SWIFT®

GROUP OF COMPANIES

ENHANCE CAPACITY
EMBRACE SUSTAINABILITY

ANNUAL REPORT 2021

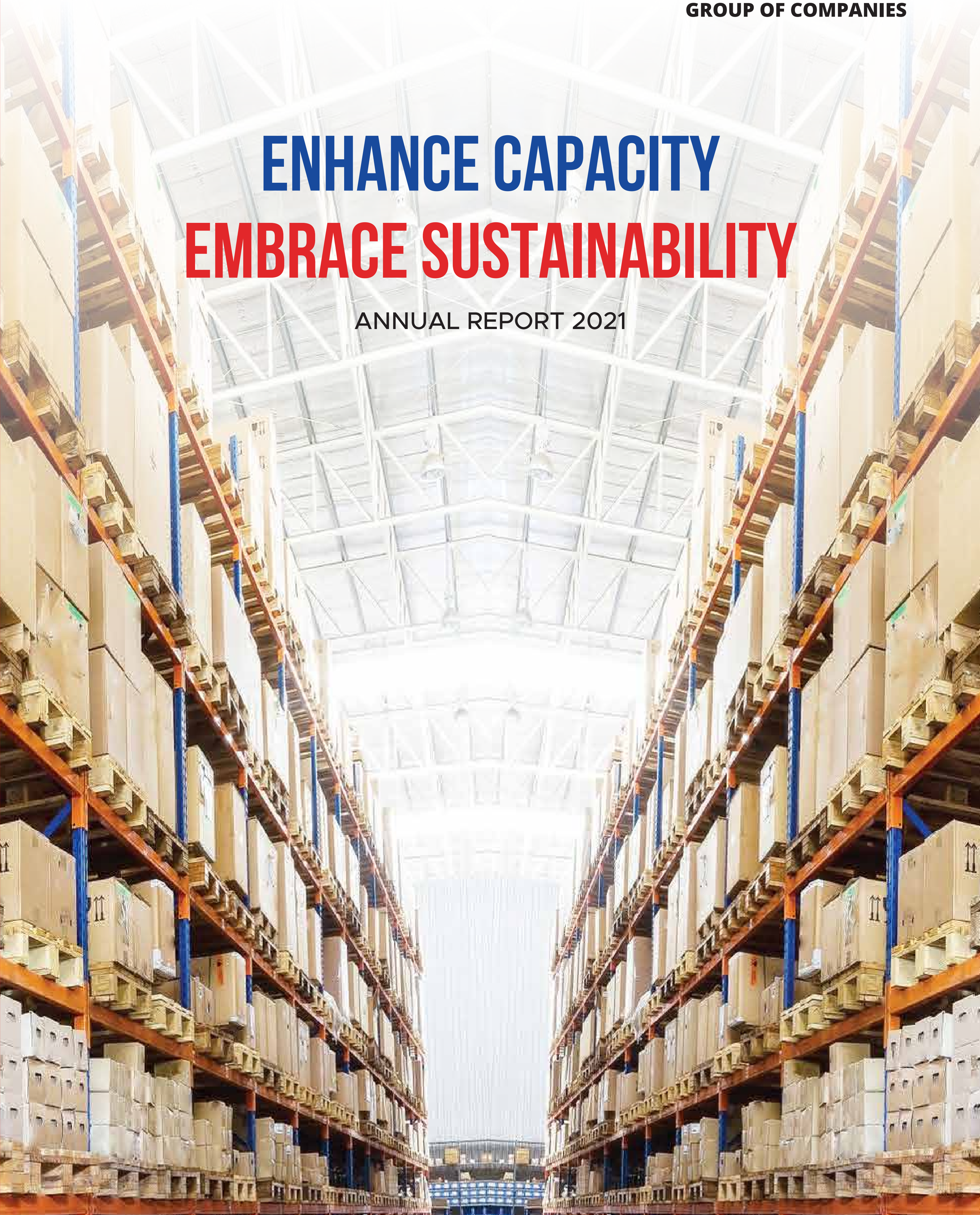

TABLE OF CONTENTS

View Our Report Online
Our Annual Report, Accounts and other information about **SWIFT GROUP** can be found at https://www.swiftlogistics.com.my

SWIFT GROUP

AT A GLANCE

Haulage Ranking

No.1

Haulier in Malaysia on TEUs

Land Transportation

546

Prime Movers

913

Box/Curtain Siders/Tankers

Container Haulage

941

Prime Movers

5,328

Trailers

Facilities and Land Bank

10,500,000

Square Feet

Container Depot

28,500

TEUs Capacity

Workforce

3,262

Employees

Branch Offices

21

As at 31 December 2021

CORPORATE MILESTONES

2011

Swift was established with the provision of container haulage and land transportation services.

