holds 60% interest in BLG Swift Logistics Sdn. Bhd. ("BLG"), BLG is deemed to be an associate as the Group is unable to exercise control over the financial and operating policies of the economic activities of BLG.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****11. INVESTMENTS IN ASSOCIATES (continued)**

- (a) On 30 May 2018, the Group made a capital contribution comprising 1,380,000 Redeemable Preference Shares of RM10 each in Global Vision Logistics Sdn. Bhd. ("GVLSB"). As at 31 December 2018, there was no impact to the equity interest of the Group and the equity interest of the Group was remained at 25%.
- (b) During the financial year ended 31 December 2020,
- (i) On 14 September 2020, the Group made a capital contribution to an associate, GVLSB amounted to RM50,000. The capital contribution is unsecured, interest free and the repayment of such balances are not expected in the foreseeable future.
- (ii) On 30 November 2020, BLG acquired the entire equity interest comprising 2,450,000 ordinary shares in Swift Mega Carriers Sdn. Bhd. ("SMCSB") for a purchase consideration of RM10,000.
- (c) The recoverable amounts of the investments in associates are assessed by reference to the value-in-use ("VIU") calculations. The VIU is the net present value of the projected future cash flows derived from the business operations at an appropriate pre-tax discount rate of 6%.

During the financial year ended 31 December 2020, a reversal of impairment losses of RM255,000 on investments in associates has been recognised due to improvement in the business operation.

- (d) The summarised financial information of the associates are as follows:

Audited	GVLSB RM'000	BLG RM'000
31.12.2018		
Assets and liabilities		
Non-current assets	201,263	3,552
Current assets	5,745	5,955
Non-current liabilities	(207,950)	(1,656)
Current liabilities	(96)	(4,721)
Net (liabilities)/assets	(1,038)	3,130
1.1.2018 to 31.12.2018		
Results		
Revenue	438	11,012
(Loss)/Profit for the financial year	(1,075)	1,420
Total comprehensive (loss)/income	(1,075)	1,420
Share of results by the Group for the financial year		
Share of loss by the Group for adjustment on initial application of MFRS 9	-	(55)
Share of (loss)/profit by the Group for the financial year	(269)	852



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

11. INVESTMENTS IN ASSOCIATES (continued)

(d) The summarised financial information of the associates are as follows: (continued)

	GVLSB RM'000	BLG RM'000
Audited		
31.12.2019		
Assets and liabilities		
Non-current assets	210,448	5,735
Current assets	6,517	6,070
Non-current liabilities	(219,150)	(838)
Current liabilities	(234)	(6,047)
Net (liabilities)/assets	(2,419)	4,920
1.1.2019 to 31.12.2019		
Results		
Revenue	96	12,663
(Loss)/Profit for the financial year	(1,381)	1,789
Total comprehensive (loss)/income	(1,381)	1,789
Share of results by the Group for the financial year		
Share of (loss)/profit by the Group for the financial year	(345)	1,073
Audited	GVLSB RM'000	BLG RM'000
31.12.2020		
Assets and liabilities		
Non-current assets	209,889	13,085
Current assets	2,319	7,296
Non-current liabilities	(216,777)	(7,177)
Current liabilities	(187)	(7,534)
Net (liabilities)/assets	(4,756)	5,670
1.1.2020 to 31.12.2020		
Results		
Revenue	120	10,880
(Loss)/Profit for the financial year	(2,336)	750
Total comprehensive (loss)/income	(2,336)	750
Share of results by the Group for the financial year		
Share of (loss)/profit by the Group for the financial year	(584)	450



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

11. INVESTMENTS IN ASSOCIATES (continued)

(d) The summarised financial information of the associates are as follows: (continued)

Audited	GVLSB RM'000	BLG RM'000
31.5.2021		
Assets and liabilities		
Non-current assets	224,538	11,163
Current assets	3,682	4,442
Non-current liabilities	(236,043)	(5,600)
Current liabilities	(3)	(5,441)
Net (liabilities)/assets	(7,826)	4,564
1.1.2021 to 31.5.2021		
Results		
Revenue	-	2,177
Loss for the financial period	(3,070)	(1,106)
Total comprehensive loss	(3,070)	(1,106)
Share of results by the Group for the financial period		
Share of loss by the Group for the financial period	(767)	(664)
Unaudited	GVLSB RM'000	BLG RM'000
1.1.2020 to 31.5.2020		
Results		
Revenue	96	4,231
(Loss)/Profit for the financial period	(504)	226
Total comprehensive (loss)/income	(504)	226
Share of results by the Group for the financial period		
Share of (loss)/profit by the Group for the financial period	(126)	136



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****12. GOODWILL**

	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Cost					
At beginning of financial year / period		28,836	72,999	79,482	84,774
Acquisition of subsidiaries	39	44,163	6,483	5,292	-
		72,999	79,482	84,774	84,774
Accumulated impairment loss					
At beginning of financial year / period		(1,178)	(1,178)	(4,178)	(15,961)
Charge for the financial year / period		-	(3,000)	(11,783)	-
		(1,178)	(4,178)	(15,961)	(15,961)
Carrying amount		71,821	75,304	68,813	68,813

The carrying amounts of goodwill allocated to the Group's cash-generating-units ("CGUs") are as follows:

Audited	Haulage, forwarding services & warehousing RM'000	Containers and depot services RM'000	Vehicles trading RM'000	Total RM'000
31.12.2018				
Goodwill	70,598	1,165	1,236	72,999
Less: Impairment loss	(13)	(1,165)	-	(1,178)
	70,585	-	1,236	71,821
31.12.2019				
Goodwill	77,081	1,165	1,236	79,482
Less: Impairment loss	(3,013)	(1,165)	-	(4,178)
	74,068	-	1,236	75,304
31.12.2020				
Goodwill	81,074	2,464	1,236	84,774
Less: Impairment loss	(14,796)	(1,165)	-	(15,961)
	66,278	1,299	1,236	68,813



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****12. GOODWILL (continued)**

The carrying amounts of goodwill allocated to the Group's cash-generating-units ("CGUs") are as follows: (continued)

Audited	Haulage, forwarding services & warehousing RM'000	Containers and depot services RM'000	Vehicles trading RM'000	Total RM'000
31.5.2021				
Goodwill	81,074	2,464	1,236	84,774
Less: Impairment loss	(14,796)	(1,165)	-	(15,961)
	<u>66,278</u>	<u>1,299</u>	<u>1,236</u>	<u>68,813</u>

- (a) For the purpose of impairment testing, goodwill is allocated to the Group's CGUs which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The recoverable amounts of the CGUs have been determined based on value in use ("VIU") calculations. The VIU is calculated using the pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. VIU was determined by discounting the future cash flow generated from the business operation of the CGUs.

During the financial years ended 31 December 2018 and 2019, VIU were calculated based on the following key assumptions:

	Haulage, forwarding services & warehousing %	Containers and depot services %	Vehicles trading %
Revenue growth rates	5.0	5.0	5.0
Expenses growth rates	5.0	5.0	5.0
Pre-tax discount rates	<u>8.0</u>	<u>8.0</u>	<u>8.0</u>

The calculations of VIU for the CGUs are most sensitive to the following assumptions:

- (i) Revenue growth rates

The forecasted growth rates are determined based on past performance of the CGUs.

- (ii) Expenses growth rates

Expenses are projected at annual increase of approximately 5.0% (2018: 5.0%) per annum.

- (iii) Discount rates

Pre-tax discount rate of 8% (2018: 8%) per annum has been applied in determining the recoverable amount of the CGUs.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

12. GOODWILL (continued)

- (a) The calculations of VIU for the CGUs are most sensitive to the following assumptions:
 (continued)

- (iv) Profit margin

Profit margins are projected based on the historical profit margin achieved or predetermined profit margin for the CGUs.

- (b) During the financial year ended 31 December 2019, an impairment loss of RM3,000,000 (31.12.2018: RM Nil) was recognised in relation to goodwill as the recoverable amount determined is lower than the carrying amount of the CGUs based on the assumptions in (a).
- (c) During the financial year ended 31 December 2020, impairment of goodwill of RM11,783,000 was recognised due to downsizing of business activities for certain combining entities within the Group. It has impacted the forecasted operating cash flows included in the VIU calculations for CGUs from haulage, forwarding services and warehousing. During the financial period ended 31 May 2021, no impairment loss on goodwill was recognised. The cash flow forecasts are based on budgets for the next five (5) years, with various inputs, assumptions and a terminal value thereafter. The cash flows were probability weighted based on the following scenarios:

	Best case	Base case	Worst case
Weighting	30%	50%	20%
Revenue growth rates			
Haulage, forwarding services & warehousing	(36%) to 5%	(40%) to 3%	(52%) to (1%)
Containers and depot services	5%	0%	(30%)
Vehicles trading	3%	1%	(4%)
Expenses growth rates			
Haulage, forwarding services & warehousing	(44%) to 2%	(40%) to 5%	(19%) to 5%
Containers and depot services	(20%)	(15%)	(5%)
Vehicles trading	2%	3%	4%
Pre-tax discount rates			
Haulage, forwarding services & warehousing	6%	6%	6%
Containers and depot services	4%	4%	4%
Vehicles trading	6%	6%	6%



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))**
Accountants' Report**12. GOODWILL (continued)**

- (d) The sensitivity of the impairment assessment to a reasonably possible change in each of the key inputs with all other variables held constant is as follows:

	Change in assumption
Probability weighted	Best case: 5% Base case: 50% Worst case: 45%
Revenue growth rates	
Haulage, forwarding services & warehousing	(64%) to (2%)
Containers and depot services	(5%)
Vehicles trading	(5%)
Expenses growth rates	
Haulage, forwarding services & warehousing	3% to 5%
Containers and depot services	1%
Vehicles trading	4%
Pre-tax discount rates	
Haulage, forwarding services & warehousing	3%
Containers and depot services	2%
Vehicles trading	3%

- (e) During the financial years/period ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021, management believes that a reasonably possible change in the key assumptions on which management has based its determination of the CGUs' recoverable amounts would not cause the CGUs' carrying amounts to further exceed their recoverable amounts.

13. INTANGIBLE ASSETS

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Customer contract	979	979	-	-
Less: Impairment loss	(979)	(979)	-	-
	-	-	-	-

- (a) Customer contract of the Group arose from the acquisition of the business and assets for transportation services of a wholly-owned subsidiary of the Group from a third party for a purchase consideration of RM2,292,000 as disclosed in Note 41 to the financial statements. During the financial year ended 31 December 2020, the Group disposed off the wholly-owned subsidiary as disclosed in Notes 10(c) and 40.
- (b) During the financial year ended 31 December 2018, an impairment loss of RM979,000 was recognised on the customer contract. Recoverable amount of the customer contract was determined based on the value-in-use ("VIU") calculations. However, the assumptions in determining the VIU were not presented due to the contract has been subsequently terminated and no future cash inflows and outflows were expected in relation to the customer contract.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****14. INVENTORIES**

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
At cost				
Spare parts and consumable goods	10,687	7,288	6,940	8,494
Prime movers	728	7,672	4,019	1,628
	<u>11,415</u>	<u>14,960</u>	<u>10,959</u>	<u>10,122</u>

- (a) The amounts of inventories written off charged to profit or loss of the Group during the financial years/periods are as follows:

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Inventories written off	<u>180</u>	<u>-</u>	<u>17</u>	<u>-</u>	<u>-</u>

- (b) Inventories of the Group recognised as cost of sales during the financial years/periods are as follows:

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Recognised as cost of sales	<u>48,935</u>	<u>28,812</u>	<u>59,799</u>	<u>42,002</u>	<u>20,784</u>

15. TRADE AND OTHER RECEIVABLES

	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Non-current					
Other receivables					
Other receivables		7,017	7,017	-	-
Less: Impairment losses	(e)	<u>(7,017)</u>	<u>(7,017)</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))**
Accountants' Report**15. TRADE AND OTHER RECEIVABLES (continued)**

	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Current					
Trade receivables					
Third parties	(a)	201,731	173,077	155,345	173,172
Amount owing by an associate	(b)	14	351	30	10
Amount owing by a related party	(b)	-	-	-	85
		201,745	173,428	155,375	173,267
Less: Impairment losses					
- third parties	(d)	(18,726)	(11,548)	(8,439)	(7,956)
- associate	(e)	-	(3)	-	-
Total trade receivables		183,019	161,877	146,936	165,311
Other receivables					
Amount owing by a related party	(c)	-	453	63	64
Amounts owing by associates	(c)	1,680	3,254	6,097	7,346
Other receivables		3,495	6,101	5,109	2,963
Deposits		10,613	6,136	9,889	12,929
		15,788	15,944	21,158	23,302
Less: Impairment losses					
- other receivables and deposits	(e)	(2,118)	(1,068)	(1,159)	(896)
- associates	(e)	-	(201)	(1,935)	(1,746)
		13,670	14,675	18,064	20,660
Total receivables		196,689	176,552	165,000	185,971
Prepayments		12,404	14,506	13,129	15,157
Total trade and other receivables		209,093	191,058	178,129	201,128

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 90 days (31.12.2020: 30 to 90 days; 31.12.2019: 30 to 90 days; 31.12.2018: 30 to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****15. TRADE AND OTHER RECEIVABLES (continued)**

- (b) Amounts owing by an associate and a related party in trade receivables are subject to normal trade credit terms granted by the Group of 60 days (31.12.2020: 60 days; 31.12.2019: 60 days; 31.12.2018: 60 days) from date of invoice.
- (c) Amounts owing by associates and a related party in other receivables represent advances, which are unsecured, interest-free and repayable within the next twelve (12) months in cash and cash equivalents except for a loan to an associate of RM Nil (31.12.2020: RM Nil; 31.12.2019: RM853,000; 31.12.2018: RM1,528,000), which was unsecured, bore interest at Nil (31.12.2020: Nil; 31.12.2019: 6%; 31.12.2018: 6%) per annum and repayable within the next twelve (12) months.
- (d) The reconciliation of movements in the impairment losses on trade receivables is as follows:

	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2018 under MFRS 139	-	22,893	22,893
Restated through opening retained earnings	5,204	-	5,204
Opening impairment loss of trade receivables in accordance with MFRS 9	5,204	22,893	28,097
Charge for the financial year	246	1,074	1,320
Reversal of impairment loss	(1,274)	(6,641)	(7,915)
Written off	-	(2,776)	(2,776)
At 31 December 2018/ 1 January 2019	4,176	14,550	18,726
Acquisition of a subsidiary	953	1,470	2,423
Charge for the financial year	418	2,717	3,135
Reversal of impairment loss	(3,583)	(7,415)	(10,998)
Written off	-	(1,738)	(1,738)
At 31 December 2019/ 1 January 2020	1,964	9,584	11,548
Acquisition of subsidiaries	154	3,108	3,262
Charge for the financial year	667	2,262	2,929
Reversal of impairment loss	(1,096)	(7,749)	(8,845)
Written off	-	(455)	(455)
At 31 December 2020/ 1 January 2021	1,689	6,750	8,439
Charge for the financial period	259	1,162	1,421
Reversal of impairment loss	(412)	(1,207)	(1,619)
Written off	-	(285)	(285)
At 31 May 2021	1,536	6,420	7,956

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year/period end.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****15. TRADE AND OTHER RECEIVABLES (continued)**

- (e) The reconciliation of movements in the impairment losses on other receivables and amounts owing by related parties are as follows:

	12-month ECL RM'000	Lifetime ECL Not Credit Impaired RM'000	Credit impaired RM'000	Total RM'000
At 1 January 2018 under MFRS 139	-	-	3,205	3,205
Restated through opening retained earnings	480	-	4,704	5,184
Opening impairment loss of other receivables in accordance with MFRS 9	480	-	7,909	8,389
Charge for the financial year	-	-	2,053	2,053
Reversal of impairment loss	(224)	-	(990)	(1,214)
Written off	-	-	(93)	(93)
At 31 December 2018/ 1 January 2019	256	-	8,879	9,135
Acquisition of a subsidiary	195	-	-	195
Charge for the financial year	239	201	333	773
Reversal of impairment loss	(303)	-	(1,511)	(1,814)
At 31 December 2019/ 1 January 2020	387	201	7,701	8,289
Acquisition of subsidiaries	14	-	463	477
Charge for the financial year	448	82	1,651	2,181
Reversal of impairment loss	(153)	-	-	(153)
Written off	-	-	(7,700)	(7,700)
At 31 December 2020/ 1 January 2021	696	283	2,115	3,094
Charge for the financial period	63	-	-	63
Reversal of impairment loss	(161)	-	(354)	(515)
At 31 May 2021	598	283	1,761	2,642

Credit impaired refers to individually determined debtors who are in significant financial difficulties and have defaulted on payments to be impaired as at the financial year/period end.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))**
Accountants' Report**15. TRADE AND OTHER RECEIVABLES (continued)**

- (f) As at the end of each reporting period, the credit risk exposure and concentration relating to trade receivables of the Group are summarised in the table below:

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Maximum exposure	183,019	161,877	146,936	165,311
Collateral obtained	-	-	-	-
Net exposure to credit risk	183,019	161,877	146,936	165,311

During the financial years/period, the Group did not renegotiate the terms of any trade receivables.