Ventured into consolidation business in East Malaysia by acquiring 65% equity interest in Macro Logistics (M) Sdn Bhd and acquired the remaining 35% equity interest in 2012. Subsequently, in 2015, the company changed its name to Swift Consolidators Sdn Bhd.

2012

Obtained its first freight forwarding licence by acquiring the entire equity interest in Delta Express (M) Sdn Bhd.

Acquired eight (8) acres of land in Port Klang for container haulage operations.

Ventured into warehousing services and built 100,000 square feet of warehouse space.

2013

Strengthened its haulage business services and enhanced its fleet size in the Northern and Southern regions.

Acquired the entire equity interest in DKSH Transport Agencies (M) Sdn Bhd and changed its name to Swift Logistics TA Sdn Bhd.

Ventured into sales, services and spare parts business and developed a one-stop workshop by acquiring the entire equity interest in Q-Team Sdn Bhd and its subsidiaries, Q-Team Risk Management Sdn Bhd and Fleet Engineering Services Sdn Bhd.

2014

Acquired three (3) acres of land in Bandar Sultan Suleiman in Port Klang to expand the container haulage area.

Acquired 58 acres of land at Pulau Indah in Port Klang for future expansion.

2015

Ventured into container depot services business in Northport and Westport in Port Klang by acquiring 51.5% equity interest in Container Connections (M) Sdn Bhd and acquired an additional 10% equity interest in 2020, bringing the total equity interest to 61.5%.

Ranked as No. 1 haulier in Port Klang and largest market share nationwide.

2016

Completed the acquisition of the entire equity interest in MISC Integrated Logistics Sdn Bhd and changed its name to Swift Integrated Logistics Sdn Bhd.

Ventured into specialised transportation and project logistics services.

Obtained multimodal transport operator licence issued by the Ministry of Finance and Petronas licence with Standardised Work and Equipment Category codes.

Expanded warehousing capacity in Prai, Pulau Pinang, Port Klang, Selangor and Tebrau, Johor.

Scaled up haulage services in the Eastern region by increasing fleet size.

2017

Expanded its business in Thailand with land transportation and freight forwarding services by acquiring 49% equity interest in Crossland Logistics (Thailand) Co. Ltd and its wholly-owned subsidiary, Crossland Forwarders Co. Ltd. Crossland Logistics (Thailand) Co. Ltd subsequently changed its name to Swift Crossland Logistics Co Ltd and started providing cross-border transportation services to Laos, Cambodia, Vietnam, Myanmar and the southern border of China.

Expanded its warehousing capacity in Kota Kinabalu, Sabah.

2018

Expanded container haulage services in the Northern region and land transportation services throughout Peninsular Malaysia by acquiring the entire equity interest in Tanjong Express (M) Sdn Bhd, Tanjong Express Logistic (M) Sdn Bhd and Komunajaya Sdn Bhd.

Became a market leader for its container haulage services in the Northern region.

2019

Expanded container haulage services in the Central and Southern regions by acquiring the entire equity interest in Agenda Wira Sdn Bhd.

Became a market leader for its container haulage services in the Southern region.

2020

Launched e-commerce fulfilment warehouse centre.

Started the small truck transportation services.

Strengthened its container haulage business in the Central and Northern regions and expanded its container depot services by acquiring the entire equity interest in Sentiasa Hebat Sdn Bhd, Sentiasa Hebat (Penang) Sdn Bhd, Northern Gateway Depot Sdn Bhd, Agensi Tanjung Bruas Sdn Bhd, Earth Move International Sdn Bhd and Top Tyres & Workshop Sdn Bhd.

2021

Acquired 50% equity interest in Hypercold Logistics Sdn Bhd and started providing cold-chain logistics services in East Malaysia.

Acquired the entire equity interest in Ann Joo Properties Sdn Bhd.