- (g) The currency exposure profile of trade and other receivables (exclude prepayments) is as follows:

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
United States Dollar	14,345	1,689	680	828
Euro	11	-	-	-
Chinese Renminbi	5,425	195	-	-
Thai Baht	24,275	24,472	8,179	7,443
Singapore Dollar	785	363	219	10
Ringgit Malaysia	151,848	149,833	155,922	177,681
Brunei Dollar	-	-	-	9
	196,689	176,552	165,000	185,971

- (h) The ageing analysis of trade receivables of the Group are as follows:

Audited	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 31.12.2018 RM'000
31.12.2018			
Current	129,638	(3,893)	125,745
Past due			
1 to 30 days	33,038	(389)	32,649
31 to 60 days	12,817	(119)	12,698
61 to 90 days	6,500	(55)	6,445
More than 90 days	19,752	(14,270)	5,482
	72,107	(14,833)	57,274
	201,745	(18,726)	183,019



12. ACCOUNTANTS' REPORT (Cont'd)

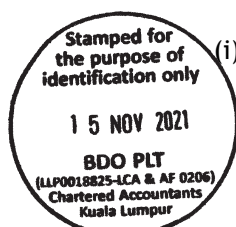
Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

15. TRADE AND OTHER RECEIVABLES (continued)

(h) The ageing analysis of trade receivables of the Group are as follows: (continued)

Audited	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 31.12.2019 RM'000
31.12.2019			
Current	114,967	(2,070)	112,897
Past due			
1 to 30 days	36,608	(4,387)	32,221
31 to 60 days	13,716	(1,347)	12,369
61 to 90 days	4,064	(298)	3,766
More than 90 days	4,073	(3,449)	624
	58,461	(9,481)	48,980
	173,428	(11,551)	161,877
Audited	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 31.12.2020 RM'000
31.12.2020			
Current	106,911	(1,174)	105,737
Past due			
1 to 30 days	29,738	(332)	29,406
31 to 60 days	8,704	(109)	8,595
61 to 90 days	3,106	(643)	2,463
More than 90 days	6,916	(6,181)	735
	48,464	(7,265)	41,199
	155,375	(8,439)	146,936
Audited	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 31.5.2021 RM'000
31.5.2021			
Current	109,174	(1,061)	108,113
Past due			
1 to 30 days	35,647	(343)	35,304
31 to 60 days	15,264	(156)	15,108
61 to 90 days	5,264	(578)	4,686
More than 90 days	7,918	(5,818)	2,100
	64,093	(6,895)	57,198
	173,267	(7,956)	165,311

(i) Information on financial risks of trade and other receivables is disclosed in Note 38 to the financial statements.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

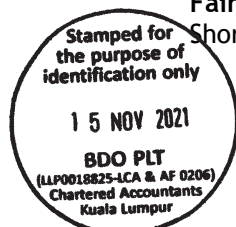
16. DERIVATIVE

Audited	Notional amount RM'000	Asset RM'000	Liability RM'000
31.12.2018			
Current			
Cross-currency interest rate swap contract	53,875	2,119	-
31.12.2019			
Current			
Cross-currency interest rate swap contract	46,375	860	-
31.12.2020			
Current			
Cross-currency interest rate swap contract	38,875	-	734
31.5.2021			
Current			
Cross-currency interest rate swap contract	35,750	694	-

- (a) Derivative asset or liability are classified as financial assets or liabilities at fair value through profit or loss.
- (b) The cross-currency interest rate swap had been entered into in order to operationally hedge a term loan denominated in United States Dollar ("USD") of USD15,000,000 and floating monthly interest payments on the term loan that will mature on 17 April 2023. The fair value of these components had been determined based on the difference between the monthly future rates and the strike rate.
- (c) The Group recognised a fair value gain of RM1,428,000 (31.12.2020: fair value loss of RM1,594,000; 31.12.2019: fair value loss of RM1,259,000; 31.12.2018: fair value gain of RM2,119,000; 31.5.2020: fair value gain of RM1,519,000) arising from the fair value changes of the derivative asset or liability in profit or loss of the Group.
- (d) Information on the fair value hierarchy is disclosed in Note 37 to the financial statements.

17. SHORT TERM FUND

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Fair value through profit or loss				
Short term fund	1,012	1,160	2,009	2,024



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****17. SHORT TERM FUND (continued)**

- (a) Short term fund is classified as fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value is categorised as Level 1 in fair value hierarchy. The short term fund of the Group is denominated in RM.
- (b) The management assessed that the fair value of the short term fund approximates its carrying amount largely due to the short term maturities of this instrument.
- (c) Information on financial risks of short term fund is disclosed in Note 38 to the financial statements.

18. CASH AND BANK BALANCES

		31.12.2018	31.12.2019	31.12.2020	31.5.2021
		Audited	Audited	Audited	Audited
	Note	RM'000	RM'000	RM'000	RM'000
Cash on hand		479	411	647	615
Cash at bank		44,308	24,203	27,202	29,414
Deposits with licensed banks	(b)	4,882	4,696	5,042	4,342
		<u>49,669</u>	<u>29,310</u>	<u>32,891</u>	<u>34,371</u>

- (a) For the purpose of the combined statements of cash flows, cash and cash equivalents comprise the following as the end of the financial year:

		31.12.2018	31.12.2019	31.12.2020	31.5.2021	31.5.2020
		Audited	Audited	Audited	Audited	Unaudited
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and bank balances		49,669	29,310	32,891	34,371	23,270
Less:						
Bank overdraft included in borrowings		(27,657)	(2,815)	(8,181)	(9,633)	(7,389)
Deposits with licensed banks with maturity of over 3 months	(c)	(4,484)	(4,263)	(4,616)	(3,921)	(4,127)
Restricted cash	(d)	<u>(1,741)</u>	<u>(1,741)</u>	<u>(1,741)</u>	<u>(2,692)</u>	<u>(1,741)</u>
Cash and cash equivalents included in the combined statements of cash flows		<u>15,787</u>	<u>20,491</u>	<u>18,353</u>	<u>18,125</u>	<u>10,013</u>



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****18. CASH AND BANK BALANCES (continued)**

- (b) Deposits with licensed banks of the Group have maturity periods ranging from 30 days to 365 days (31.12.2020: 30 days to 365 days; 31.12.2019: 30 days to 365 days; 31.12.2018: 30 days to 365 days) with interest rates ranging from 0.25% to 1.70% (31.12.2020: 1.70% to 3.35%; 31.12.2019: 2.55% to 3.20%; 31.12.2018: 2.80% to 3.35%) per annum.
- (c) Included in deposits with licensed banks of the Group are fixed deposits of RM3,921,000 (31.12.2020: RM4,604,000; 31.12.2019: RM4,251,000; 31.12.2018: RM4,472,000) pledged to the licensed banks as security for banking facilities granted to the Group as disclosed in Note 20(a) to the financial statements.
- (d) Included in restricted cash of the Group represents deposits of RM1,741,000 (31.12.2020: RM1,741,000; 31.12.2019: RM1,741,000; 31.12.2018: RM1,741,000) and RM951,000 (31.12.2020: RM Nil; 31.12.2019: RM Nil; 31.12.2018: RM Nil) which are maintained in designated Project Account and Finance Service Reserve Account respectively with licensed banks in connection with banking facilities granted to the Group as disclosed in Note 20(a) to the financial statements.
- (e) During the financial years ended 31 December 2018 and 2019, fixed deposits with licensed banks of the Group amounted to RM426,000 and RM132,000 respectively was registered under the name of a Director.
- (f) The currency exposure profile of cash and bank balances is as follow:

	31.12.2018	31.12.2019	31.12.2020	31.5.2021
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
United States Dollar	2,234	2,536	1,251	1,039
Ringgit Malaysia	44,200	23,375	27,705	27,351
Euro	153	5	113	115
Singapore Dollar	10	11	1	3
Thai Baht	3,072	3,383	3,821	5,863
Other	-*	-*	-*	-*
	<u>49,669</u>	<u>29,310</u>	<u>32,891</u>	<u>34,371</u>

* Other currency is less than RM1,000.

- (g) No expected credit losses were recognised arising from the cash and bank balances because the probability of default by these financial institutions were negligible.
- (h) Information on financial risks of cash and bank balances is disclosed in Note 38 to the financial statements.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))**
Accountants' Report**19. NON-CURRENT ASSETS HELD FOR SALE**

	31.12.2018	31.12.2019	31.12.2020	31.5.2021
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Leasehold land*	-	6,996	-	13,013
Freehold land [#]	-	-	10,000	10,000
Buildings [#]	-	-	-	4,181
	-	6,996	10,000	27,194

* Transferred from right-of-use assets (Note 8)

[#] Transferred from property, plant and equipment (Note 6)

- (a) On 23 January 2017, the Group entered into a Sale and Purchase Agreement ("SPA") with a third party for the sale of properties held under country lease no. HS (D) 134803 PT 128571, HS (D) 134804 PT 128572, HS (D) 134805 PT 128573, HS (D) 134806 PT 128574, HS (D) 134807 PT 128575 and HS (D) 134808 PT 128576 at District of Klang, Selangor for a total sale consideration of RM113,827,000.

The transaction had been completed during the financial year ended 31 December 2018. The gain on disposal of property, plant and equipment was as follows:

	RM'000
Proceeds from disposal	(113,827)
Incidental costs**	7,364
Net proceeds from disposal	(106,463)
Net carrying amount of property, plant and equipment	82,568
Gain on disposal	(23,895)

** Incidental costs consist of commission paid and miscellaneous cost.

- (b) On 8 July 2019, the Group entered into a SPA with a third party for the sale of leasehold land held under HS (D) 566036 PTD 228505, Mukim Plentong, Kawasan Perindustrian Pasir Gudang, Daerah Johor Bahru, Negeri Johor for a total sale consideration of RM7,564,000. The transaction has been completed during the financial year ended 2020.
- (c) On 12 October 2020, the Group entered into a Consent to Sell Agreement for the sale of freehold land held under Geran No. Hakmilik 32835, Lot No. 1898, Seksyen 3, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang for a total sale consideration of RM12,500,000. On 9 February 2021, the Group entered into a SPA with a third party for the sale of the abovementioned land. The transaction has not been completed during the financial period ended 31 May 2021.
- (d) On 19 April 2021, the Group entered into a SPA with a third party for the sale of buildings and leasehold land held under PN7671 and PT 345, Mukim13, Daerah Seberang Perai Tengah, Pulau Pinang for a total sale consideration of RM18,200,000. The transaction has not been completed during the financial period ended 31 May 2021.



12. ACCOUNTANTS' REPORT (Cont'd)

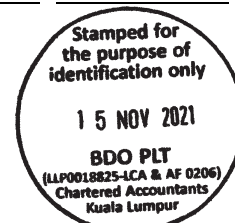
Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

19. NON-CURRENT ASSETS HELD FOR SALE (continued)

- (e) The carrying amount of non-current assets held for sale of the Group pledged as securities for banking facilities granted to the Group as disclosed in Note 20(a) to the financial statements. The freehold land of RM10,000,000 has been discharged and is not pledged as securities for banking facilities granted to the Group during the financial period ended 31 May 2021.

20. BORROWINGS

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Current				
Term loans (secured)	47,699	36,243	79,676	24,596
Unrated Islamic medium term notes (secured)	-	-	6,000	21,000
Trade financing (secured)	109,207	144,709	18,948	117,315
Bank overdrafts (secured)	27,657	2,815	8,181	9,633
Hire purchase and finance lease liabilities	29,032	-	-	-
Revolving credits (secured)	38,000	38,000	-	-
	251,595	221,767	112,805	172,544
Non-current				
Term loans (secured)	287,203	190,843	72,512	74,203
Unrated Islamic medium term notes (secured)	-	-	294,000	279,000
Hire purchase and finance lease liabilities	68,930	-	-	-
	356,133	190,843	366,512	353,203
Total borrowings				
Term loans (secured)	334,902	227,086	152,188	98,799
Unrated Islamic medium term notes (secured)	-	-	300,000	300,000
Bank overdrafts (secured)	27,657	2,815	8,181	9,633
Trade financing (secured)	109,207	144,709	18,948	117,315
Hire purchase and finance lease liabilities	97,962	-	-	-
Revolving credits (secured)	38,000	38,000	-	-
	607,728	412,610	479,317	525,747



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****20. BORROWINGS (continued)**

- (a) Bank overdrafts, trade financing, revolving credits, term loans and unrated Islamic medium term notes of the Group are secured by:
- (i) first legal charge over the freehold land, leasehold land, buildings, and vehicles and mechanical equipment of the Group with a total carrying amounts of RM502,620,000 (31.12.2020: RM513,884,000; 31.12.2019: RM478,276,000; 31.12.2018: RM438,125,000) as disclosed in Notes 6(d), 8(e) and 19(e) to the financial statements;
 - (ii) pledge of the Group's fixed deposits of RM3,921,000 (31.12.2020: RM4,604,000; 31.12.2019: RM4,251,000; 31.12.2018: RM4,472,000) as disclosed in Note 18(c) to the financial statements;
 - (iii) restricted cash of the Group of RM2,692,000 (31.12.2020: RM1,741,000; 31.12.2019: RM1,741,000; 31.12.2018: RM1,741,000) as disclosed in Note 18(d) to the financial statements;
 - (iv) pledge of unquoted shares of certain subsidiaries;
 - (v) personal guarantee by related parties; and
 - (vi) corporate guarantee by a related party.
- (b) The term loans of the Group are repayable by monthly instalments ranging from 36 to 180 months (31.12.2020: 36 to 180 months; 31.12.2019: 36 to 180 months; 31.12.2018: 36 to 120 months).
- (c) Significant covenant of the term loans of the Group is that the debt equity ratio of the Group shall not at any time exceed 2.25 times (31.12.2020: 3 times; 31.12.2019: 3 times; 31.12.2018: 3 times).
- (d) As at the reporting date, the weighted average effective interest rates of the borrowings are as follows:

	31.12.2018	31.12.2019	31.12.2020	31.5.2021
	Audited	Audited	Audited	Audited
	%	%	%	%
Bank overdrafts	7.88	6.46	5.70	4.81
Unrated Islamic medium term notes	-	-	3.38	3.61
Term loans	5.22	5.31	5.04	4.46
Revolving credits	5.38	5.26	3.82	-
Trade financing	5.57	5.00	3.73	3.09

- (e) During the financial year ended 31 December 2018, the Group entered into cross-currency interest rate swap contract to manage exposures to foreign currency and interest rate risks of a term loan of USD15,000,000 as disclosed in Note 16 to the financial statements. As at the end of the reporting period, the unrealised loss on foreign exchange of RM1,002,000 (31.12.2020: gain of RM1,090,000; 31.12.2019: gain of RM925,000; 31.12.2018: loss of RM2,918,000; 31.5.2020: loss of RM2,685,000) and fair value gain on derivative of RM1,428,000 (31.12.2020: fair value loss of RM1,594,000; 31.12.2019: fair value loss of RM1,259,000; 31.12.2018: fair value gain of RM2,119,000; 31.5.2020: fair value gain of RM1,519,000) on the term loans are recognised in the profit or loss of the Group.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****20. BORROWINGS (continued)**

- (f) On 4 November 2020, the Group issued first tranche of the unrated Islamic medium term notes amounting to RM300 million in nominal value under a 7-year Islamic medium term note programme of up to RM500 million in nominal value ("Sukuk Murabahah Programme").

The proceeds raised from the Sukuk Murabahah Programme shall be utilised to refinance existing borrowings, finance capital expenditures, working capital requirements and defray expenses incurred in relation to the Sukuk Murabahah Programme.

- (g) Movements of borrowings upon adoption of MFRS 16 are as follows:

	At 31 December 2018, as previously reported RM'000	Effects on adoption of MFRS (Note 4.1) RM'000	At 1 January 2019, as restated RM'000
Hire purchase and finance lease liabilities	97,962	(97,962)	-
Term loans (secured)	334,902	(102,582)	232,320
Revolving credits (secured)	38,000	-	38,000
Trade financing (secured)	109,207	-	109,207
Bank overdrafts (secured)	27,657	-	27,657
	<u>607,728</u>	<u>(200,544)</u>	<u>407,184</u>

- (h) The currency exposure profile of borrowings is as follow:

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
United States Dollar	56,793	48,368	39,777	37,654
Ringgit Malaysia	547,103	362,395	438,194	483,741
Thai Baht	3,832	1,847	1,346	4,352
	<u>607,728</u>	<u>412,610</u>	<u>479,317</u>	<u>525,747</u>

- (i) Information of financial risks of borrowings is disclosed in Note 38 to the financial statements.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

21. HIRE PURCHASE AND FINANCE LEASE LIABILITIES

The future minimum lease payments under the hire purchase arrangements together with the net minimum lease payments are as follows:

	31.12.2018 Audited RM'000
Minimum lease payables:	
Not later than one (1) year	34,300
Later than one (1) year and not later than five (5) years	75,183
	<hr/>
Total minimum lease payments	109,483
Less: Future interest charges	(11,521)
	<hr/>
Present value of minimum lease payments	97,962
	<hr/>
Repayable as follows:	
Current liabilities:	
- not later than one (1) year	29,032
Non-current liabilities:	
- later than one (1) year and not later than five (5) years	68,930
	<hr/>
	97,962
	<hr/>

- (a) During the financial year ended 31 December 2018, the weighted average effective interest rate of the hire purchase and finance lease liabilities of the Group was 5.71% per annum.
- (b) Information of financial risks of hire purchase and finance lease liabilities is disclosed in Note 38 to the financial statements.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

22. TRADE AND OTHER PAYABLES

	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Non-current					
Other payable					
Accrual	(c)	-	20,000	-	-
Current					
Trade payables					
Third parties	(a)	74,775	59,171	59,373	52,354
Amount owing to a related party	(b)	2	68	-	5
		74,777	59,239	59,373	52,359
Other payables					
Amounts owing to related parties	(d)	10,806	57	78	152
Accruals		57,212	35,610	34,499	30,541
Other payables		9,007	7,260	12,126	7,187
Deposits		2,609	5,065	4,714	6,312
		79,634	47,992	51,417	44,192
Total trade and other payables (current)		154,411	107,231	110,790	96,551
Total trade and other payables (non-current and current)		154,411	127,231	110,790	96,551

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranging from 14 to 90 days (31.12.2020: 14 to 90 days; 31.12.2019: 14 to 90 days; 31.12.2018: 14 to 90 days) from date of invoice.
- (b) Amount owing to a related party in trade payables is subjected to normal trade credit terms granted to the Group ranging from 30 to 90 days (31.12.2020: Nil; 31.12.2019: 30 to 90 days; 31.12.2018: 30 to 90 days) from date of invoice.
- (c) During the financial year ended 31 December 2019, non-current accrual of the Group was a provision for a claim filed by a third party for the loss and damage to the third party's cargo which occurred prior to the acquisition of a subsidiary of the Group. During the financial year ended 31 December 2020, the claim was settled and the accrual has been reversed.
- (d) Amounts owing to related parties in other payables represent advances, which are unsecured, interest-free and payable upon demand.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

22. TRADE AND OTHER PAYABLES (continued)

(e) The currency exposure profile of trade and other payables is as follows:

	31.12.2018	31.12.2019	31.12.2020	31.5.2021
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
United States Dollar	3,762	165	125	160
Ringgit Malaysia	141,657	121,663	105,657	91,269
Euro	43	15	-	-
Singapore Dollar	759	59	89	18
Brunei Dollar	77	32	53	58
Pound Sterling	5	-	-	-
China Renminbi	-	549	-	-
Thai Baht	8,108	4,748	4,866	5,046
	<u>154,411</u>	<u>127,231</u>	<u>110,790</u>	<u>96,551</u>

(f) Information on financial risks of trade and other payables is disclosed in Note 38 to the financial statements.

23. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	31.12.2018	31.12.2019	31.12.2020	31.5.2021
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January	25,627	44,738	48,289	50,195
Acquisition of subsidiaries (Note 39)	15,068	2,221	2,970	-
Effects on adoption of MFRS 9	(2,457)	-	-	-
Effects on adoption of MFRS 16	-	(103)	-	-
Recognised in profit or loss (Note 31)	<u>6,500</u>	<u>1,433</u>	<u>(1,064)</u>	<u>2,061</u>
Balance as at 31 December / 31 May	<u>44,738</u>	<u>48,289</u>	<u>50,195</u>	<u>52,256</u>
Presented after appropriate offsetting:				
Deferred tax liabilities	45,976	49,998	52,708	53,825
Deferred tax assets	<u>(1,238)</u>	<u>(1,709)</u>	<u>(2,513)</u>	<u>(1,569)</u>
	<u>44,738</u>	<u>48,289</u>	<u>50,195</u>	<u>52,256</u>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

23. DEFERRED TAX (continued)

- (b) The components and movements of deferred tax liabilities and assets during the financial years/period prior to offsetting are as follows:

Deferred tax liabilities

Audited	Property, plant and equipment RM'000	Right-of-use assets RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2018	32,914	-	(1,155)	31,759
Acquisition of subsidiaries	15,068	-	-	15,068
Recognised in profit or loss	13,234	-	(14,085)	(851)
As at 31 December 2018	61,216	-	(15,240)	45,976
As at 1 January 2019	61,216	-	(15,240)	45,976
Acquisition of a subsidiary	2,221	-	-	2,221
Effects on adoption of MFRS 16	(25,744)	25,744	-	-
Recognised in profit or loss	(15,362)	21,970	(4,807)	1,801
As at 31 December 2019	22,331	47,714	(20,047)	49,998
As at 1 January 2020	22,331	47,714	(20,047)	49,998
Acquisition of subsidiaries	604	2,725	-	3,329
Recognised in profit or loss	13,507	(4,821)	(9,305)	(619)
As at 31 December 2020	36,442	45,618	(29,352)	52,708
As at 1 January 2021	36,442	45,618	(29,352)	52,708
Recognised in profit or loss	1,305	751	(939)	1,117
As at 31 May 2021	37,747	46,369	(30,291)	53,825



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

23. DEFERRED TAX (continued)

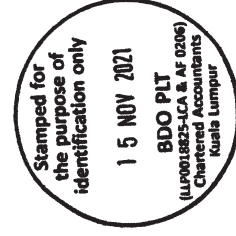
(b) The components and movements of deferred tax liabilities and assets during the financial years/period prior to offsetting are as follows: (continued)

Deferred tax assets

Audited	Provisions RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Right-of-use assets RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2018	5,636	1,651	-	(1,155)	6,132
Effects on adoption of MFRS 9	2,457	-	-	-	2,457
Recognised in profit or loss	2,766	3,968	-	(14,085)	(7,351)
As at 31 December 2018	10,859	5,619	-	(15,240)	1,238
As at 1 January 2019	10,859	5,619	-	(15,240)	1,238
Effects on adoption of MFRS 16	-	-	103	-	103
Recognised in profit or loss	(5,169)	10,330	14	(4,807)	368
As at 31 December 2019	5,690	15,949	117	(20,047)	1,709
As at 1 January 2020	5,690	15,949	117	(20,047)	1,709
Acquisition of subsidiaries	-	359	-	-	359
Recognised in profit or loss	(2,532)	12,205	77	(9,305)	445
As at 31 December 2020	3,158	28,513	194	(29,352)	2,513
As at 1 January 2021	3,158	28,513	194	(29,352)	2,513
Recognised in profit or loss	(980)	1,013	(38)	(939)	(944)
As at 31 May 2021	2,178	29,526	156	(30,291)	1,569

104

540



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****23. DEFERRED TAX (continued)**

- (c) The amount of temporary differences for which no deferred tax assets have been recognised in the combined statements of financial position are as follows:

	31.12.2018	31.12.2019	31.12.2020	31.5.2021
	Audited	Audited	Audited	Audited
	RM'000	RM'000	RM'000	RM'000
Unabsorbed capital allowances	23,439	27,921	27,809	24,256
Unused tax losses				
- Expires by 31 December 2025	44,393	44,393	44,393	44,250
- Expires by 31 December 2026	-	248	248	248
- Expires by 31 December 2027	-	-	3,427	3,427
- Expires by 31 December 2028	-	-	-	337
Other temporary differences	6	2,471	1,358	1,819
	<u>67,838</u>	<u>75,033</u>	<u>77,235</u>	<u>74,337</u>

Deferred tax assets of certain subsidiaries have not been recognised in respect of the above items as it is not probable that taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The use of tax losses of subsidiaries in other countries is subject to the agreement of the tax authorities and the tax legislation of the respective countries in which the subsidiaries operate.

24. SHARE CAPITAL

		31.12.2018	31.12.2019	31.12.2020	31.5.2021
		Audited	Audited	Audited	Audited
	Note	'000	'000	'000	'000
Number of ordinary shares					
Issued and fully paid:					
Balance as at 1 January		60,707	72,861	72,861	72,861
Issuance of ordinary shares	(a)	12,154	-	-	-
Conversion of redeemable convertible preference shares	(f)	-	-	-	7,242
Conversion of convertible redeemable loan stock	(g)	-	-	-	42,007
Balance as at 31 December / 31 May		<u>72,861</u>	<u>72,861</u>	<u>72,861</u>	<u>122,110</u>



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****24. SHARE CAPITAL (continued)**

	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Ordinary shares					
Issued and fully paid:					
Balance as at 1 January		71,914	102,785	102,785	102,785
Issuance of ordinary shares	(a)	30,871	-	-	-
Conversion of redeemable convertible preference shares	(f)	-	-	-	18,394
Conversion of convertible redeemable loan stock	(g)	-	-	-	106,863
Balance as at 31 December / 31 May		102,785	102,785	102,785	228,042
	Note	31.12.2018 Audited '000	31.12.2019 Audited '000	31.12.2020 Audited '000	31.5.2021 Audited '000
Number of preference shares					
Issued and fully paid:					
Balance as at 1 January		1	1	18,395	18,395
Issuance of redeemable convertible preference shares	(d)	-	18,394	-	-
Conversion of redeemable convertible preference shares	(f)	-	-	-	(18,394)
Redemption of redeemable preference shares	(e)	-	-	-	(1)
Balance as at 31 December / 31 May		1	18,395	18,395	-
	Note	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Preference shares					
Issued and fully paid:					
Balance as at 1 January		1	1	18,395	18,395
Issuance of redeemable convertible preference shares	(d)	-	18,394	-	-
Conversion of redeemable convertible preference shares	(f)	-	-	-	(18,394)
Redemption of redeemable preference shares	(e)	-	-	-	(1)
Balance as at 31 December / 31 May		1	18,395	18,395	-
Total		102,786	121,180	121,180	228,042



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

24. SHARE CAPITAL (continued)

- (a) During the financial year ended 31 December 2018, the Group allotted 12,153,728 ordinary shares each at an issue price of RM2.54 per share to its existing shareholders for a total consideration of approximately RM30,871,000.
- (b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Group and are entitled to one (1) vote per ordinary share at general meeting of the Group. All ordinary shares rank pari passu with regard to the Group's residual assets.
- (c) The redeemable preference shares ("RPS")

On 12 May 2017, the Group issued 1,000 RPS at a nominal value of RM1.00 per RPS. The salient terms of the RPS are as follows:

(i) General features

- (a) The value of the RPS shall be RM1 each; and
- (b) The RPS shall rank pari passu among themselves.

(ii) Repayment capital

The RPS(s) shall rank in priority to the ordinary shares and the assets of the Group remaining after the payment of its liabilities shall be applied in paying the RPS holder any accrued dividends and issue price ahead of any payment to the ordinary shareholder.

(iii) Dividend

The RPS will be entitled to the RPS holder's investment percentage of dividends or other distribution payable by the Group and will rank in priority to the ordinary shares to such dividends or distribution.

(iv) Voting Rights

The RPS Holder(s) shall be entitled to receive notice of, and attend, all general meetings of the Group but shall not by reason of holding any RPS be entitled to vote at those meetings unless the business of the meeting is, or includes, the consideration of a resolution to:

- (a) share capital reduction, variation, modification, alteration or revocation of the rights, privileges, limitations or restrictions attached to any of the RPS; and/or
- (b) winding-up of the Group.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

24. SHARE CAPITAL (continued)**(d) The redeemable convertible preference shares ("RCPS")**

On 31 December 2019, the Group has issued a total of 18,394,474 RCPS with an issue price of RM1.00 per share for cash. The terms, features and rights of the RCPS are as follows:

(i) General features

- (a) The value of the RCPS shall be RM1 each;
- (b) The RCPS shall rank pari passu among themselves;
- (c) The rights attaching to the RCPS shall not be varied or abrogated in any way whether directly or indirectly without the prior written consent of each RCPS Holder;
- (d) Any capital paid-up on the RCPS shall not be liable for cancellation or reduction in respect of any loss or depreciation;
- (e) The RCPS shall be issued free from all charges, liens or other encumbrances whatsoever;
- (f) The RCPS Holder(s) shall not be restricted from transferring the RCPS to any third party as it shall deem fit (save for any party who is involved in similar business with the Group, where in such instance the approval of all the parties are required) and provided that the existing shareholders of the Group shall each be first offered the option to purchase their *pro rata* proportion of the RCPS (based on their respective shareholding proportions of shares in the Group held by them on a fully diluted, as-converted basis); and
- (g) No RCPS Holder may transfer any RCPS unless and until the proposed transferee executes and becomes bound by a Deed of Accession and delivers such executed Deed of Adherence to the Group. The parties agree and acknowledge that any transferee of RCPS will be entitled to the same rights and subject to the same obligations as an RCPS Holder.

(ii) Redemption Rights

- (a) The holders of the RCPS shall have the right at its absolute discretion, to demand the Group to redeem the RCPS at the Redemption Price as described in (b) at any time after thirty six (36) months from the Completion Date or at any date mutually agreed by the RCPS holders and the Group.
- (b) To the extent that the Group has sufficient distributable funds, the redemption price for the RCPS shall be an amount equivalent to eight per centum (8%) expected profit rate per annum on the RCPS Issue Price calculated from the Completion Date until the date of such amounts are repaid ("Redemption Price"). The Redemption Price shall exclude any payment of Preferential Dividends to the RCPS holder.
- (c) The Redemption Rights may be exercisable by the RCPS Holder(s) in respect of all or some of the RCPS.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

24. SHARE CAPITAL (continued)

(d) The redeemable convertible preference shares ("RCPS") (continued)

(iii) Conversion Rights

- (a) The Group and its existing shareholders undertake that, the RCPS is convertible, at the option of the RCPS Holder(s), into fully paid-up new ordinary shares of the Group.
- (b) Subject to the approvals having been obtained from all the relevant authorities for the initial public offering of the securities of the Group in conjunction with its admission to trading on a Recognised Stock Exchange, the RCPS shall be mandatorily converted into fully paid-up new ordinary shares of the Group, on the Business Day falling immediately after the date of receipt of the last regulatory approval for the holding company's admission to trading on the Recognised Stock Exchange.
- (c) Notwithstanding the above clause, RCPS Holder(s) may at any time, exercise its Conversion Right via the issuance of a notice of conversion ("Conversion Notice"). The RCPS shall be converted into Conversion Shares within fourteen (14) Business Days from the issuance of Conversion Notice.
- (d) The conversion price shall be one (1) ordinary shares of the Group valued at RM2.54 per share, which will result in 7,241,919 ordinary shares.

(iv) Voting Rights

The RCPS Holder(s) are entitled to receive notices, reports and audited financial statements and attend any general meetings of the Group but have no right to vote at such general meetings. The RCPS do not confer or carry any right to vote with the exception to matters relating to:

- (a) share capital reduction; and/or
- (b) winding-up of the Group.

The holder of the RCPS, Persada Bina Sdn. Bhd. has signed a letter of undertaking and agreed that they will not exercise their Redemption Rights and shall exercise their Conversion Rights. As of the end of the reporting period, RCPS have been classified as equity.

(e) The redemption of RPS

On 23 April 2021, the Group entered into a Share Redemption Agreement with the RPS holder to redeem 1,000 RPS at RM1.00 per RPS. The redemption has been completed on 10 May 2021.

(f) The conversion of RCPS

On 30 April 2021, the Group entered into a Share Conversion Notice with the RCPS holder to convert 18,394,474 RCPS into 7,241,919 new ordinary shares at RM2.54 per share. The conversion has been completed on 7 May 2021.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

24. SHARE CAPITAL (continued)

(g) The conversion of convertible redeemable loan stock ("CRLS")

On 29 April 2021, the Group entered into a Share Conversion Notice with the CRLS holder to convert 106,862,842 CRLS into 42,007,518 new ordinary shares at RM2.5439 per share. The conversion has been completed on 10 May 2021.

25. EXCHANGE TRANSLATION RESERVE

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Non-distributable:				
Exchange translation reserve	(72)	(326)	(565)	(490)

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary items is denominated in either the functional currency of the reporting entity or the foreign operation.

26. CONVERTIBLE REDEEMABLE LOAN STOCK ("CRLS")

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Equity component				
Balance as at 1 January	106,863	106,863	106,863	106,863
Conversion of CRLS	-	-	-	(106,863)
Balance as at 31 December/31 May	106,863	106,863	106,863	-

On 12 May 2017, the Group issued 106,862,842 CRLS at a nominal value of RM1.00 per CRLS, with 15 years tenure. The salient terms of the CRLS are as follows:

- (a) The CRLS is not interest-bearing;
- (b) Unless previously redeemed, purchased and cancelled, the CRLS shall be redeemed by the issuer at the nominal value on the maturity date. However, the redemption period has lapsed within three (3) months from the issuance date; and
- (c) The new ordinary shares issued from the conversion of CRLS will be deemed fully paid-up and rank pari passu in all respects with all existing ordinary shares of the Group.

On 29 April 2021, the Group converted 106,862,842 CRLS into 42,007,518 new ordinary shares at RM2.5439 per share as disclosed in Note 24 (g).



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****27. REVENUE**

Revenue of the Group consists of the following:

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Revenue from contracts with customers					
Container haulage	213,571	278,753	252,664	118,555	96,630
Land transportation	160,431	193,166	176,021	74,828	75,942
Warehousing and container depot	62,210	68,926	71,510	31,188	29,210
Freight forwarding	58,444	64,656	54,195	23,484	21,394
Others	2,323	4,700	1,448	478	983
	<u>496,979</u>	<u>610,201</u>	<u>555,838</u>	<u>248,533</u>	<u>224,159</u>
	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Timing of revenue recognition					
Transferred at a point in time	60,767	69,356	55,643	23,962	22,377
Transferred at a point over time	<u>436,212</u>	<u>540,845</u>	<u>500,195</u>	<u>224,571</u>	<u>201,782</u>
	<u>496,979</u>	<u>610,201</u>	<u>555,838</u>	<u>248,533</u>	<u>224,159</u>

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 36 to the financial statements, which has been presented based on geographical location from which the sale transactions originated.

- (a) There is no significant financing component in the revenue arising from sales of products and services rendered as the products and services are made on the normal credit terms not exceeding twelve (12) months.
- (b) Total billings and recoverable costs of the Group amounted to RM407,950,000 (31.12.2020: RM894,734,000; 31.12.2019: RM976,908,000; 31.12.2018: RM898,382,000; 31.5.2020: RM363,363,000) and RM159,417,000 (31.12.2020: RM338,896,000; 31.12.2019: RM366,707,000; 31.12.2018: RM401,403,000; 31.5.2020: RM139,204,000) respectively.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

28. FINANCE COSTS

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Interest expense on:					
- term loans	25,925	13,564	11,450	3,398	4,382
- bank overdrafts	1,270	1,205	600	172	207
- hire purchase and finance lease liabilities	4,559	-	-	-	-
- trade financing	6,327	6,613	4,821	1,010	2,612
- revolving credits	229	1,987	1,395	-	746
- lease liabilities	-	11,733	9,370	2,811	4,535
- unrated Islamic medium term note	-	-	1,689	3,473	-
- others	156	52	237	149	-
	<u>38,466</u>	<u>35,154</u>	<u>29,562</u>	<u>11,013</u>	<u>12,482</u>

29. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
After charging:					
Auditors' remuneration:					
- current year/period	412	455	467	252	222
- under/(over) provision in prior year/period	-	14	(3)	-	(3)
Bad debts written off					
- trade receivables	86	8	13	81	13
- other receivables	23	2	11	5	-
Fair value loss on other investment	562	1,700	700	-	700
Fair value loss on short term fund	-	-	3	-	3
Loss on disposal of property, plant and equipment	-	-	424	36	10
Loss on disposal of right-of-use assets	-	24	470	-	-



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

29. PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:
(continued)

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
After charging: (continued)					
Loss on disposal of other investment	4,304	-	-	-	-
Loss on foreign exchange:					
- realised	574	494	226	267	118
- unrealised	2,923	3	-	981	2,687
Management fees paid/payable	447	462	420	175	175
Rental of:					
- land	286	525	4	25	-
- hostel	17	17	9	4	7
- office equipment	431	485	296	276	105
- office and yard	2,535	1,031	611	263	335
- warehouse	444	224	28	144	12
- house	23	14	18	13	-
- machinery and equipment	8,703	1,825	1,161	1,062	487
Waiver of debt	-	-	48	-	-
And crediting:					
Dividend from other investment	2,525	559	-	-	-
Gain on foreign exchange:					
- realised	41	112	86	19	21
- unrealised	150	863	1,094	19	47
Gain on disposal of property, plant and equipment	1,792	2,604	795	2,997	353
Gain on disposal of right-of-use assets	-	10	59	-	20
Gain on disposal of non-current assets held for sale	23,895	-	568	-	-
Gain on disposal of other investment	518	-	-	160	-
Interest income	1,586	676	448	135	210
Management income	280	30	97	-	-
Waiver of debt	1,046	3,496	16	-	-



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****29. PROFIT BEFORE TAX (continued)**

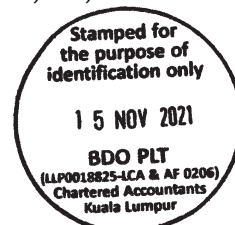
Other than those disclosed elsewhere in the financial statements, profit before tax is arrived at:
(continued)

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
And crediting: (continued)					
Rental income	722	336	135	77	60
Fair value gain on other investment	-	-	196	8	-
Fair value gain on short term fund	7	10	-	-	-
Income distribution from short term fund	5	38	52	15	19
Fair value gain on non-current other receivables	209	-	-	-	-

30. EMPLOYEE BENEFITS

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Included in:					
Cost of sales	78,256	108,683	105,581	47,217	44,766
Administrative expenses	70,987	86,843	78,099	33,294	31,701
	149,243	195,526	183,680	80,511	76,467
Analysed as:					
Salaries, wages, allowances, incentives, overtime and bonus	125,954	167,353	157,938	69,391	65,063
Defined contribution plan	14,988	17,008	17,864	8,087	7,872
Social security contribution	1,788	2,096	2,221	919	951
Other employee benefits	6,513	9,069	5,657	2,114	2,581
	149,243	195,526	183,680	80,511	76,467

Included in the employee benefits of the Group are Directors' remunerations of the Group amounting to RM4,703,000 (31.12.2020: RM7,622,000; 31.12.2019: RM7,714,000; 31.12.2018: RM7,136,000; 31.5.2020: RM3,736,000).