Listed on the Main Market of Bursa Malaysia Securities Berhad.


SW
5303
SW
5303

CORPORATE PROFILE

ABOUT US

Swift Haulage Berhad ("Swift" or "the Company") and its subsidiaries ("Swift Group" or "the Group") is one of Malaysia's fastest-growing, fully integrated logistics providers and is consistently ranked as the top hauliers in all major ports in Peninsular Malaysia in terms of twenty-foot equivalent unit ("TEU") volume. Our Group offers logistics solutions ranging from container haulage, land transportation, warehousing and container depot, and freight forwarding services.

We are a certified multimodal transport operator and a Petronas licence holder.

Our Group's fleet operations in Malaysia and Thailand consist of 1,487 prime movers, 6,241 cargo trailers, 56 trucks and 42 compressed natural gas tankers. Our warehousing services provide collective storage facilities with a total capacity of 1.2 million square feet (owned and leased) and container depots with a collective capacity of 28,500 TEU.

Strategies

The Group continues to focus on servicing our customer base with innovative logistics solutions and implementing our expansion strategies. Our strategies include seeking out acquisition opportunities, enhancing shareholders' value, and further solidifying our position as one of Malaysia's leading integrated logistics services providers.

Objectives

To grow the top line and bottom line and capture market share for our integrated logistics services in a fragmented market.

Core Values

- Safety
- Initiative
- Teamwork
- Integrity
- Discipline
- Commitment
- Quality

Mission

Strengthen our resources
Withstand market changes
Innovative in meeting customers' logistics needs
Fast track growth with combined effort
Teamwork

Vision

To be the preferred logistics partner providing efficient services to our customers.

CORE SERVICES

Container Haulage Services

Our container haulage services involve transporting mainly laden containers to and from seaports and other locations within Peninsular Malaysia. 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.

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.

Warehousing and Container Depot Services

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

Freight Forwarding

Freight forwarding mainly involves organising end-to-end cargo transportation from one country to another or 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.

Other Services

We provide other services that complement and support our integrated logistics services, which consist of sales, service and spare parts dealerships for commercial vehicles and general insurance agency services. We are also involved in carrying out e-commerce retailing.

AWARDS AND RECOGNITIONS

2014

Port Industry Awards 2014
Best Forwarding Agent
in Johor Ports

Awarded to:
Swift Logistics TA Sdn Bhd

By:
Johor Port Authority

2015

Port Industry Awards 2015
Best Forwarding Agent
in Johor Ports

Awarded to:
Swift Logistics TA Sdn Bhd

By:
Johor Port Authority

2016

Port Industry Awards 2016
Best Forwarding Agent
in Johor Ports

Awarded to:
Swift Logistics TA Sdn Bhd

By:
Johor Port Authority

2017

Port Industry Awards 2017
Best Forwarding Agent
in Johor Ports

Awarded to:
Swift Logistics TA Sdn Bhd

By:
Johor Port Authority

2017

Port Industry Awards 2017
Best Haulier Agent
in Johor Ports

Awarded to:
Swift Haulage Berhad

By:
Johor Port Authority

2018

Participated in the Largest
Simultaneous Safety Briefing
"Mega Occupational, Safety
and Health Toolbox 2018"

Awarded to:
Swift Integrated Logistics Sdn Bhd

By:
Malaysia Book of Records

2018

Safe Road Award 2018
Silver Award

Awarded to:
Swift Integrated Logistics Sdn Bhd

By:
Chemical Industries Council of Malaysia

2019

Recognition for Contributions towards Working Safely at the Respective Plant

Awarded to:
Swift Logistics TA Sdn Bhd

By:
Petronas Chemicals Ethylene Sdn Bhd and Petronas Chemicals Polyethylene Sdn Bhd

2019

Appreciation and Recognition for Managing Product Warehouse in 2019 with Zero Variance, Zero Health, Safety and Environment Non-Compliance and Timely Product Delivery

Awarded to:
Swift Integrated Logistics Sdn Bhd

By:
Petronas Chemicals LDPE Sdn Bhd

2019

CEO Safety Award 2018 in Recognition of Injury-Free Operations

Awarded to:
Swift Integrated Logistics Sdn Bhd

By:
HESS Exploration and Production Malaysia B.V.