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****31. TAX EXPENSE**

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Current tax expense based on profit for the financial year/period	12,471	15,897	12,266	4,841	3,497
Deferred tax (Note 23)	5,012	(4,222)	352	2,061	99
Real property gains tax	1,729	-	65	-	-
	19,212	11,675	12,683	6,902	3,596
(Over)/Under-provision in prior year/period:					
Income tax	(27)	4,847	146	-	-
Deferred tax (Note 23)	1,488	5,655	(1,416)	-	-
	20,673	22,177	11,413	6,902	3,596

(a) The Malaysian income tax is calculated at the statutory tax rate of 24% (31.12.2020: 24%, 31.12.2019: 24%, 31.12.2018: 24%, 31.5.2020: 24%) of the estimated taxable profits for the fiscal years/periods.

(b) Tax expense for the taxation authorities in Thailand is calculated at the rate prevailing in that jurisdiction.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****31. TAX EXPENSE (continued)**

(c) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rates of the Group are as follows:

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Profit before tax	61,729	59,150	53,893	29,235	15,174
Tax at statutory tax rate of 24%	14,815	14,196	12,934	7,016	3,642
Tax effects in respect of:					
Income not subject to tax	(18,494)	(12,552)	(9,567)	(3,055)	(1,339)
Expenses not deductible for tax purposes	21,731	8,752	8,808	3,636	1,168
Movement in deferred tax assets not recognised	940	1,727	528	(695)	149
Effect of tax rate on incremental chargeable income	(1,509)	(448)	(85)	-	(24)
Real property gains tax	1,729	-	65	-	-
(Over)/Under-provision in prior year/period:					
- Income tax	(27)	4,847	146	-	-
- Deferred tax	1,488	5,655	(1,416)	-	-
Tax expense for the financial year/period	20,673	22,177	11,413	6,902	3,596

32. EARNINGS PER SHARE

(a) Basic

	1.1.2018 to 31.12.2018 Audited	1.1.2019 to 31.12.2019 Audited	1.1.2020 to 31.12.2020 Audited	1.1.2021 to 31.5.2021 Audited	1.1.2020 to 31.5.2020 Unaudited
Profit attributable to owners of the parent (RM'000)	40,883	36,317	41,686	21,454	11,173
Weighted average number of ordinary shares in issue ('000)	67,100	72,861	72,861	79,854	72,861
Basic earnings per ordinary share (RM)	0.61	0.50	0.57	0.27	0.15



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

32. EARNINGS PER SHARE (continued)

(b) Diluted

	1.1.2018 to 31.12.2018 Audited	1.1.2019 to 31.12.2019 Audited	1.1.2020 to 31.12.2020 Audited	1.1.2021 to 31.5.2021 Audited	1.1.2020 to 31.5.2020 Unaudited
Profit attributable to owners of the parent (RM'000)	40,883	36,317	41,686	21,454	11,173
Weighted average number of ordinary shares in issue ('000)	67,100	72,861	72,861	79,854	72,861
Effect of dilution of RCPS and CRLS ('000)	42,008	42,008	49,250	41,931	49,250
Adjusted weighted average number of ordinary shares ('000)	109,108	114,869	122,111	121,785	122,111
Diluted earnings per ordinary share (RM)	0.37	0.32	0.34	0.18	0.09

33. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has controlling related party relationship with its direct subsidiaries, associates, related parties of the Company and the direct and indirect subsidiaries of the major shareholder of the Company.

Related parties of the Group include:

- (i) Direct subsidiaries and associates as disclosed in Notes 10 and 11 to the financial statements;
- (ii) Direct and indirect subsidiaries and associate of the holding company, Persada Bina Sdn. Bhd.;
- (iii) Companies in which the Directors have financial interests; and
- (iv) Key management personnel who are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of the senior management of the Group.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****33. RELATED PARTY DISCLOSURES (continued)**

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial years/periods:

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
With holding company, Persada Bina Sdn. Bhd.					
Management fee paid/payable	420	420	420	175	175
Rental of lifter paid/ payable	364	-	-	-	-
Rental of office paid/ payable	501	521	477	-	217
Purchase of stackers	-	1,500	-	-	-
Purchase of furniture & fittings	-	-	550	-	-
Purchase of office building	-	-	4,950	-	-
With related party, Kaypi Technologies Sdn. Bhd.					
Purchase of office equipment	550	541	137	36	56
Rental of office equipment paid/ payable	95	74	73	6	35
With related party, Pelikan Asia Sdn. Bhd.					
Purchase of stationery	398	353	364	266	73
Forwarding income received/receivable	39	50	17	2	6
Warehouse income received/receivable	245	276	211	82	85
With related party, SM Security (M) Sdn. Bhd.					
Security services	226	229	229	95	95



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****33. RELATED PARTY DISCLOSURES (continued)**

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial years/periods: (continued)

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
With associate, BLG Swift Logistics Sdn. Bhd.					
Interest income received/receivable	98	69	23	-	20
Transportation income received/receivable	-	-	2,844	-	761
Rental income received/receivable	72	72	72	30	30
Warehouse income received/receivable	1,310	1,831	1,972	586	825
Forwarding income received/receivable	65	-	3	-	1
Storage income received/receivable	5	36	2	-	2
Service fees received/ receivable	8	-	-	-	-
With associate, Swift Mega Carriers Sdn. Bhd.					
Rental income received/receivable	-	-	-	25	-
Repair and maintenance	-	-	-	62	-

The related party transactions described above were carried out based on negotiated terms and conditions and mutually agreed with respective related parties.

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 15 and 22 to the financial statements.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

33. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (continued)

The remuneration of the Directors during the financial years/periods was as follows:
(continued)

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Fees	337	723	484	194	193
Short-term employee benefits	5,875	5,945	6,083	3,938	3,112
Defined contribution plan	884	1,007	849	562	428
Social security contribution	8	7	7	3	3
Others	32	32	199	6	-
	<u>7,136</u>	<u>7,714</u>	<u>7,622</u>	<u>4,703</u>	<u>3,736</u>

34. CAPITAL COMMITMENTS

(a) Operating lease commitments

The Group had entered into non-cancellable lease agreements for office, office equipment and warehouse, resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

The Group has aggregate future minimum lease commitments as at the end of each reporting period as follows:

	31.12.2018 Audited RM'000
Not later than one (1) year	2,788
Later than one (1) year and not later than 5 years	<u>2,621</u>
	<u>5,409</u>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

34. CAPITAL COMMITMENTS (continued)

(b) Capital commitments

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Capital expenditure in respect of purchase of property, plant and equipment:				
- Approved but not contracted for	-	-	83,455	87,455
- Contracted but not provided for	12,694	10,018	41,794	59,139
	<u>12,694</u>	<u>10,018</u>	<u>125,249</u>	<u>146,594</u>
Analysed as follows:				
- buildings	5,194	-	58,200	45,626
- structure and renovation	-	-	13,789	9,467
- vehicles and mechanical equipment	7,160	2,018	44,330	23,815
- land	-	8,000	4,800	64,172
- furniture, fittings and office equipment	-	-	843	729
- computers and peripherals	340	-	3,287	2,785
	<u>12,694</u>	<u>10,018</u>	<u>125,249</u>	<u>146,594</u>

35. CONTINGENT LIABILITIES

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Secured bank guarantees	<u>13,540</u>	<u>13,158</u>	<u>14,259</u>	<u>15,441</u>

The Directors are of the view that the chances of the banks to call upon the bank guarantees are remote. Accordingly, the fair values of the bank guarantees are negligible.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

36. OPERATING SEGMENTS

The Group has four reportable operating segments that are organised and managed separately according to the nature of services, which requires different business and marketing strategies. The reportable segments are summarised as follows:

- | | |
|--------------------------------------|--|
| i. Container haulage | - Transporting laden containers to and from seaports and other locations within Peninsular Malaysia. |
| ii. Land transportation | - Movement of cargo by road comprising inland transportation and cross-border transportation. |
| iii. Warehousing and container depot | <ul style="list-style-type: none"> - Warehousing services such as storage, handling and managing customers' goods as well as value added services such as repacking, labelling and palletising; rental of a warehouse and open yard area; warehouse operations and management services and e-fulfilment services - Storage and transhipment of unladen containers, container cleaning and repair |
| iv. Freight forwarding | - Organising end-to-end transportation of cargo i.e. sea, air and land freight forwarding, project logistics, in-plant logistics and ship husbandry |

Other non-reportable segments comprise other services which complement and support the core logistics services such as sales, service and spare parts dealership for commercial vehicles and general insurance agency services. Other services also include e-commerce retailing and corporate headquarters.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operations before tax.

Inter-segment revenue is priced along the similar lines as sales to external customers and is eliminated in the combined financial statements. These policies have been applied consistently throughout the financial years/periods.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited	Container hauling RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.1.2018 to 31.12.2018							
Revenue							
External customers	213,571	160,431	62,210	58,444	2,323	-	496,979
Inter-segment	21,639	4,491	455	-	52,158	(78,743)	-
Total revenue	235,210	164,922	62,665	58,444	54,481	(78,743)	496,979
Interest income	57	82	90	352	1,005	-	1,586
Depreciation of property, plant and equipment	(15,377)	(10,667)	(6,252)	(678)	(2,166)	-	(35,140)
Finance costs	(4,818)	(2,836)	(3,609)	(2,245)	(24,958)	-	(38,466)
Share of profit of associates	-	-	-	-	583	-	583
Profit/(Loss) before tax	27,710	8,356	11,614	29,729	(15,043)	(637)	61,729
Tax expense							(20,673)
Other material non-cash items:							
- Gain on disposal of non-current assets held for sale	-	-	-	-	23,895	-	23,895
- Reversal of impairment loss on trade receivables	-	-	31	7,464	420	-	7,915

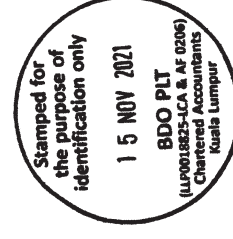


12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
31.12.2018						
Assets						
Segment assets	263,074	195,044	229,349	152,156	223,997	1,063,620
Investments in associates						19,287
Current tax assets						11,062
Deferred tax assets						1,238
Cash and bank balances						49,669
Total assets						1,144,876
Additions to capital expenditures	57,822	34,338	38,179	1,338	1,033	132,710
Liabilities						
Segment liabilities	92,118	106,854	48,712	53,009	461,446	762,139
Current tax liabilities						2,225
Deferred tax liabilities						45,976
Total liabilities						810,340



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Container haulage RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.1.2019 to 31.12.2019							
Revenue							
External customers	278,753	193,166	68,926	64,656	4,700	-	610,201
Inter-segment	23,096	14,734	1,535	249	25,076	(64,690)	-
Total revenue	301,849	207,900	70,461	64,905	29,776	(64,690)	610,201
Interest income	90	90	69	280	147	-	676
Depreciation of property, plant and equipment	(12,943)	(9,353)	(2,868)	(625)	(1,034)	-	(26,823)
Depreciation of right-of-use assets	(11,199)	(4,512)	(5,964)	(961)	(941)	-	(23,577)
Finance costs	(6,546)	(3,947)	(4,837)	(2,278)	(17,546)	-	(35,154)
Share of profit of associates	-	-	-	-	728	-	728
Profit/(Loss) before tax	39,253	8,399	9,115	36,808	(34,037)	(388)	59,150
Tax expense							(22,177)
Other material non-cash items:							
- Reversal of impairment loss on trade receivables	629	2	104	10,132	131	-	10,998
- Impairment of goodwill	-	-	-	-	3,000	-	3,000



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
31.12.2019						
Assets						
Segment assets	328,267	190,303	279,045	130,311	199,069	1,126,995
Investments in associates						20,015
Current tax assets						5,523
Deferred tax assets						1,709
Cash and bank balances						29,310
Total assets						1,183,552
Additions to capital expenditures	62,347	23,856	9,006	6,241	3,727	105,177
Liabilities						
Segment liabilities	117,660	103,226	54,545	30,288	438,120	743,839
Current tax liabilities						1,266
Deferred tax liabilities						49,998
Total liabilities						795,103



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.1.2020 to 31.12.2020							
Revenue							
External customers	252,664	176,021	71,510	54,195	1,448	-	555,838
Inter-segment	35,760	16,565	2,862	(358)	25,188	(80,017)	-
Total revenue	288,424	192,586	74,372	53,837	26,636	(80,017)	555,838
Interest income	85	54	31	119	159	-	448
Depreciation of property, plant and equipment	(16,123)	(9,087)	(3,489)	(806)	(685)	-	(30,190)
Depreciation of right-of-use assets	(9,654)	(5,245)	(6,960)	(642)	(1,370)	-	(23,871)
Finance costs	(6,579)	(3,626)	(3,812)	(1,254)	(14,291)	-	(29,562)
Share of loss of associates	-	-	-	-	(134)	-	(134)
Profit/(Loss) before tax	30,249	13,369	9,574	25,450	(24,519)	(230)	53,893
Tax expense							(11,413)
Other material non-cash items:							
- Reversal of impairment loss on trade receivables	535	62	10	3,741	4,497	-	8,845
- Impairment of goodwill	-	-	-	-	11,783	-	11,783
- Impairment loss on property, plant and equipment	-	-	-	-	4,484	-	4,484
- Gain on bargain purchase	-	-	-	-	3,294	-	3,294



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
31.12.2020						
Assets						
Segment assets	363,666	171,688	314,162	140,181	162,450	1,152,147
Investments in associates						20,186
Current tax assets						4,605
Deferred tax assets						2,513
Cash and bank balances						32,891
Total assets						1,212,342
Additions to capital expenditures	30,625	18,175	18,443	5,692	712	73,647
Liabilities						
Segment liabilities	114,512	77,380	88,697	31,500	416,814	728,903
Current tax liabilities						682
Deferred tax liabilities						52,708
Total liabilities						782,293

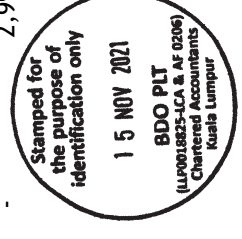


12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Elimination RM'000	Total RM'000
1.1.2021 to 31.5.2021							
Revenue							
External customers	118,555	74,828	31,188	23,484	478	-	248,533
Inter-segment	21,263	13,474	2,308	-	6,823	(43,868)	-
Total revenue	139,818	88,302	33,496	23,484	7,301	(43,868)	248,533
Interest income	47	10	6	40	32	-	135
Depreciation of property, plant and equipment	(7,096)	(3,109)	(1,425)	(404)	(212)	-	(12,246)
Depreciation of right-of-use assets	(3,907)	(1,756)	(3,925)	(201)	(318)	-	(10,107)
Finance costs	(2,306)	(876)	(1,804)	(705)	(5,322)	-	(11,013)
Share of loss of associates	-	-	-	-	(1,431)	-	(1,431)
Profit/(Loss) before tax	15,612	7,443	3,816	9,404	(6,869)	(171)	29,235
Tax expense							(6,902)
Other material non-cash item: - Gain on disposal of property, plant and equipment	2,848	65	30	-	54	-	2,997



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Audited

31.5.2021

Assets

Segment assets
Investments in associates
Current tax assets
Deferred tax assets
Cash and bank balances

Total assets

Additions to capital expenditures

Liabilities

Segment liabilities
Current tax liabilities
Deferred tax liabilities

Total liabilities

	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
	365,812	183,798	325,393	146,039	167,886	1,188,928
						18,755
						7,091
						1,569
						34,371
						1,250,714
	13,255	4,649	17,742	407	855	36,908
	94,622	88,344	77,791	86,637	396,392	743,786
						647
						53,825
						798,258



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

36. OPERATING SEGMENTS (continued)

Unaudited

1.1.2020 to 31.5.2020

	Container hauling RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue							
External customers	96,630	75,942	29,210	21,394	983	-	224,159
Inter-segment	11,466	13,151	1,071	-	9,932	(35,620)	-
Total revenue	108,096	89,093	30,281	21,394	10,915	(35,620)	224,159

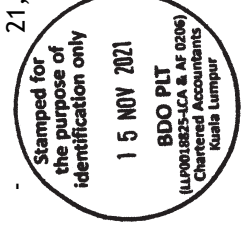
Interest income	40	28	19	70	53	-	210
Depreciation of property, plant and equipment	(6,485)	(4,031)	(1,356)	(331)	(275)	-	(12,478)
Depreciation of right-of-use assets	(4,462)	(1,911)	(2,816)	(198)	(558)	-	(9,945)
Finance costs	(2,756)	(1,119)	(1,678)	(694)	(6,235)	-	(12,482)
Share of profit of associates	-	-	-	-	10	-	10
Profit/(Loss) before tax	9,417	7,382	3,181	8,700	(13,429)	(77)	15,174
Tax expense							(3,596)

Other material non-cash items:

- Reversal of impairment loss on trade receivables
- Unrealised loss on foreign exchange

Additions to capital expenditures

	190	11	-	821	1,481	-	2,503
	-	-	-	-	(2,687)	-	(2,687)
	10,831	6,037	4,036	533	297	-	21,734



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****36. OPERATING SEGMENTS (continued)****Geographical information**

The Group operates mainly in Malaysia and Overseas.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers.

Segment assets are based on the geographical location of the assets of the Group.

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000	1.1.2020 to 31.5.2020 Unaudited RM'000
Revenue from external customers					
Malaysia	479,566	587,138	537,952	233,042	215,206
Overseas	17,413	23,063	17,886	15,491	8,953
	<u>496,979</u>	<u>610,201</u>	<u>555,838</u>	<u>248,533</u>	<u>224,159</u>
		31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Segment assets					
Malaysia		1,048,854	1,112,121	1,133,695	1,168,413
Overseas		14,766	14,874	18,452	20,515
		<u>1,063,620</u>	<u>1,126,995</u>	<u>1,152,147</u>	<u>1,188,928</u>

Major customer

Included in total revenue is revenue generated from one customer amounting to approximately RM27,204,000 (31.12.2020: RM69,268,000; 31.12.2019: RM67,974,000; 31.12.2018: RM44,492,000; 31.5.2020: RM34,185,000), representing 11.0% (31.12.2020: 12.5%; 31.12.2019: 11.1%; 31.12.2018: 9.0%; 31.5.2020: 15.3%) of the total revenue.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****37. FINANCIAL INSTRUMENTS****(a) Capital management**

The primary objective of the capital management of the Group is to ensure that entities of the Group would be able to continue as going concern while maximising return to the shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged since 1 January 2018.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years/period ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021.