2019

Grand Prize Winner Mercedes-Benz Truck Driver's League 2019

Awarded to:
Swift Haulage Berhad

By:
Hap Seng Trucks Distribution Sdn Bhd

2020

Focused Recognition for Completing Deliveries for 10,336 Orders in 2019 with Zero Accidents

Awarded to:
Swift Integrated Logistics Sdn Bhd

By:
Petronas Chemicals Marketing (Labuan) Ltd

2020

Appreciation and Recognition for Managing Product Warehouse in 2020 with Zero Variance, Zero Health, Safety and Environment Non-Compliance and Timely Product Delivery

Awarded to:
Swift Integrated Logistics Sdn Bhd

By:
Petronas Chemicals LDPE Sdn Bhd

2020

3rd Place in Occupational Safety and Health Innovation Category

Awarded to:
Swift Integrated Logistics Sdn Bhd

By:
Jabatan Keselamatan Kesihatan dan Pekerjaan Perak

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Datuk Noripah Binti Kamso
Independent Non-Executive Director

Rozainah Binti Awang
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairperson
Rozainah Binti Awang

Members
Datuk Noripah Binti Kamso
Dato' Gopikrishnan A/L N.S. Menon

NOMINATION AND REMUNERATION COMMITTEE

Chairperson
Datuk Noripah Binti Kamso

Members
Dato' Gopikrishnan A/L N.S. Menon
Loo Hooi Keat

HEAD OFFICE

Suite 8.02, Level 8
Intan Millennium Square 2 (IMS 2)
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Taman Intan
41300 Klang
Selangor Darul Ehsan
Tel: +603-3361 3555
Fax: +603-3361 3511

REGISTERED OFFICE

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Tel: +603-2084 9000
Fax: +603-2094 9940

COMPANY SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
(SSM PC No.: 201908002648)

Lim Lih Chau
(LS0010105)
(SSM PC No.: 201908001454)

AUDITORS

BDO PLT
(LLP0018825-LCA & AF 0206)
Level 8, BDO @ Menara CenTARa
360, Jalan Tuanku Abdul Rahman
50100 Kuala Lumpur
Wilayah Persekutuan
Tel: +603-2616 2888
Fax: +603-2616 3190/3191

PRINCIPAL BANKERS

AmBank Islamic Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE

Listed on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2021
Stock Name: SWIFT
Stock Code: 5303
Sector:
Transportation & Logistics
Sub Sector:
Transportation & Logistics Services

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
(197101000970 (11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Tel: +603-2783 9299
Fax: +603-2783 9222

CORPORATE STRUCTURE

SWIFT HAULAGE BERHAD

- **100%** Swift Integrated Logistics Sdn Bhd
  - **60%** BLG Swift Logistics Sdn Bhd
    - **100%** Swift Mega Carriers Sdn Bhd
  - **50%** Hypercold Logistics Sdn Bhd
  - **100%** Agensi Tanjung Bruas Sdn Bhd
  - **100%** Earth Move International Sdn Bhd
  - **100%** Sentiasa Hebat Sdn Bhd
  - **100%** Sentiasa Hebat (Penang) Sdn Bhd
  - **100%** MILS Cold Hub Sdn Bhd
  - **100%** Swift Haulage Services Sdn Bhd
  - **100%** Swift Commerce Sdn Bhd
- **100%** Swift Consolidators Sdn Bhd
- **100%** Ann Joo Properties Sdn Bhd
- **100%** Tanjong Express (M) Sdn Bhd
  - **100%** Tanjong Express Logistic (M) Sdn Bhd
- **100%** Delta Express (M) Sdn Bhd
  - **100%** Swift Logistics TA Sdn Bhd
- **100%** Agenda Wira Sdn Bhd
- **100%** Q-Team Sdn Bhd
  - **100%** Fleet Engineering Services Sdn Bhd
  - **100%** Q-Team Risk Management Sdn Bhd
- **100%** Komunajaya Sdn Bhd
- **25%** Global Vision Logistics Sdn Bhd
- **49%** Swift Crossland Logistics Co., Ltd.
  - **99.99%** Crossland Forwarders Co., Ltd.
- **61.5%** Container Connections (M) Sdn Bhd
  - **100%** Northern Gateway Depot Sdn Bhd

Associated Company

Joint Venture Company

Dormant

AS AT 5 APRIL 2022

CHAIRMAN'S AND GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board"), we are pleased to present to you Swift Haulage Berhad's ("Swift" or "Swift Group") Annual Report for the financial year ended 31 December 2021 ("FYE 2021").

Loo Yong Hui
Non-Independent Executive Director / Group Chief Executive Officer

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

NAVIGATING THROUGH A CHALLENGING ENVIRONMENT

As we step into 2021, the aftermath of the Covid-19 pandemic continues to shadow the overall recovery of the global and local economic landscape. As daily infection cases in Malaysia continue to be on the rise caused by the emergence of a new coronavirus variant, many businesses are still battling with prolonged operational disruptions due to the extension of the Movement Control Order ("MCO") as well as the imposition of various restrictions which are necessary to curb the spread of the coronavirus.

For an integrated logistics company such as Swift, it has been a time of unprecedented challenges and promising opportunities. On one hand, global and local lockdowns have severely affected consumption across all markets. Particularly, a number of our customers were operating in non-essential industries and were not allowed to operate during lockdowns. Nevertheless, being a logistics service provider, we are classified as an "essential services" and hence are allowed to continue our operations within the parameters set by authorities in the jurisdiction we serve. In conducting our operations, we have to remain vigilant as we continuously ensure stringent Standard Operating Procedures ("SOP") are adhered to in order to reduce the risk of Covid-19 transmission in the Group.

Fortunately, the introduction of MCO 2.0 in year 2021 is less restrictive than the previous MCO 1.0 in 2020. Coupled with the rapid increase in the vaccination rate among Malaysians, more economic sectors and trade activities were allowed to resume operations.

At Swift, we are always committed to growing our business and investing in infrastructures to increase our capacity in order to serve our customers better. Our recent listing on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2021 enabled us to raise the funds required to expand our operational facilities by constructing a new 178,000 square feet warehouse in Port Klang Free Zone in Selangor, as well as an acquisition of leasehold land measuring approximately 1,263,231 square feet in size. The said acquisition of land shall be in line with our strategic plan to expand our existing container haulage, land transportation, and/or warehousing and container depot services. Part of Initial Public Offering proceeds is also allocated to purchase 30 prime movers to grow our container haulage and land transportation business operations.

In year 2021, we have also further strengthened our presence as an integrated logistics services provider as we step foot into the provision of cold-chain logistics services through our acquisition of 50% equity interest in Hypercold Logistics Sdn Bhd and 15% equity interest in Platinium Coldchain Sdn Bhd. Our Group is now able to provide cold and chill storage services, cold-chain logistics solutions and related services to our customers.

REWARDING OUR SHAREHOLDERS

Swift Group aims to distribute a dividend of up to 30.0% of our profit attributable to owners of the parent. For FYE 2021, we are pleased to declare a first interim single tier dividend of 1.8 sen per ordinary share, amounting to RM16.0 million, equivalent to approximately 34.0% of our profit attributable to owners of the parent.

FINANCIAL PERFORMANCE

Despite the MCO and the imposition of various restrictions which have impacted some of our customers, we are pleased to announce that our Group's revenue rose by 5.8% year-on-year ("YoY") to RM588.3 million mainly due to higher revenue contribution from our container haulage and freight forwarding business segments.

The Group's profit after tax also rose by 13.6% YoY to RM48.2 million even after charging out the one-off listing expenses of approximately RM4.3 million backed by stronger management of our operating costs.

At the end of the financial year, our total equity amounts to RM635.3 million, a total asset of RM1,458.5 million and a total liability of RM823.2 million. Our earnings per share stood at 7.4 sen and net assets per share of 71.3 sen.

COMMITMENT TO GOOD CORPORATE GOVERNANCE

We recognise that good corporate governance is essential in supporting our businesses and generating long-term shareholder value. At Swift, we are committed to conducting business ethically with integrity and have zero tolerance against any form of bribery and corruption.

In year 2021, we implemented our Anti-Bribery & Corruption Policy which serves as a guideline to minimise potential exposure to bribery and corruption offences as well as established various SOP to ensure compliance with applicable laws and regulations.

ENSURING HEALTH AND SAFETY

While we invest heavily in infrastructures, our employees are our most valuable asset. Not only do they represent the Swift Group, but they also directly contribute to our overall performance. Hence, our employees' safety and health are of paramount importance to Swift Group.