The Group monitors capital utilisation on the basis of gearing ratio and net gearing ratio. Gearing ratio represents total debt divided by total capital whereas net gearing ratio represents total debt less cash and bank balances and short term fund divided by total capital. Capital represents equity attributable to the owners of the parent.

There are no changes made on the capital management, policies and procedures of the Group during the financial years/period.

	31.12.2018 Audited RM'000	31.12.2019 Audited RM'000	31.12.2020 Audited RM'000	31.5.2021 Audited RM'000
Borrowings	607,728	412,610	479,317	525,747
Less:				
Cross currency interest rate swap	(2,119)	(860)	734	(694)
Net borrowings after cross currency interest rate swap	605,609	411,750	480,051	525,053
Lease liabilities owing to:				
- financial institutions	-	194,184	121,775	107,918
- non-financial institutions	-	9,814	16,287	13,570
Total debt	605,609	615,748	618,113	646,541
Less:				
Cash and bank balances	(49,669)	(29,310)	(32,891)	(34,371)
Short term fund	(1,012)	(1,160)	(2,009)	(2,024)
Total net debt	554,928	585,278	583,213	610,146
Total capital	334,674	388,951	430,398	451,926
Gearing ratio	181.0%	158.3%	143.6%	143.1%
Net gearing ratio	165.8%	150.5%	135.5%	135.0%



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

(i) Categories of financial instruments

Audited	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
31.12.2018			
Financial assets			
Other investments	2,443	-	2,443
Trade and other receivables, exclude prepayments	-	196,689	196,689
Short term fund	1,012	-	1,012
Cash and bank balances	-	49,669	49,669
Derivative financial asset	2,119	-	2,119
	<u>5,574</u>	<u>246,358</u>	<u>251,932</u>
		Amortised cost RM'000	Total RM'000
Financial liabilities			
Trade and other payables		154,411	154,411
Borrowings		607,728	607,728
		<u>762,139</u>	<u>762,139</u>
Audited	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
31.12.2019			
Financial assets			
Other investments	743	-	743
Trade and other receivables, exclude prepayments	-	176,552	176,552
Short term fund	1,160	-	1,160
Cash and bank balances	-	29,310	29,310
Derivative financial asset	860	-	860
	<u>2,763</u>	<u>205,862</u>	<u>208,625</u>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

(i) Categories of financial instruments (continued)

Audited		Amortised cost RM'000	Total RM'000
31.12.2019			
Financial liabilities			
Trade and other payables		127,231	127,231
Borrowings		412,610	412,610
Lease liabilities		203,998	203,998
		<u>743,839</u>	<u>743,839</u>
Audited	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
31.12.2020			
Financial assets			
Other investments	309	-	309
Trade and other receivables, exclude prepayments	-	165,000	165,000
Short term fund	2,009	-	2,009
Cash and bank balances	-	32,891	32,891
	<u>2,318</u>	<u>197,891</u>	<u>200,209</u>
	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
Financial liabilities			
Trade and other payables	-	110,790	110,790
Lease liabilities	-	138,062	138,062
Derivative financial liability	734	-	734
Borrowings	-	479,317	479,317
	<u>734</u>	<u>728,169</u>	<u>728,903</u>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

(ii) Categories of financial instruments (continued)

Audited	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
31.5.2021			
Financial assets			
Other investments	460	-	460
Trade and other receivables, exclude prepayments	-	185,971	185,971
Short term fund	2,024	-	2,024
Cash and bank balances	-	34,371	34,371
Derivative financial asset	694	-	694
	3,178	220,342	223,520
		Amortised cost RM'000	Total RM'000
Financial liabilities			
Trade and other payables		96,551	96,551
Lease liabilities		121,488	121,488
Borrowings		525,747	525,747
		743,786	743,786

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables, short term borrowings and lease liabilities, are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the current portion of borrowings are reasonable approximation of fair values as the current rates offered to the Group approximate to the market rates for similar borrowing of the same remaining maturities.

The carrying amounts of the current portion of lease liabilities are reasonable approximations of fair values due to the insignificant impact of discounting.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value (continued)

The fair values of financial assets and financial liabilities are determined as follows:
 (continued)

(ii) Lease liabilities are accounted for as long term financial liabilities

The fair value of these financial instruments are estimated based on future contractual cash flows discounted at incremental borrowing rate for similar type of borrowing or leasing arrangements at the end of the reporting period.

(iii) Club memberships

The fair values of club memberships are reasonably approximation by reference to comparable market value of similar investment.

(iv) Non-current other payable and long-term borrowings

The fair values of these financial instruments are estimated by discounting the expected future cash flows at market lending rates for similar types of lending, borrowing or leasing arrangements at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts approximate to their fair values.

(v) Short term fund and equity securities

The fair value of short term fund and quoted shares of equity securities are determined by reference to the exchange quoted market bid price at the close of the business at the end of each reporting period. Unquoted shares of equity securities are estimated based on adjusted net asset method.

(vi) Financial guarantees

The Group provides bank guarantees to third parties for facilities granted to the Group.

(vii) Derivative financial assets and liabilities

The fair value of the derivatives are determined by using mark-to-market values at the end of the reporting date and changes in the fair value are recognised in profit or loss. There is no transfer between levels in the hierarchy during the financial years/period ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)**(d) Fair value hierarchy**

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial liabilities

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For lease liabilities, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The significant unobservable input used in determining the fair value measurement of Level 3 financial instrument as well as the relationship between key unobservable input and fair value, is detailed in the table below:

Financial instrument	Valuation technique used	Significant unobservable input	Inter-relationship between key unobservable input and fair value
<u>Financial assets</u>			
Amount owing by an associate	Discounted cash flows approach	Discount rate (31.5.2021: Nil 31.12.2020: Nil 31.12.2019: 6.00% 31.12.2018: 6.00%)	The higher the discount rate, the lower the fair value of the asset would be.
Equity securities	Adjusted net assets approach	Adjusted net assets	The higher the adjusted net assets, the higher the fair value of the unquoted shares would be.
<u>Financial liability</u>			
Accrual	Discounted cash flows approach	Discount rate (31.5.2021: Nil 31.12.2020: Nil 31.12.2019: 6.00% 31.12.2018: Nil)	The higher the discount rate, the lower the fair value of the asset would be.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table sets out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair value and carrying amount shown in the combined statements of financial position.

Audited	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31.12.2018								
Financial assets								
Amortised cost								
- Amount owing by an associate	-	-	-	-	-	1,528	1,528	1,528
Fair value through profit or loss								
- Short term fund	1,012	-	-	-	-	-	1,012	1,012
- Club memberships	-	43	-	-	-	-	43	43
- Equity securities	-	-	2,400	-	-	-	2,400	2,400
- Derivative financial asset	-	2,119	-	-	-	-	2,119	2,119



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table sets out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair value and carrying amount shown in the combined statements of financial position (continued).

Audited	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31.12.2018								
Financial liabilities								
Amortised cost								
- Hire purchase and finance lease liabilities	-	-	-	-	95,353	-	95,353	97,962



12. ACCOUNTANTS' REPORT (Cont'd)

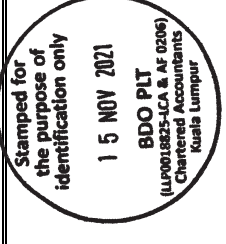
Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table sets out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair value and carrying amount shown in the combined statements of financial position (continued).

Audited	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
31.12.2019								
Financial assets								
Amortised cost								
- Amount owing by an associate	-	-	-	-	-	-	853	853
Fair value through profit or loss								
- Short term fund	1,160	-	-	1,160	-	-	-	1,160
- Club memberships	-	43	-	43	-	-	-	43
- Equity securities	-	-	700	700	-	-	-	700
- Derivative financial asset	-	860	-	860	-	-	-	860
Financial liabilities								
Amortised cost								
- Accrual	-	-	-	-	-	-	19,185	19,185
- Lease liabilities	-	-	-	-	-	183,079	-	183,079
								203,998



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table sets out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair value and carrying amount shown in the combined statements of financial position (continued).

Audited	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31.12.2020								
Financial assets								
Fair value through profit or loss								
- Short term fund	2,009	-	-	-	-	-	2,009	2,009
- Club memberships	-	43	-	-	-	-	43	43
- Equity securities	266	-	-	-	-	-	266	266
Financial liabilities								
Fair value through profit or loss								
- Derivative financial liability	-	734	-	-	-	-	734	734
Amortised cost								
- Lease liabilities	-	-	-	-	116,899	-	116,899	138,062



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

37. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table sets out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair value and carrying amount shown in the combined statements of financial position (continued).

Audited	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
31.5.2021								
Financial assets								
Fair value through profit or loss								
- Short term fund	2,024	-	-	-	-	-	2,024	2,024
- Club memberships	-	43	-	-	-	-	43	43
- Equity securities	417	-	-	-	-	-	417	417
- Derivative financial asset	-	694	-	-	-	-	694	694
Financial liabilities								
Amortised cost								
- Lease liabilities	-	-	-	-	101,676	-	101,676	121,488



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for the shareholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. It is, and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for hedging instruments where appropriate and cost-efficient.

Information on the management of the related exposures is detailed below.

(i) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major licensed financial institutions and reputable multinational organisations. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit, except for new customers, where deposits in advance are normally required. The credit period is generally for a period of two (2) months, extending up to four (4) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

As at the end of each reporting period, no collateral has been obtained by the Group. The maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

Credit risk concentration profile

As at 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021, the Group does not have any significant concentration of credit risk related to any individual customer or counterparty.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**(ii) Liquidity and cash flow risk**

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and bank balances deemed adequate to finance the Group's activities.

The Group is actively managing its operating cash flows to ensure all commitments and funding needs are met. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

Audited	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31.12.2018				
Trade and other payables	154,411	-	-	154,411
Borrowings	259,599	301,268	106,282	667,149
Financial guarantees*	13,540	-	-	13,540
	<u>427,550</u>	<u>301,268</u>	<u>106,282</u>	<u>835,100</u>
31.12.2019				
Trade and other payables	107,231	20,000	-	127,231
Borrowings	232,200	194,833	6,362	433,395
Lease liabilities	63,396	162,552	14,788	240,736
Financial guarantees*	13,158	-	-	13,158
	<u>415,985</u>	<u>377,385</u>	<u>21,150</u>	<u>814,520</u>
31.12.2020				
Trade and other payables	110,790	-	-	110,790
Borrowings	130,584	266,395	185,722	582,701
Lease liabilities	48,019	81,860	34,691	164,570
Financial guarantees*	14,259	-	-	14,259
	<u>303,652</u>	<u>348,255</u>	<u>220,413</u>	<u>872,320</u>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

The table below summarises the maturity profile of the Group's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations: (continued)

Audited	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31.5.2021				
Trade and other payables	96,551	-	-	96,551
Borrowings	193,702	262,025	133,501	589,228
Lease liabilities	42,424	65,625	33,317	141,366
Financial guarantees*	15,441	-	-	15,441
	348,118	327,650	166,818	842,586

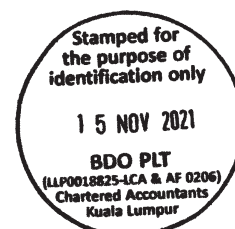
* This disclosure represents the maximum liquidity risk exposure.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from the Group's borrowings, lease liabilities and deposits placed with licensed banks. The Group manages the borrowings and lease liabilities through the use of fixed and floating rates and monitors the interest rates on borrowings and lease liabilities closely to ensure that the borrowings and lease liabilities are maintained at favourable rates.

During the financial year ended 31 December 2018, the Group entered into cross-currency interest rate swap contract to manage exposures to interest rate risks.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The notional amount and maturity date of the interest rate swap contract outstanding as at the end of the reporting period are as follows:

Derivative	Contractual amount in Foreign Currency USD'000	Equivalent amount in Ringgit Malaysia RM'000	Expiry date
Audited			
31.12.2018			
Cross-currency interest rate swap contract	13,726	53,875	17 April 2023
31.12.2019			
Cross-currency interest rate swap contract	11,815	46,375	17 April 2023
31.12.2020			
Cross-currency interest rate swap contract	9,904	38,875	17 April 2023
31.5.2021			
Cross-currency interest rate swap contract	9,108	35,750	17 April 2023



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in 100 basis points against interest rates of instruments, with all other variables held constant:

		1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.1.2021 to 31.5.2021 Audited RM'000
	Note	Profit after tax	Profit after tax	Profit after tax	Profit after tax
Floating rates					
Short term fund	17	+8	+9	+15	+15
		-8	-9	-15	-15
Lease liabilities	8	-	-692	-253	-245
		-	+692	+253	+245
Term loans	20	-2,545	-1,726	-1,157	-751
		+2,545	+1,726	+1,157	+751
Unrated Islamic medium term notes	20	-	-	-2,280	-2,280
Bank overdrafts	20	-	-	+2,280	+2,280
		-210	-21	-62	-73
		+210	+21	+62	+73
Trade financing	20	-830	-1,100	-144	-892
		+830	+1,100	+144	+892
Revolving credits	20	-289	-289	-	-
		+289	+289	-	-



12. ACCOUNTANTS' REPORT (Cont'd)

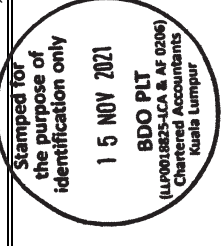
Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

Audited	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
31.12.2018									
Fixed rates									
Amount owing by an associate	15	6.00	1,528	-	-	-	-	-	1,528
Deposits with licensed banks	18	2.92	4,586	-	-	-	-	-	4,586
Short term deposits with licensed banks	18	2.95	296	-	-	-	-	-	296
Hire purchase and finance lease liabilities	21	5.71	29,032	24,125	21,150	16,518	7,137	-	97,962
Floating rates									
Short term fund	17	3.67	1,012	-	-	-	-	-	1,012
Term loans	20	5.22	47,699	43,440	42,768	46,250	49,069	105,676	334,902
Trade financing	20	5.57	109,207	-	-	-	-	-	109,207
Bank overdrafts	20	7.88	27,657	-	-	-	-	-	27,657
Revolving credits	20	5.38	38,000	-	-	-	-	-	38,000



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk (continued):

Audited	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
31.12.2019									
Fixed rates									
Amount owing by an associate	15	6.00	853	-	-	-	-	-	853
Deposits with licensed banks	18	2.67	4,696	-	-	-	-	-	4,696
Lease liabilities	8	5.22	35,928	30,645	26,178	16,135	4,103	-	112,989
Floating rates									
Short term fund	17	3.59	1,160	-	-	-	-	-	1,160
Term loans	20	5.31	36,243	33,073	32,111	44,856	75,923	4,880	227,086
Lease liabilities	8	5.23	13,516	14,837	20,147	10,157	17,867	14,485	91,009
Trade financing	20	5.00	144,709	-	-	-	-	-	144,709
Bank overdrafts	20	6.46	2,815	-	-	-	-	-	2,815
Revolving credits	20	5.26	38,000	-	-	-	-	-	38,000



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk (continued):

Audited	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
31.12.2020									
Fixed rates									
Deposits with licensed banks	18	2.43	5,042	-	-	-	-	-	5,042
Lease liabilities	8	5.74	39,442	35,337	21,308	7,487	1,208	10	104,792
Floating rates									
Short term fund	17	3.10	2,009	-	-	-	-	-	2,009
Term loans	20	5.04	79,676	19,226	35,222	10,102	4,406	3,556	152,188
Lease liabilities	8	6.09	2,503	2,548	2,596	2,504	1,257	21,862	33,270
Unrated Islamic medium term notes	20	3.38	6,000	36,000	37,200	39,600	39,600	141,600	300,000
Trade financing	20	3.73	18,948	-	-	-	-	-	18,948
Bank overdrafts	20	5.70	8,181	-	-	-	-	-	8,181



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234-V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk (continued):

Audited	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
31.5.2021									
Fixed rates									
Deposits with licensed banks	18	0.64	4,342	-	-	-	-	-	4,342
Lease liabilities	8	5.69	36,424	30,010	15,417	5,566	1,883	-	89,300
Floating rates									
Short term fund	17	3.10	2,024	-	-	-	-	-	2,024
Term loans	20	4.46	24,596	44,132	15,000	9,143	3,029	2,899	98,799
Lease liabilities	8	5.58	2,525	2,571	2,620	1,930	1,284	21,258	32,188
Unrated Islamic medium term notes	20	3.61	21,000	36,000	38,700	39,600	39,600	125,100	300,000
Trade financing	20	3.09	117,315	-	-	-	-	-	117,315
Bank overdrafts	20	4.81	9,633	-	-	-	-	-	9,633



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**(iv) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the Group's functional currency.

During the financial years/period, the Group did not enter into any forward currency contract to manage exposures to currency risk for payables which are denominated in currencies other than the functional currency of the Group.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in the United States Dollar ("USD"), Euro, Renminbi ("RMB"), Singapore Dollar ("SGD") and Thai Baht ("THB") exchange rates against the Ringgit Malaysia ("RM") respectively, with all other variables held constant. 3% is the sensitivity rate used when reporting foreign currency risk exposures internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates.

	1.1.2018 to 31.12.2018 Audited RM'000	1.1.2019 to 31.12.2019 Audited RM'000	1.1.2020 to 31.12.2020 Audited RM'000	1.5.2021 to 31.5.2021 Audited RM'000
Profit after tax				
USD/RM				
- strengthen by 3%	292	93	41	39
- weaken by 3%	(292)	(93)	(41)	(39)
Euro/RM				
- strengthen by 3%	3	-	3	3
- weaken by 3%	(3)	-	(3)	(3)
RMB/RM				
- strengthen by 3%	124	(8)	-	-
- weaken by 3%	(124)	8	-	-
SGD/RM				
- strengthen by 3%	1	7	3	1
- weaken by 3%	(1)	(7)	(3)	(1)
THB/RM				
- strengthen by 3%	439	527	163	188
- weaken by 3%	(439)	(527)	(163)	(188)

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not explained above.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES

- (a) During the financial year ended 31 December 2018, the Group completed the following acquisition of shares in the following companies:

- (i) Acquisition of Tanjong Express (M) Sdn. Bhd. ("TEMSB")

On 6 July 2018, the Group acquired the entire equity interest comprising 1,500,000 ordinary shares in TEMSB for a purchase consideration of RM164,454,000.

	31.12.2018 Audited RM'000
Property, plant and equipment	117,086
Goodwill on consolidation	126
Inventories	4,352
Trade and other receivables	92,746
Current tax assets	428
Cash and bank balances	4,568
	<hr/>
Total identifiable assets	219,306
Trade and other payables	(27,476)
Current tax liabilities	(3,619)
Deferred tax liabilities	(13,240)
Borrowings	(50,635)
	<hr/>
Total identifiable net assets	124,336
Goodwill	40,118
	<hr/>
Total cost of acquisition	164,454
	<hr/>

The effects of the acquisition of TEMSB on cash flow were as follows:

	31.12.2018 Audited RM'000
Consideration settled in cash	(164,454)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	4,568
- Bank overdrafts	(4,853)
- Deposits pledged to a licensed bank	(446)
	<hr/>
Net cash outflow of the Group on acquisition	(165,185)
	<hr/>



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****39. ACQUISITION OF SUBSIDIARIES (continued)**

- (a) During the financial year ended 31 December 2018, the Group completed the following acquisition of shares in the following companies: (continued)

- (i) Acquisition of Tanjong Express (M) Sdn. Bhd. ("TEMSB") (continued)

TEMSB had contributed the following results to the Group for the financial year ended 31 December 2018 from the acquisition date.

	6.7.2018 to 31.12.2018 Audited RM'000
Revenue	83,658
Profit for the financial year	5,319

Had the acquisition occurred on 1 January 2018, revenue and profit after tax of the Group for the financial year ended 31 December 2018 are as follows:

	1.1.2018 to 31.12.2018 Audited RM'000
Revenue	578,801
Profit for the financial year	48,585

- (ii) Acquisition of Komunajaya Sdn. Bhd. ("KMJSB")

On 6 July 2018, the Group acquired the entire equity interest comprising 300,000 ordinary shares in KMJSB for a purchase consideration of RM29,873,000.

	31.12.2018 Audited RM'000
Property, plant and equipment	18,139
Inventories	1,559
Trade and other receivables	10,667
Current tax assets	1,110
Cash and bank balances	113
Total identifiable assets	31,588
Trade and other payables	(2,046)
Current tax liabilities	(508)
Deferred tax liabilities	(1,828)
Borrowings	(1,378)
Total identifiable net assets	25,828
Goodwill	4,045
Total cost of acquisition	29,873



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

(a) During the financial year ended 31 December 2018, the Group completed the following acquisition of shares in the following companies: (continued)

(ii) Acquisition of Komunajaya Sdn. Bhd. ("KMJSB") (continued)

The effects of the acquisition of KMJSB on cash flow were as follows:

	31.12.2018 Audited RM'000
Consideration settled in cash	(29,873)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	113
- Bank overdrafts	(66)
- Deposits pledged to a licensed bank	(36)
Net cash outflow of the Group on acquisition	<u>(29,862)</u>

KMJSB had contributed the following results to the Group for the financial year ended 31 December 2018 from the acquisition date.

	6.7.2018 to 31.12.2018 Audited RM'000
Revenue	15,163
Profit for the financial year	<u>1,601</u>

Had the acquisition occurred on 1 January 2018, revenue and profit after tax of the Group for the financial year ended 31 December 2018 are as follows:

	1.1.2018 to 31.12.2018 Audited RM'000
Revenue	513,314
Profit for the financial year	<u>42,113</u>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

- (b) During the financial year ended 31 December 2019, the Group completed the acquisition of shares of Agenda Wira Sdn. Bhd. ("AWSB").

On 30 January 2019, the Group acquired the entire equity interest comprising 500,000 ordinary shares in AWSB for a purchase consideration of RM18,000,000.

	31.12.2019 Audited RM'000
Property, plant and equipment	8,756
Right-of-use assets	5,619
Inventories	786
Trade and other receivables	7,214
Current tax assets	544
Cash and bank balances	1,784
Total identifiable assets	24,703
Trade and other payables	(7,376)
Deferred tax liabilities	(2,221)
Lease liabilities	(3,246)
Borrowings	(343)
Total identifiable net assets	11,517
Goodwill	6,483
Total cost of acquisition	18,000

The effects of the acquisition of AWSB on cash flow were as follows:

	31.12.2019 Audited RM'000
Consideration settled in cash	(18,000)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	1,784
- Deposits pledged to a licensed bank	(121)
Net cash outflow of the Group on acquisition	(16,337)



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

- (b) During the financial year ended 31 December 2019, the Group completed the acquisition of shares of Agenda Wira Sdn. Bhd. ("AWSB"). (continued)

AWSB has contributed the following results to the Group for the financial year ended 31 December 2019 from the acquisition date.

	30.1.2019 to 31.12.2019 Audited RM'000
Revenue	16,096
Profit for the financial year	<u>303</u>

Had the acquisition occurred on 1 January 2019, revenue and profit after tax of the Group for the financial year ended 31 December 2019 are as follows:

	1.1.2019 to 31.12.2019 Audited RM'000
Revenue	613,162
Profit for the financial year	<u>36,915</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****39. ACQUISITION OF SUBSIDIARIES (continued)**

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies:

- (i) Acquisition of Sentiasa Hebat Sdn. Bhd. ("STSB")

On 31 August 2020, the Group acquired the entire equity interest comprising 2,500,000 ordinary shares in STSB for a purchase consideration of approximately RM7,990,000.

	31.12.2020 Audited RM'000
Property, plant and equipment	6,402
Right-of-use assets	41,737
Trade and other receivables	3,168
Cash and bank balances	485
Total identifiable assets	51,792
Trade and other payables	(2,221)
Deferred tax liabilities	(3,329)
Current tax liabilities	(68)
Lease liabilities	(33,703)
Borrowings	(1,199)
Total identifiable net assets	11,272
Gain from a bargain purchase	(3,282)
Total cost of acquisition	7,990

The effects of the acquisition of STSB on cash flow were as follows:

	31.12.2020 Audited RM'000
Purchase consideration	(7,990)
Amounts withhold*	1,843
Consideration settled in cash	(6,147)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	485
- Bank overdrafts	(1,199)
- Deposits pledged to a licensed bank	(364)
Net cash outflow of the Group on acquisition	(7,225)

* STSB has sold prime movers to a third party amounted to RM1,843,000. The amount payable shall be released immediately upon settlement of the outstanding balances by the third party for the sale of prime movers and trailers.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (i) Acquisition of Sentiasa Hebat Sdn. Bhd. ("STSB") (continued)

STSB has contributed the following results to the Group for the financial year ended 31 December 2020 from the acquisition date.

	31.8.2020 to 31.12.2020 Audited RM'000
Revenue	4,102
Profit for the financial year	<u>130</u>

Had the acquisition occurred on 1 January 2020, revenue and profit after tax of the Group for the financial year ended 31 December 2020 are as follows:

	1.1.2020 to 31.12.2020 Audited RM'000
Revenue	576,164
Profit for the financial year	<u>50,397</u>

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****39. ACQUISITION OF SUBSIDIARIES (continued)**

(c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

(ii) Acquisition of Sentiasa Hebat (Penang) Sdn. Bhd. ("STPSB")

On 31 August 2020, the Group acquired the entire equity interest comprising 500,000 ordinary shares in STPSB for a purchase consideration of RM1,000,000.

	31.12.2020 Audited RM'000
Property, plant and equipment	45
Right-of-use assets	250
Trade and other receivables	2,350
Cash and bank balances	432
Total identifiable assets	3,077
Trade and other payables	(553)
Current tax liabilities	(34)
Lease liabilities	(328)
Borrowings	(2,007)
Total identifiable net assets	155
Goodwill	845
Total cost of acquisition	1,000

The effects of the acquisition of STPSB on cash flow were as follows:

	31.12.2020 Audited RM'000
Consideration settled in cash	(1,000)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	432
Net cash outflow of the Group on acquisition	(568)

STPSB has contributed the following results to the Group for the financial year ended 31 December 2020 from the acquisition date.

	31.8.2020 to 31.12.2020 Audited RM'000
Revenue	869
Profit for the financial year	69



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****39. ACQUISITION OF SUBSIDIARIES (continued)**

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (ii) Acquisition of Sentiasa Hebat (Penang) Sdn. Bhd. ("STPSB") (continued)

Had the acquisition occurred on 1 January 2020, revenue and profit after tax of the Group for the financial year ended 31 December 2020 are as follows:

	1.1.2020 to 31.12.2020 Audited RM'000
Revenue	561,796
Profit for the financial year	40,839

- (iii) Acquisition of Earth Move International Sdn. Bhd. ("EMISB")

On 31 August 2020, the Group acquired the entire equity interest comprising 100 ordinary shares in EMISB for a purchase consideration of RM1.

	31.12.2020 Audited RM'000
Trade and other receivables	1,340
Cash and bank balances	237
Total identifiable assets	1,577
Trade and other payables	(3,118)
Total identifiable net liabilities	(1,541)
Goodwill	1,541
Total cost of acquisition	*

The effects of the acquisition of EMISB on cash flow were as follows:

	31.12.2020 Audited RM'000
Consideration settled in cash	*
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	237
Net cash inflow of the Group on acquisition	237

* Denotes RM1.



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****39. ACQUISITION OF SUBSIDIARIES (continued)**

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (iii) Acquisition of Earth Move International Sdn. Bhd. ("EMISB") (continued)

EMISB has contributed the following results to the Group for the financial year ended 31 December 2020 from the acquisition date.

	31.8.2020 to 31.12.2020 Audited RM'000
Revenue	-
Loss for the financial year	(9)

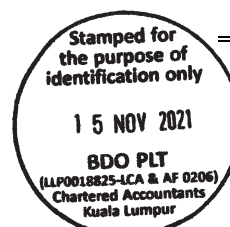
Had the acquisition occurred on 1 January 2020, revenue and profit after tax of the Group for the financial year ended 31 December 2020 are as follows:

	1.1.2020 to 31.12.2020 Audited RM'000
Revenue	554,709
Profit for the financial year	41,310

- (iv) Acquisition of Agensi Tanjung Bruas Sdn. Bhd. ("ATBSB")

On 31 August 2020, the Group acquired the entire equity interest comprising 100,000 ordinary shares in ATBSB for a purchase consideration of RM10,000.

	31.12.2020 Audited RM'000
Trade and other receivables	1,974
Cash and bank balances	139
Total identifiable assets	2,113
Trade and other payables	(3,710)
Total identifiable net liabilities	(1,597)
Goodwill	1,607
Total cost of acquisition	10



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (iv) Acquisition of Agensi Tanjung Bruas Sdn. Bhd. ("ATBSB") (continued)

The effects of the acquisition of ATBSB on cash flow were as follows:

	31.12.2020 Audited RM'000
Consideration settled in cash	(10)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	139
	<hr/>
Net cash inflow of the Group on acquisition	129
	<hr/>

ATBSB has contributed the following results to the Group for the financial year ended 31 December 2020 from the acquisition date.

	31.8.2020 to 31.12.2020 Audited RM'000
Revenue	172
Profit for the financial year	109
	<hr/>

Had the acquisition occurred on 1 January 2020, revenue and profit after tax of the Group for the financial year ended 31 December 2020 are as follows:

	1.1.2020 to 31.12.2020 Audited RM'000
Revenue	555,736
Profit for the financial year	41,081
	<hr/>



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (v) Acquisition of Top Tyres & Workshop Sdn. Bhd. ("TTWSB")

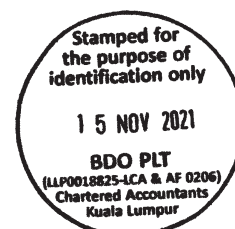
On 31 August 2020, the Group acquired the entire equity interest comprising 500,000 ordinary shares in TTWSB for a purchase consideration of RM1.

	31.12.2020 Audited RM'000
Trade and other receivables	1,800
Current tax assets	46
Cash and bank balances	755
	<hr/>
Total identifiable assets	2,601
Trade and other payables	(1,461)
Lease liabilities	(54)
Borrowings	(1,074)
	<hr/>
Total identifiable net assets	12
Gain from a bargain purchase	(12)
	<hr/>
Total cost of acquisition	*
	<hr/> <hr/>

The effects of the acquisition of TTWSB on cash flow were as follows:

	31.12.2020 Audited RM'000
Consideration settled in cash	*
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	755
- Bank overdrafts	(1,074)
- Deposits pledged to a licensed bank	(755)
	<hr/>
Net cash outflow of the Group on acquisition	(1,074)
	<hr/> <hr/>

* Denotes RM1.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (v) Acquisition of Top Tyres & Workshop Sdn. Bhd. ("TTWSB") (continued)

TTWSB has contributed the following results to the Group for the financial year ended 31 December 2020 from the acquisition date.

	31.8.2020 to 31.12.2020 Audited RM'000
Revenue	10
Loss for the financial year	(53)

Had the acquisition occurred on 1 January 2020, revenue and profit after tax of the Group for the financial year ended 31 December 2020 are as follows:

	1.1.2020 to 31.12.2020 Audited RM'000
Revenue	557,732
Profit for the financial year	40,858

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

39. ACQUISITION OF SUBSIDIARIES (continued)

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (vi) Acquisition of Northern Gateway Depot Sdn. Bhd. ("NGDSB")

On 31 August 2020, Container Connections (M) Sdn. Bhd. ("CCMSB") acquired the entire equity interest comprising 100,000 ordinary shares in NGDSB for a purchase consideration of RM1,000,000.

	31.12.2020 Audited RM'000
Property, plant and equipment	371
Right-of-use assets	1,145
Trade and other receivables	1,644
Deferred tax assets	359
Current tax assets	4
Cash and bank balances	663
	<hr/>
Total identifiable assets	4,186
Trade and other payables	(3,395)
Lease liabilities	(1,090)
	<hr/>
Total identifiable net liabilities	(299)
Goodwill	1,299
	<hr/>
Total cost of acquisition	1,000
	<hr/>

The effects of the acquisition of NGDSB on cash flow were as follows:

	31.12.2020 Audited RM'000
Consideration settled in cash	(1,000)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	663
	<hr/>
Net cash outflow of the Group on acquisition	(337)
	<hr/>



12. ACCOUNTANTS' REPORT (Cont'd)**Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report****39. ACQUISITION OF SUBSIDIARIES (continued)**

- (c) During the financial year ended 31 December 2020, the Group completed the following acquisition of shares in the following companies: (continued)

- (vi) Acquisition of Northern Gateway Depot Sdn. Bhd. ("NGDSB") (continued)

NGDSB has contributed the following results to the Group for the financial year ended 31 December 2020 from the acquisition date.

	31.8.2020 to 31.12.2020 Audited RM'000
Revenue	3,191
Profit for the financial year	556

Had the acquisition occurred on 1 January 2020, revenue and profit after tax of the Group for the financial year ended 31 December 2020 are as follows:

	1.1.2020 to 31.12.2020 Audited RM'000
Revenue	562,881
Profit for the financial year	45,632

40. DISPOSAL OF A SUBSIDIARY

On 30 November 2020, the Group disposed off its entire equity interest comprising 2,450,000 ordinary shares in Swift Mega Carriers Sdn. Bhd. ("SMCSB") for a cash consideration of RM10,000.

	31.12.2020 Audited RM'000
Property, plant and equipment	1,464
Right-of-use assets	294
Intangible assets ⁽¹⁾	-
Trade and other receivables	751
Cash and bank balances	41
Total identifiable assets	2,550
Trade and other payables	(2,259)
Lease liabilities	(281)
Net assets	10
Net proceeds from disposal	10
Loss on disposal	-



⁽¹⁾ Intangible assets had been fully impaired before the disposal of a subsidiary.

12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

40. DISPOSAL OF A SUBSIDIARY (continued)

The effects of the disposal of SMCSB on cash flow were as follows:

	31.12.2020 Audited RM'000
Consideration settled in cash	10
Less: Cash and cash equivalents of subsidiary disposed	
- Cash and bank balances	(41)
	<hr/>
Net cash outflow of the Group on disposal	(31)
	<hr/>

41. ACQUISITION OF BUSINESS AND ASSETS

During the financial year ended 31 December 2018, the Group acquired the business and assets for transportation services in Swift Mega Carriers Sdn. Bhd. ("SMCSB") from a third party for a purchase consideration of RM2,292,000.

	31.12.2018 Audited RM'000
Property, plant and equipment	1,313
Intangible assets ⁽¹⁾	979
	<hr/>
Total identifiable net assets	2,292
Goodwill	-
	<hr/>
Total cost of acquisition	2,292
	<hr/>

The effects of the acquisition on cash flow were as follows:

	31.12.2018 Audited RM'000
Consideration settled in cash	(2,292)
	<hr/>

⁽¹⁾ Upon the acquisition, the customer contract with the third party has been transferred along with the property, plant and equipment to SMCSB.



12. ACCOUNTANTS' REPORT (Cont'd)***Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report*****42. FINANCIAL REPORTING UPDATES****IFRIC Agenda Decision - An assessment of the lease term (IFRS 16)**

The IFRS Interpretations Committee ("IFRIC") issued a final agenda decision on 26 November 2019 regarding 'Lease term and useful life of leasehold improvements (IFRS 16 and IAS 16)'.

The submission to the IFRIC raised a question pertaining the determination of the lease term of a cancellable lease or a renewable lease based on the requirements of IFRS 16.B34.

Based on the final agenda decision, the IFRIC concluded that the determination of the enforceable period of a lease and the lease term itself shall include broad economic circumstances beyond purely commercial terms.

The Group has implemented the requirements of this final agenda decision during the financial year ended 31 December 2020. There is an increase in lease liabilities and corresponding right-of-use assets arising from the reassessment of the lease term of existing leasing arrangements due to this final agenda decision. The effects are disclosed in Note 8 to the financial statements.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIOD

- (a) On 8 May 2019, the Group entered into a Sale and Purchase Agreement ("SPA") with a third party for the purchase of one (1) lot of property held under Intan Millennium Square 2 for a total purchase consideration of RM5,300,000. The transaction has been completed during the financial year ended 31 December 2019.
- (b) On 31 December 2019, the Group allotted 18,394,474 Redeemable Convertible Preference Shares at an issue price of RM1.00 per shares to its existing shareholders for consideration of approximately RM18,394,000. The transaction has been completed during the financial year ended 31 December 2019.
- (c) On 5 March 2020, the Group entered into a SPA with a third party for the purchase of leasehold land held under HS(D) 501115, PTD 209588, Mukim Plentong, Daerah Johor Bahru for a total purchase consideration of RM8,000,000. The transaction has not been completed as at the date of this report.
- (d) On 19 March 2020, the Group entered into a SPA with one of the shareholders of the Group, Persada Bina Sdn. Bhd. for the purchase of one (1) lot of property held under Intan Millennium Square 2 for a total purchase consideration of RM4,950,000. The transaction has been completed during the financial year ended 31 December 2020.
- (e) On 9 February 2021, the Group entered into a SPA with a third party for the sale of freehold land held under Geran No. Hakmilik 32835, Lot No. 1898, Seksyen 3, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang for a total sale consideration of RM12,500,000. The transaction has been completed on 26 August 2021.
- (f) On 19 April 2021, the Group entered into a SPA with a third party for the sale of buildings and leasehold land held under PN7671 and PT 345, Mukim13, Daerah Seberang Perai Tengah, Pulau Pinang for a total sale consideration of RM18,200,000. The transaction has not been completed as at the date of this report.
- (g) On 23 April 2021, the Group entered into a Share Redemption Agreement with the redeemable preference shares ("RPS") holder to redeem 1,000 RPS at RM1.00 per RPS. The transaction has been completed on 10 May 2021.