Since the Covid-19 pandemic, we have done our best to keep our employees safe from the coronavirus. We relentlessly monitored SOP adherence by conducting site inspections and sending internal reminders and announcements to our employees. In the event of a confirmed Covid-19 case, prompt actions such as sending the affected person for a swab test, identifying close contacts and ensuring disinfection of affected areas are carried out on an urgent basis to ensure minimum interruption to the business and the health and safety of others at the workplace. As of FYE 2021, all employees were vaccinated with at least two (2) compulsory doses.

In addition to the Covid-19 protocol, our Health, Safety and Environment ("HSE") Committee also continuously monitors all safety and health matters for all our business operations. These include toolbox briefing, vehicle and site inspections, management walkabouts, training, campaigns, HSE Committee meetings, Key Performance Indicators, drills and audits.

INTO A HIGHLY ANTICIPATED FUTURE

Given the extent of the Covid-19 outbreak as well as domestic and global uncertainties, the outlook is very much driven by the hope that the vaccine will eventually lead us into a new normal as the Malaysian Government gradually eases restrictions and more businesses are allowed to operate.

The Group is cautiously optimistic that our integrated logistics services are poised to flourish as the domestic and global economic activities recover. To enhance shareholders' value, we will continue to maintain our strategies to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity, including mergers and acquisitions.

ACKNOWLEDGEMENT

On behalf of the Board and the Group, we would like to express our sincere appreciation and gratitude to all our shareholders and other stakeholders for your continuous support and faith in Swift Group.

We would also like to express our earnest appreciation to the Board members for sharing their wisdom as well as our management team, as they continue to deliver on our strategies in a highly challenging environment. Our deepest gratitude to our high-performing employees for your endless efforts and contributions to Swift Group.

Last but not least, we wish to call upon all our stakeholders for your continuous support as we continue to make Swift Group a better organisation that delivers better values to our stakeholders. Please stay safe and take care.

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

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Swift Haulage Berhad was incorporated on 29 November 2000 and was subsequently listed on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2021.

Our Group is principally involved in the provision of integrated logistics services comprising container haulage, land transportation, warehousing, container depot and freight forwarding. We also provide complementary services such as sales, service, spare parts dealerships for commercial vehicles and general insurance agency services.

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

Our customers comprise of companies from a broad base of sectors and industries such as oil, gas and petrochemical, manufacturing, food and beverages, distributive trades such as retailers, wholesalers and distributors, construction and various others.

FINANCIAL REVIEW

	FYE 2021	FYE 2020	YoY Changes
FINANCIAL RESULTS			
Financial Indicators (RM'000)			
Revenue	588,332	555,837	5.8%
Gross Profit ("**GP**")	187,320	185,738	0.9%
Earnings before interest, tax, depreciation and amortisation ("**EBITDA**")	141,333	137,448	2.8%
Profit Before Tax ("**PBT**")	57,081	53,824	6.1%
Profit After Tax ("**PAT**")	48,171	42,411	13.6%
Financial Ratios			
GP margin (%)	31.8	33.4	
EBITDA margin (%)	24.0	24.7	
PBT margin (%)	9.7	9.7	
PAT margin (%)	8.2	7.6	
Interest coverage ratio (times)	3.1	2.8	
FINANCIAL POSITIONS			
Financial Indicators (RM'000)			
Total assets	1,458,493	1,212,342	
Total liabilities	823,220	782,293	
Equity attributable to equity holders of the Company	634,859	430,398	
Financial Ratios			
Gearing ratio (times)	1.0	1.4	
Current ratio (times)	1.1	0.9	

Financial year ended 2021 ("FYE 2021") remained a challenging year as the aftermath of the COVID-19 pandemic continues to shadow the overall recovery of the global and local economic landscape. As daily infection cases in Malaysia increases, many businesses are still battling with prolonged operational disruptions due to the extension of the Movement Control Order ("MCO") as well as the imposition of various restrictions which were necessary to curb the spread of the coronavirus.