12. ACCOUNTANTS' REPORT (Cont'd)***Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report*****43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS/PERIOD (continued)**

- (h) On 29 April 2021, the Group entered into a Share Conversion Notice with the convertible redeemable loan stock ("CRLS") holder to convert 106,862,842 CRLS into 42,007,518 new ordinary shares at RM2.5439 per share. The transaction has been completed on 10 May 2021.
- (i) On 30 April 2021, the Group entered into a Share Conversion Notice with the redeemable convertible preference shares ("RCPS") holder to convert 18,394,474 RCPS into 7,241,919 new ordinary shares at RM2.54 per share. The transaction has been completed on 7 May 2021.
- (j) On 21 April 2021, the Group entered into conditional Share Sale Agreement with a third party to acquire 50% of the ordinary shares comprising 1,285,000 ordinary shares in Hypercold Logistics Sdn. Bhd. for a purchase consideration of RM10,550,000. The transaction has been completed on 16 June 2021.
- (k) On 23 April 2021, the Group entered into conditional Share Sale Agreement with a third party to acquire 15% of the ordinary shares comprising 15,000 ordinary shares in Platinum Coldchain Sdn. Bhd. for a purchase consideration of RM37,500. The transaction has been completed on 16 June 2021.
- (l) On 28 May 2021, the Group entered into conditional Share Sale Agreement with a third party to acquire the entire equity interest of the ordinary shares comprising 10,000,000 ordinary shares in Ann Joo Properties Sdn. Bhd. for a purchase consideration of RM10,000,000. The transaction has been completed on 15 July 2021.
- (m) The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO to contain the spread of COVID-19.

The COVID-19 pandemic has impacted business activities and operations of the Group in Malaysia, which is the primary market. As businesses of the Group were deemed as "essential services" as prescribed by the Ministry of International Trade and Industry ("MITI"), none of the operations were halted as a result of the Movement Control Order ("MCO") implemented by the Government of Malaysia. However, the disruptions caused by the pandemic were felt across the logistics sector as regional trade was greatly reduced in 2020 due to the lockdowns and tighter border control imposed by the governments of other countries. In addition, there was a global imbalance of trade as China's export economy opened ahead of the Western countries, resulting in a surplus of cargo being locked up in Western countries. The Group have remained resilient throughout this challenging period with business continuing as usual and will continue to take necessary steps to safeguard and preserve its financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs of business operations.

Based on the assessment and information available at the date of authorisation of the financial statements, the Group has sufficient cash flows and undrawn facilities to meet its liquidity needs in the next twelve (12) months after the end of the reporting period. The Group does not anticipate significant supply disruptions and would continue to monitor its fund and operational needs.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

44. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD (continued)

- (a) On 26 August 2021, the Group entered into a SPA with a third party for the purchase of leasehold land held under HS(D) 116369, P.T. No. 185, Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor Darul Ehsan for a total purchase consideration of RM59,372,000. The transaction has not been completed as at the date of this report.
- (b) The Company carried out a subdivision of 1 ordinary share in the Company to 6 ordinary shares in the Company ("Share Split") on 15 November 2021. Upon completion of the Share Split, the total number of ordinary shares in the Company increased from 122,110,267 shares to 732,661,602 shares.

45. APPROVAL OF COMBINED FINANCIAL STATEMENTS

The combined financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 15 November 2021.



12. ACCOUNTANTS' REPORT (Cont'd)

Swift Haulage Berhad (200001030627 (533234 - V))
Accountants' Report

STATEMENT BY DIRECTORS

I, Loo Yong Hui, being the Director of Swift Haulage Berhad state that, in the opinion of the Directors, the combined financial statements set out on page 1 to 172 are drawn up so as to give a true and fair view of the financial position of the Group as at 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021 and of the financial performance and cash flows of the Group for the financial years/period ended 31 December 2018, 31 December 2019, 31 December 2020 and 31 May 2021 in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

Signed on behalf of the Board of Directors in accordance with a resolution dated 15 November 2021.



Loo Yong Hui
Director

13. ADDITIONAL INFORMATION

13.1 EXTRACT OF OUR CONSTITUTION

The following provisions are extracted from our Company's Constitution which complies with the Listing Requirements, the Act and the Rules.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution unless they are otherwise defined or the context otherwise requires:

13.1.1 Remuneration, voting and borrowing of Directors

The provision in our Constitution dealing with remuneration, voting and borrowing of Directors are as follows:

(i) Clause 21.4 - Remuneration

The Directors shall be paid by way of remuneration for their services such fixed sum as shall from time to time be determined by the Company in meeting of Members, and such remuneration shall be divided among the Directors in such proportions and manner as the Directors may determine PROVIDED ALWAYS that:

- (a) fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or percentage of profits or turnover;
- (b) salaries payable to executive Directors may not include a commission on or percentage of turnover;
- (c) fees payable to Directors and any benefits payable to Directors shall be subject to annual shareholder's approval by an Ordinary Resolution at a meeting of Members; and
- (d) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

(ii) Clause 21.5 - Reimbursement

In addition to the remuneration provided under Clause 21.4, each Director shall be paid such reasonable travelling, hotel and other expenses as he shall incur in attending and returning from meetings of the Directors or any committee of the Directors or meeting of Members or which they may otherwise incur in connection with the business of the Company in the course of the performance of his duties as a Director.

(iii) Clause 22.3 - Remuneration of Managing Director

The remuneration of a Managing Director shall be fixed by the Directors, and may be by way of fixed salary or commission or participation in profits or by any or all of those modes, but shall not include a commission on or percentage of turnover but it may be a term of his appointment that he shall receive pension, gratuity or other benefits upon his retirement.

13. ADDITIONAL INFORMATION (Cont'd)

(iv) Clause 23.2 - Directors' borrowing powers

- (a) The Directors may from time to time at their discretion raise or borrow such sums of money as they think proper and may secure the repayment of such sums in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture stock or any mortgage or guarantee, charge or security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being and borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property, or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of any subsidiary, associated or other companies or persons. Provided that the Directors shall not issue any debt securities convertible to ordinary shares without the prior approval of the Company in meeting of members.
- (b) Any debentures, debenture stock, bonds or other securities may be issued with any special privileges as to redemption, surrender, drawings, allotment of Shares, attending and voting at meeting of members of the Company, appointment of Directors and otherwise.
- (c) If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the Company in its ordinary course of business, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.
- (d) The Directors shall cause a proper register to be kept in accordance with Section 362 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of Section 352 of the Act as regards the registration of mortgages and charges therein specified or otherwise.

(v) Clause 23.4 - Director's pensions

The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who has held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

(vi) Clause 23.11 - Declaration of interest by a Director

A Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract with the Company shall declare the nature of his interest in accordance with the provisions of the Act. Save as by the next following paragraph of this Clause otherwise provided and subject always to the Act and/or Listing Requirements, a Director shall not vote in respect of any contract or proposed contract or arrangement in which he is directly or indirectly interested. The Directors will not be considered as interested in the following circumstances:

- (a) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or

13. ADDITIONAL INFORMATION (Cont'd)

- (b) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- (c) any contract by him to subscribe for or underwrite share; or debentures of the Company; or
- (d) any contract or arrangement with any other company in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the Shares of the Company.

(vii) Clause 23.12 - Relaxation of restriction on voting

A Director, notwithstanding his interest may be counted in the quorum present at any meeting (provided that none of Directors present disagree) whereat he or any other Director is appointed to hold any executive office or other office or place of profit under the Company or whereat the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company or whereat the terms of any such appointment are considered, and he may vote on any such matter other than in respect of his own appointment or the arrangement of the terms thereof.

The provisions of this Clause may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction, and any particular contract arrangement or transaction carried out in contravention of this Constitution may be ratified by Ordinary Resolution of the Company.

(viii) Clause 24.7 - Proceedings of meeting

A meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the powers, authorities and discretion by or under this Constitution vested in or exercisable by the Directors generally. Subject to this Constitution, questions arising at any meeting of the Directors shall be decided by a majority of votes of the Directors present and each Director having one (1) vote and determination by a majority of Directors shall for all purposes deemed as a decision from the Board.

(ix) Clause 24.8 - Chairman's casting vote

Subject to this Constitution, any question arising at any meeting of Directors shall be decided by a majority of votes and a determination by a majority of Directors shall for all purposes be deemed a decision of the Board. Where at the meeting only two (2) Directors form the quorum and only such quorum is present at the meeting or only two (2) Directors are competent to vote on a question at issue, the chairman of the meeting shall not have a casting vote.

(The rest of this page has been intentionally left blank)

13. ADDITIONAL INFORMATION (Cont'd)

(x) Clause 27.1 - Circular Resolution

A circular resolution signed and/or assented to by any means of Electronic Communication by a majority of the Directors entitled to receive notice or meeting of Directors, being not less than sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of Directors duly convened; provided that where a Director is not so present but has an alternate who is so present, then such resolution shall also be signed by such alternate. All such resolutions shall be described as "Directors' Resolution(s) in Writing" and shall be forwarded or otherwise delivered to the Secretary without delay and shall be recorded by him in the Company's Minutes Book. Any such resolution may consist of several documents in like form, each signed by one (1) or more Directors or their alternates.

The expressions "in writing" and "signed" include approval by legible confirmed transmission by facsimile or other forms of Electronic Communications.

13.1.2 Changes to share capital

The provision in our Constitution dealing with changes to our share capital are as follows:

(i) Clause 7.1 - Types of shares

The share capital of the Company is its issued share capital which shall be in Ringgit Malaysia. The Shares in the original or any increased capital or any alteration of capital may be divided into several classes and there may be attached thereto respectively any preferred, deferred, qualified or other special rights, privileges, conditions or restrictions whether in regard to dividend, capital, voting or otherwise.

(ii) Clause 7.2 - Issue of shares

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares and subject to the provisions of this Constitution, the Act and the provisions of any resolution of the Company, Shares in the Company may be issued by the Directors, who may allot, or otherwise dispose of such Shares to such persons, on such terms and conditions, with such preferred, deferred or other special rights, and subject to such restrictions and at such times as the Directors may determine but the Directors in making any issue of Shares shall comply with the following conditions:

- (a) no Shares shall be issued which shall have the effect of transferring a controlling interest in the Company without the prior approval of the Members in meeting of Members;
- (b) in the case of Shares of a class, other than ordinary shares, no special rights shall be attached until the same have been expressed in this Constitution and in the resolution creating the same;
- (c) every issue of Shares or options to employees and/or Directors shall be approved by the Members in meeting of Members and such approval shall specifically detail out the amount of Shares or options to be issued to such employees and/or Directors; and only Directors holding office in an executive capacity shall participate in such issuance of Shares or options provided always that a Director not holding office in an executive capacity may so participate in an issue of Shares pursuant to public offer or a public issue;

13. ADDITIONAL INFORMATION (Cont'd)

- (d) except in the case of an issue of Securities on a pro rata basis to Members or pursuant to a back-to-back placement undertaken in compliance with the Listing Requirements, a Director, Major Shareholder, Chief Executive or Person connected to any Director, Major Shareholder or Chief Executive shall not participate, directly or indirectly, in an issue of ordinary Shares or other Securities with rights of conversion to ordinary Shares unless the Members in meeting of Members have approved the specific allotment to be made to the Director, Major Shareholder, Chief Executive or Person connected to any Director, Major Shareholder or Chief Executive and the Director, Major Shareholder, Chief Executive or Person connected to any Director, Major Shareholder or Chief Executive has abstained from voting on the relevant resolution;

In this Clause, "Major Shareholder", "Chief Executive" and "Person connected to any Director, major shareholder or Chief Executive" shall have the same meaning described thereto in the Listing Requirements.

13.1.3 Transfer of securities

The provision in our Constitution dealing with transfer of securities of our Company are as follows:

(i) Clause 11.2 - Transfer of Securities

The transfer of any Deposited Security shall be by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 or 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of Deposited Securities.

(ii) Clause 15.1 - Company may alter its capital in certain ways

Subject to the Applicable Laws, the Company may from time to time by an Ordinary Resolution:

- (a) consolidate and divide all or any of its share capital into Shares of larger amount than its existing shares;
- (b) subdivide its share capital or any part thereof into shares of smaller amount than is fixed by this Constitution by subdivision of its existing shares or any of them, subject nevertheless to the provisions of the Act and so that as between the resulting shares, one (1) or more of such shares may, by the resolution by which such subdivision is effected, be given any preference or advantage as regards dividends, return of capital, voting or otherwise over the others or any other of such shares;
- (c) cancel Shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled;
- (d) convert all or any of its issued Shares into stock and reconvert that stock into paid up Shares; and
- (e) subject to the provisions of this Constitution and the Act, convert and/or re-classify any class of Shares into any other class of Shares.

13. ADDITIONAL INFORMATION (Cont'd)

(iii) Clause 15.2 - Power to reduce capital

The Company may by a Special Resolution, reduce its share capital in any manner permitted or authorised under and in compliance with the Applicable Laws.

(iv) Clause 15.3 - Purchase of own Shares

Subject to the provisions of the Act and/or the Applicable Laws, the Company may, with the sanction of an Ordinary Resolution of the Members in meeting of Members, purchase its own Shares and make payment in respect of the purchase and/or give financial assistance to any person for the purpose of purchasing its own Shares on such date(s), terms and manner as may be determined from time to time by the Directors. Any Shares in the Company so purchased by the Company shall be dealt with in accordance with the Act and/or the Applicable Laws. The provision of Clauses 15.1 and 15.2 hereof shall not affect the power of the Company to cancel any Shares or reduce its share capital pursuant to any exercise of the Company's power under this Clause.

(v) Clause 16.1 - Increase of share capital

The Company may from time to time, whether all the Shares for the time being issued shall have been fully called up or not, by Ordinary Resolution increase its share capital by the creation of new Shares, such new capital to be of such amount and to be divided into Shares of such respective amounts and (subject to any special rights for the time being attached to any existing class of shares) to carry such preferential, deferred or other special rights (if any) or to be subject to such conditions or restrictions (if any), in regard to dividend, return of capital, voting or otherwise, as the Company by the resolution authorising such increase may direct.

13.1.4 Rights, preferences and restrictions attached to each class of shares relating to voting, dividend, liquidation and any special rights

As at the date of this Prospectus, we only have one class of shares, being ordinary shares, all of which rank equally with each other. There are no special rights attached to our Shares. Please refer to Section 4.2.5 of this Prospectus for a summary of the rights of our shareholders relating to voting, dividend and liquidation in respect of our Shares.

(i) Clause 19.6 - Voting by show of hands

On a resolution to be decided on show of hand, a Member who is personally present or by proxy or attorney or by a duly authorised representative and entitled to vote, or holder of preference shares or proxy or attorney or by a duly authorised representative shall be entitled to one (1) vote.

(ii) Clause 19.8 - Voting by poll

(a) Subject to any express requirements under the Listing Requirements, any resolution set out in the notice of any meeting of Members, or in any notice of resolution which may properly be moved and is intended to be moved at any meeting of Members, shall be voted by poll. A poll shall be taken in such manner and either forthwith or after an interval or adjournment or otherwise as the chairman directs and the result of the poll shall be the resolution of the meeting at which the poll was taken, but a poll demanded on the election of chairman or on a question of adjournment shall be taken immediately. The Company shall appoint at least one (1) scrutineer if so required under the Listing Requirements, for the purpose of verifying the results of the poll and may, in addition to the power of adjourning meetings as contained in this Constitution, adjourn the meeting to some place and time fixed for the purpose of declaring the result of the poll.

13. ADDITIONAL INFORMATION (Cont'd)

- (b) On a poll, votes may be given either personally or by proxy. A proxy shall be any person appointed by a Member and who shall not necessarily be a Member and such proxy shall be entitled to vote on a poll provided he is the only proxy appointed by the Member. Where a Member entitled to vote on a resolution has appointed more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies, otherwise, the appointment shall not be valid.

13.2 SHARE CAPITAL

- (i) As at the date of this Prospectus, we only have 1 class of shares namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) None of our Group's capital is under any option or agreed conditionally or unconditionally to be put under any option as at the date of this Prospectus.
- (iii) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group, except for the Pink Form Allocation.
- (iv) There is no scheme involving our Directors and employees in the share capital of our Group, except for the Pink Form Allocation.
- (v) Save as disclosed in Sections 4.2.2, 4.2.3, 6.2.18 and 6.2.20 of this Prospectus, no shares, outstanding warrants, options, convertible securities or uncalled capital of our Group have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the 3 years preceding the date of this Prospectus.
- (vi) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

13.3 LIMITATION ON THE RIGHT TO OWN SECURITIES

Save for Clauses 18.7(c) and 20.7 which have been reproduced below from our Company's Constitution, there is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares:

Clause 18.7(c)

Subject to the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 (where applicable) and notwithstanding any provision in the Act, a depositor shall not be regarded as a member entitled to attend any general meeting of members and to speak and vote thereat unless his name appears in the general meeting record of depositors.

Clause 20.7

No member shall be entitled to be present or to vote at any meeting of members or to exercise any privilege as a member nor be counted as one of the quorums unless all calls or other sums immediately payable by him in respect of Shares in the Company have been paid.

13. ADDITIONAL INFORMATION (Cont'd)

13.4 PUBLIC TAKE-OVERS

None of the following has occurred during the last financial year and up to the LPD:

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by us in respect of other company's shares.

13.5 EXCHANGE CONTROLS

Thailand

Repatriation of capital from Thailand are permitted for the remittance of dividends from Swift Crossland Logistics and Crossland Forwarder to our Company and for the repayment of money advanced to Swift Crossland Logistics by our Company or loan repayment from Swift Crossland Logistics and Crossland Forwarder to our Company upon submission of supporting documents to an authorised bank such as evidence of sale or transfer of such investment, evidence of inward remittance of loan and loan agreement, minutes for approval of dividend declaration and etc. Pursuant to Bank of Thailand Announcement No. 11/2020 dated 28 February 2020, the repatriation threshold is now increased from USD200,000.00 to USD1,000,000.00 effective on 2 March 2020.