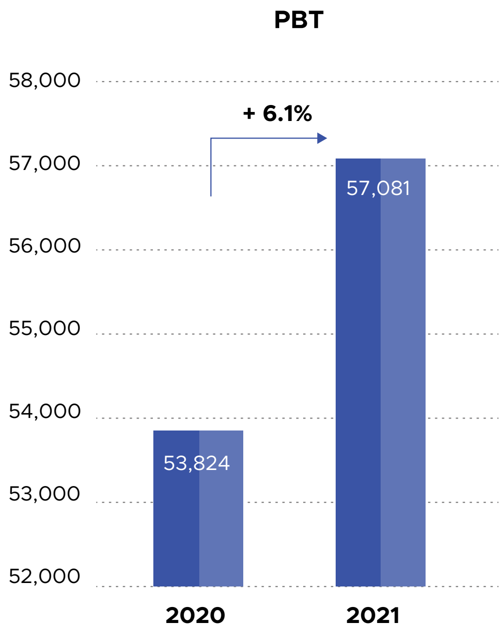
Our Group performed well under such a challenging environment, recording a growth in revenue by RM32.5 million or 5.8% compared to financial year ended 2020 ("FYE 2020"). The increase was mainly attributed to higher revenue contribution from our container haulage segment and freight forwarding segment as the MCO restriction eases and more economic sectors and trade activities are allowed to resume operation.

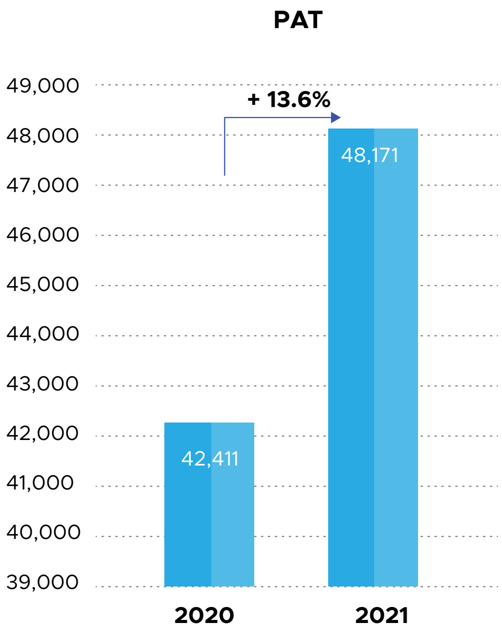
Even after charging out the one-off listing expenses of approximately RM4.3 million, our Group's PBT increased by RM3.3 million or 6.1% compared to FYE 2020. This was mainly backed by stronger management of our operating costs. Our Group's PAT amounted to RM48.2 million in FYE 2021, representing an increase of RM5.8 million or 13.6% compared to FYE 2020.

FINANCIAL REVIEW (CONT'D)

Total assets increased by RM246.2 million or 20.3%, from RM1,212.3 million as at 31 December 2020 to RM1,458.5 million as at 31 December 2021, mainly due to the purchase of land, vehicles and mechanical equipment as well as the construction of a new warehouse. Our Group's total liabilities increased by RM40.9 million or 5.2%, from RM782.3 million as at 31 December 2020 to RM823.2 million as at 31 December 2021, mainly due to higher trade financing utilised.

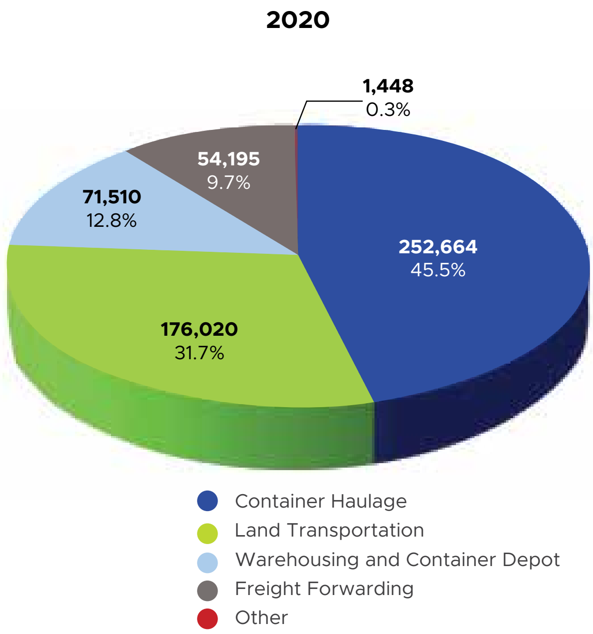
Overall, the Group closed the financial year with a healthy financial position, recording a cash and cash equivalent balance of RM61.3 million (FYE 2020: RM18.4 million), a gearing ratio of 1.0 times and a current ratio of 1.1 times. At the end of the financial year, our total equity amounts to RM635.3 million, a total asset of RM1,458.5 million and a total liability of RM823.2 million. Our earnings per share stood at 7.4 sen and net assets per share of 71.3 sen.