However, such permission for repatriation is subject to the following procedures:

- (1) provision of the applicant's identification particulars when applying for permission and state the purpose of transaction;
- (2) for any transaction value, submission of evidence in relation to the purpose of payment is required, such as:
 - (a) in relation to repatriation of investment funds due to company winding-up, evidence which confirms that liquidation has been completed (e.g., a certifying letter issued by a liquidator, the company affidavit issued by the Department of Business Development, Ministry of Commerce ("DBD"));
 - (b) in relation to repatriation of investment funds due to capital or share value reduction, evidence of capital reduction or decrease in share value (e.g., a company's affidavit issued by DBD and a copy of shareholder list, minutes of the shareholders' meeting);
 - (c) in relation to remittance of dividends, evidence of dividend payment (e.g., a notice of dividend payment, minutes of the board of directors' meeting (for interim dividend declaration or minutes of the shareholders' meeting for dividend declaration));
 - (d) in relation to repatriation of money advanced or loan repayment, evidence of inward remittance of money advanced or loan and loan agreement; and
- (3) an authorised juristic person's satisfaction of true and correct supporting documents.

13. ADDITIONAL INFORMATION (Cont'd)

Withholding tax is generally applicable to payment made from a person in Thailand to a juristic person, registered under Malaysian laws and having no business operation in Thailand at the following rates:

- dividends – 10.0%
- decrease in capital not exceeding the total amount of profits and reserves – 15.0%; and
- benefit derived from the dissolution of a company with monetary value exceeding the capital – 15.0%.

Swift Crossland Logistics and Crossland Forwarders are not companies granted with any promotional privileges under the Investment Promotion Act B.E. 2520 (1997), as amended, by the Board of Investment of Thailand, nor are they exempted from withholding tax on dividends paid from the income derived from the promoted business operations or otherwise.

Save for Swift Crossland Logistics and Crossland Forwarder which carry on business in Thailand, our Group has not established any other place of business outside of Malaysia and is not subject to governmental laws, decrees, regulations or other legislations that may affect the repatriation of capital and remittance of profits by or to our Group.

13.6 MATERIAL LITIGATION, CLAIMS AND ARBITRATION

As at the LPD, save as disclosed below we are not engaged in any material litigation, claims and/or arbitration, either as plaintiff or defendant, which has a material effect on our financial position, and our Directors confirm that there are no proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect our financial position or business.

Claims by Muhammad Ghazali bin Sabri against Container Connections

A legal action had been filed at Klang Sessions Court on 29 September 2020 by Muhammad Ghazali bin Sabri against Container Connections seeking general damages, special damages, rehabilitation costs and loss of earning including interest and legal cost. Based on medical reports obtained on 11 July 2021, the quantum of liability for this case has been estimated by insurance adjusters to be in the region of RM2,000,000.00. The claim arose from an incident that occurred within the container depot yard operated by Container Connections involving an empty container which fell on a prime mover driver causing him to sustain bodily injury. The matter is currently at the pre-trial stage. Our solicitors have initiated negotiations to discuss an out-of-court settlement. Please refer to Section 8.1.14 of this Prospectus for further details of the incident.

13.7 MATERIAL CONTRACTS

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

- (i) Sale and Purchase Agreement dated 19 April 2021 between Tanjong Express (as vendor) and MEP Enviro Technology Sdn Bhd (as purchaser) for the sale of the following 2 properties for a total cash consideration of RM18,200,000.00:
 - HSD 26396, PT No. 345, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang with the area of 1.2204 hectares together with 3 storey office-block with an annexed single factory, double storey guard house and other ancillary building thereon at the purchase price of RM12,200,000.00; and
 - PN 7671, Lot No. 6838 Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang with the area of 12,008 square meters at the purchase price of RM6,000,000.00.

As at the LPD, the sale and purchase transaction as contemplated under the agreement has not been completed and is expected to complete by fourth quarter of 2021.

13. ADDITIONAL INFORMATION (Cont'd)

- (ii) Sale and Purchase Agreement dated 9 February 2021 between Tanjong Express Logistic (as vendor) and Thien Cheong Sdn Bhd (as purchaser) for the sale of all that piece of land held under Geran Hakmilik 32835, Lot 1898, Seksyen 3 Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang for a total cash consideration of RM12,500,000.00. As at the LPD, the sale and purchase transaction as contemplated under the agreement has been completed on 26 August 2021.
- (iii) Sale and Purchase Agreement dated 5 March 2020 between Panglima Klasik Sdn Bhd (as vendor) and Swift Haulage (as purchaser) for the purchase of all that piece of land held under HSD 501115 PTD 209588 Mukim Plentong, Daerah Johor Bahru, Negeri Johor for a total cash consideration of RM8,000,000.00. As at the LPD, the sale and purchase transaction as contemplated under the agreement is expected to complete by fourth quarter of 2021.
- (iv) Sale and Purchase Agreement dated 8 July 2019 between Swift Haulage (as vendor) and Jambatan Merah Properties Sdn Bhd (as purchaser) for the sale of all that piece of land held under HSD 566036 PTD 228505 Mukim Plentong, Daerah Johor Bahru, Kawasan Perindustrian Pasir Gudang for a total cash consideration of RM7,564,213.00 which consideration has been paid and the agreement has been completed on 15 October 2020.
- (v) Sale and Purchase Agreement dated 19 March 2020 between Persada Bina (as vendor) and Swift Logistics TA (as purchaser) for the purchase of Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor held under the strata title no. Geran 290794/M1/6/15 Lot 68056 together with Petak Aksesori A110, A111, A112 and A114 Mukim Kapar, Daerah Klang, Negeri Selangor for a total cash consideration of RM4,950,000.00 in which the consideration has been paid and the agreement has been completed on 11 November 2020.
- (vi) Sale and Purchase Agreement dated 8 May 2019 between & Ong Yong Meng & Lim Hooy (as vendors) and Swift Integrated Logistics (as purchaser) for the purchase of Suite 8.01, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor held under the strata title no. Geran 290794/M1/6/14 Lot 68056 together with Petak Aksesori A107, A108, A109 and A113 Mukim Kapar, Daerah Klang, Negeri Selangor for a total cash consideration of RM5,300,000.00 in which consideration has been paid and the agreement has been completed on 12 September 2019.
- (vii) Redeemable Convertible Preference Shares Agreement entered on 17 December 2019 which was subsequently amended and restated by the Amended and Restated Redeemable Convertible Preference Share Agreement dated 19 February 2020, both entered into between Swift Haulage and Persada Bina for the subscription of 18,394,474 Redeemable Convertible Preference Shares in Swift Haulage ("**First Subscription**") by Persada Bina in cash amounting to a consideration sum of RM18,394,474.00 and the conditional subscription of 81,000,000 Redeemable Convertible Preference Shares ("**Second Subscription**") respectively. As at the LPD, the First Subscription has been completed whereas the Second Subscription has been waived by Persada Bina by way of a letter dated on 19 April 2021.

(The rest of this page has been intentionally left blank)

13. ADDITIONAL INFORMATION (Cont'd)

- (viii) Share Sale Agreement dated 7 May 2018 between Sky Formula (M) Sdn Bhd, Pau Kem Chai, Pau Kim Lee, Poh Chew Meng, Pau Kim Heng, Dato' Pau Ju Ling @ Poh Boon Eng and Poh Chye Eng (as vendors) and Swift Haulage (as purchaser) for the acquisition of 100% shares in Tanjong Express and Komunajaya (inclusive of the shares of the subsidiaries of Tanjong Express and Komunajaya, which include Tanjong Express Logistic, Media Desa Sdn Bhd, Panwise Corporation Sdn Bhd, Roda Warna Sdn Bhd, Suria Kontraktor Sdn Bhd, Screws & Nails Manufacturers Sdn Bhd, Tasek Express (M) Sdn Bhd, Tanjong Express Distripark Sdn Bhd, Mekar Canggih Sdn Bhd and Pedoman Wawasan Sdn Bhd) for a total cash consideration of RM195,337,453.39. The consideration has been paid and the agreement has been completed on 6 July 2018. Subsequently, arising from claims of certain breach of representations and warranties by Swift Haulage, Sky Formula (M) Sdn Bhd agreed to pay a further sum of RM4,349,667.07 and to return 5 units of used trailers to Swift Haulage as full and final settlement of the claims by Swift Haulage under the SSA ("**Proposed Settlement**") but failed to do so. The Proposed Settlement was eventually settled following the enforcement of a judgment on 8 February 2021 granted in favour of Swift Haulage by the Penang High Court pursuant to the Civil Suit No. PA-22NCC-6-04/2020).
- (ix) Share Sale Agreement dated 7 December 2018 between Bintang Bulk Movers Sdn Bhd, Ahmad Shalimin bin Ahmad Shaffie and Shahrill Sharwani bin Ahmad Fuaad (as vendors) and Swift Haulage (as purchaser) in respect of the acquisition of 100% shares in Agenda Wira for a total purchase consideration of RM19,500,000.00 comprising cash consideration of RM18,000,000 and consideration in-kind on assets based on fair value. The purchase consideration has been settled and the agreement has been completed on 30 January 2019.
- (x) Settlement Agreement dated 23 July 2019 between Bintang Bulk Mover Sdn Bhd, Ahmad Shalimin Bin Ahmad Shaffie and Shahrill Sharwani Bin Ahmad Fuaad (as vendors) and Swift Haulage (as purchaser), where Ahmad Shalimin Bin Ahmad Shaffie and Shahrill Sharwani Bin Ahmad Fuaad agreed to pay Swift Haulage a cash sum of RM1,500,000.00 as full and final settlement, being the payment sought by Swift Haulage to recover the market replacement value for the shortfall in the number of assets agreed to be sold (i.e. 8 units of prime movers and 151 units of trailers) under the Share Sale Agreement dated 7 December 2018 as set out in (ix) above. The settlement sum of RM1,500,000 has been paid by the vendors.
- (xi) Share Sale Agreement dated 6 August 2020, Supplemental Share Sale Agreement dated 6 August 2020 and Second Supplemental Share Sale Agreement dated 21 September 2020 between Ang Yu Lee, Heng Say Kheng, Ang Fei Eng, Ang Kean Seng and Ang Kian Ying (as vendors) and Swift Haulage (as purchaser) for the acquisition of shares representing 100% equity interest in Sentiasa Hebat, Sentiasa Hebat (Penang), Top Tyres & Workshop and Earth Move International, and 49% equity interest in Agensi Tanjung Bruas for a total cash consideration of RM8,995,000.00. The consideration has been paid and the agreement has been completed on 31 August 2020.
- (xii) Share Sale Agreement dated 21 April 2021 between Chan Sun Cheong, Chang Kok Fai and Ong Toh Beng Leong (as sellers), and Swift Integrated Logistics and TASCO Yusen Gold Cold Sdn Bhd (as purchasers), where Swift Integrated Logistics had agreed to acquire 50% equity interest in Hypercold Logistics for a total cash consideration of RM10,550,000.00. The sale and purchase transaction has been completed on 16 June 2021. Upon its completion, Swift Integrated Logistics and TASCO Yusen Gold Cold will be the only shareholders of Hypercold Logistics, and a Shareholders' Agreement dated 21 April 2021 have been executed between Swift Integrated Logistics and TASCO Yusen Gold Cold Sdn Bhd to regulate their relationship as shareholders.

13. ADDITIONAL INFORMATION (Cont'd)

- (xiii) Share Sale Agreement dated 28 May 2021 entered into between Ann Joo Corporation Sdn Bhd (as vendor) and Swift Haulage (as purchaser) to acquire 100% equity interest in Ann Joo Properties, a real property company for a purchase consideration of RM10,000,000.00 to be satisfied in cash. The Share Sale Agreement has been completed on 15 July 2021.
- (xiv) Share Purchase Agreement dated 23 April 2021 entered into between Bluefin, Persada Bina and Swift Haulage where the parties agreed that the CRLS held by Bluefin shall be converted into 42,007,518 ordinary shares in Swift Haulage and upon conversion, 30,527,567 ordinary shares shall be sold to Persada Bina at the rate of RM5.220693 per share. Further, Bluefin has also agreed to redeem 1,000 preference shares at RM1.00 per share. The Share Purchase Agreement has been completed on 10 May 2021.
- (xv) Sale and Purchase Agreement dated 26 August 2021 entered into between Ann Joo Properties and PKNS for the acquisition of the Bandar Sultan Sulaiman Land by Ann Joo Properties from PKNS for a purchase consideration of RM59,371,857.00 to be satisfied in cash. The Sale and Purchase Agreement is expected to be completed in the fourth quarter of 2021.
- (xvi) the Retail Underwriting Agreement dated 15 November 2021, details of which are set out in Sections 4.7.2 and 4.8.1 of this Prospectus.
- (xvii) the Lock-up Letters dated 15 November 2021, details of which are set out in Section 4.8.3 of this Prospectus.
- (xviii) the Master Cornerstone Placement Agreement dated 15 November 2021, details of which are set out in Section 4.2.1 of this Prospectus.

(The rest of this page has been intentionally left blank)

13. ADDITIONAL INFORMATION (Cont'd)

13.8 CONSENTS

- (i) The written consents of the Principal Adviser, Joint Lead Bookrunners, Joint Bookrunners, Managing Underwriter, Joint Underwriters, Solicitors, Share Registrar, Issuing House and Company Secretaries for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of the Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Statements of Financial Position in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consent of the Independent Business and Market Research Consultants for the inclusion in this Prospectus of its name and Industry Overview in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

13.9 RESPONSIBILITY STATEMENTS

- (i) The Principal Adviser acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to our IPO.
- (ii) This Prospectus has been seen and approved by our Directors and Promoters and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

(The rest of this page has been intentionally left blank)

13. ADDITIONAL INFORMATION (Cont'd)

13.10 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the Industry Overview referred to in Section 7 of this Prospectus;
- (iii) audited consolidated financial statements of Swift Haulage for the past three FYEs 31 December 2018, 31 December 2019 and 31 December 2020 and FPE 2021;
- (iv) audited financial statements of each of our subsidiaries for the past three FYEs 31 December 2018, 31 December 2019 and 31 December 2020;
- (v) Reporting Accountants' Report on the Pro Forma Statements of Financial Position as included in Section 11.9 of this Prospectus;
- (vi) Accountants' Report as included in Section 12 of this Prospectus;
- (vii) the relevant cause papers in relation to the material litigation as set out in Section 13.6 of this Prospectus;
- (viii) the material contracts referred to in Section 13.7 of this Prospectus; and
- (ix) the letters of consent referred to in Section 13.8 of this Prospectus.

(The rest of this page has been intentionally left blank)

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR ISSUE SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in this Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

14.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 30 November 2021.

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 7 December 2021.

Applications for the IPO Shares will open and close at the time and dates stated above.

In the event there is any change to the time and dates stated above, we will advertise the notice of changes in a widely circulated English and Bahasa Malaysia daily newspapers in Malaysia.

Late Applications will not be accepted.

14.2 METHODS OF APPLICATIONS**14.2.1 Retail Offering**

Application must accord with this Prospectus and our Constitution. The submission of an Application Form does not mean that the application will succeed.

Types of Application and category of investors		Application Method
(a)	Applications by the Malaysian Public:	
	(i) Individuals	White Application Form or Electronic Share Application or Internet Share Application
	(ii) Non-Individuals	White Application Form only
(b)	Applications by the Eligible Persons	Pink application Form only

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

14.2.2 Institutional Offering

Institutional and selected investors being allocated our IPO Shares under the Institutional Offering (other than Bumiputera investors approved by the MITI) will be contacted directly by the respective Joint Bookrunners and will follow the instructions as communicated by the respective Joint Bookrunners.

Bumiputera investors approved by the MITI who have been allocated our Issue Shares will be contacted directly by the MITI and should follow the instructions as communicated through the MITI.

14.3 ELIGIBILITY

14.3.1 General

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. **Invalid, nominee or third party CDS accounts** will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 ISSUE SHARES OR MULTIPLES OF 100 ISSUE SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

14.3.2 Application by the Malaysian Public

You can only apply for our Issue Shares if you fulfill all of the following:-

- (i) You must be one of the following:-
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our Issue Shares; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of our Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:-
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

14.3.3 Application by eligible Directors, employees and persons who have contributed to the success of our Group

The eligible Directors, employees and persons (including any entities, wherever established) who have contributed to the success of our Group will be provided with Pink Application Forms and letters from us detailing their respective allocation.

Eligible Directors, employees and persons who have contributed to the success of our Group may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, our Issuing House, MIDF Investment, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

14.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM1.03 for each IPO Share.

Payment must be made out in favour of “**TIH SHARE ISSUE ACCOUNT NO. 710**” and crossed “**A/C PAYEE ONLY**” and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatch by **ORDINARY POST** in the official envelopes provided, to the following address:

Tricor Investor & Issuing House Services Sdn Bhd
(Registration No. 197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at their Customer Service Centre, Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, so as to arrive not later than 5.00 p.m. on 7 December 2021 or by such other time and date specified in any change to the date and time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or application monies. Please direct all enquiries in respect of the White Application Form to our Issuing House.

14.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our Issue Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

14.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our Issue Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

14.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

Our Issuing House, on the authority of our Board reserves the right to:-

- (i) reject Applications which:-
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 14.9 below.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

14.8 OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our Issue Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by our Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website <https://tiih.online> within 1 business day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25% of our Company's issued share capital to be held by at least 1,000 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our Issue Shares by the Malaysian Public and / or eligible Directors, employees and persons who have contributed to the success of our Group, subject to the underwriting arrangements and reallocation as set out in Section 4.2.3 of our Prospectus, any of the abovementioned Issue Shares not applied for will then be subscribed by the Joint Underwriters based on the terms of the Retail Underwriting Agreement.

14.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your Application monies (without interest) will be refunded to you in the following manner.

14.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)

- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).
- (iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

14.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions or Internet Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions or Internet Participating Financial Institutions will credit the application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

(The rest of this page has been intentionally left blank)

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (Cont'd)**14.10 SUCCESSFUL APPLICANTS**

If you are successful in your application:-

- (i) Our Issue Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as prescribed securities. As such, our Issue Shares offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.
- (v) In the event that the Final Retail Price is lower than the Retail Price, the difference will be refunded to you without any interest thereon. The refund will be credited into your bank account for purposes of cash dividend distribution if you have provided such bank account information to Bursa Depository or despatched, in the form of cheques, by ordinary post to your address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository, or by crediting into your account with the Electronic Participating Financial Institutions for applications made via the Electronic Share Application or by crediting into your account with the Internet Participating Financial Institutions for applications made via the Internet Share Application, within 10 Market Days from the date of final ballot of application, at your own risk.

14.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:-

Mode of Application	Parties to direct the enquiries
Application Form	Issuing House Enquiry Services at telephone no. 03-2783 9299
Electronic Share Application	Participating Financial Institution
Internet Share Application	Internet Participating Financial Institution and Authorised Financial Institution

The results of the allocation of shares derived from successful balloting will be made available to the public at our Issuing House website <https://tiih.online>, 1 Market Day after the balloting date.

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.