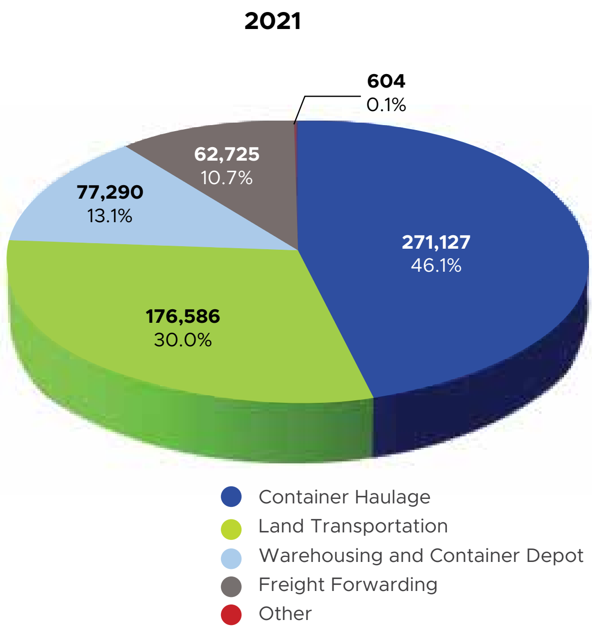




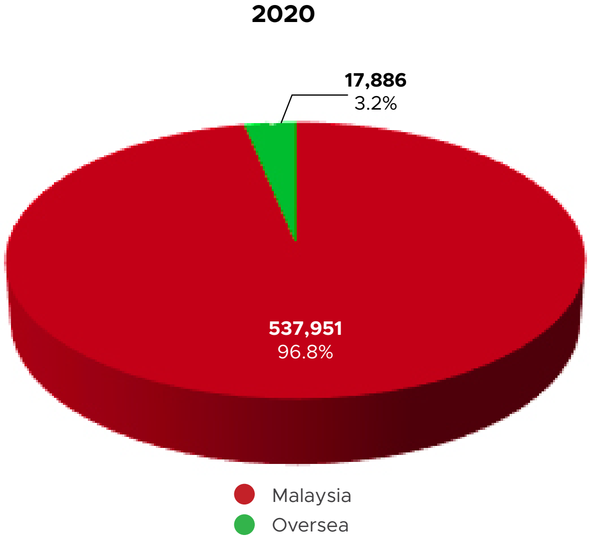
OPERATION REVIEW BY BUSINESS SEGMENT

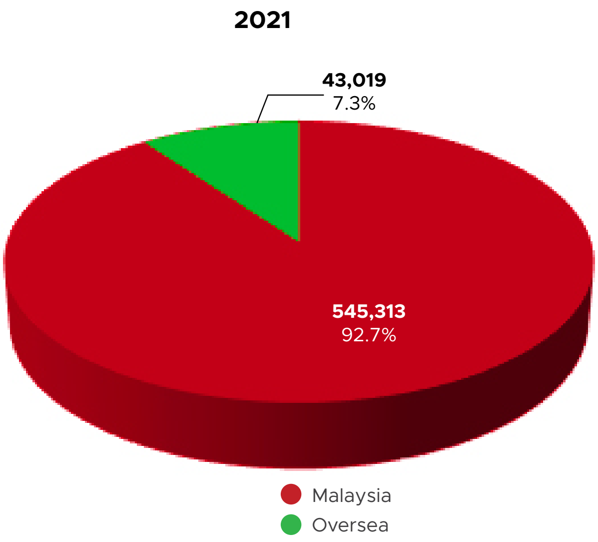
Our revenue segmentation by business activities and geographical markets for FYE 2020 and FYE 2021 are as shown in thousand figures as follows: -





OPERATION REVIEW BY BUSINESS SEGMENT (CONT'D)

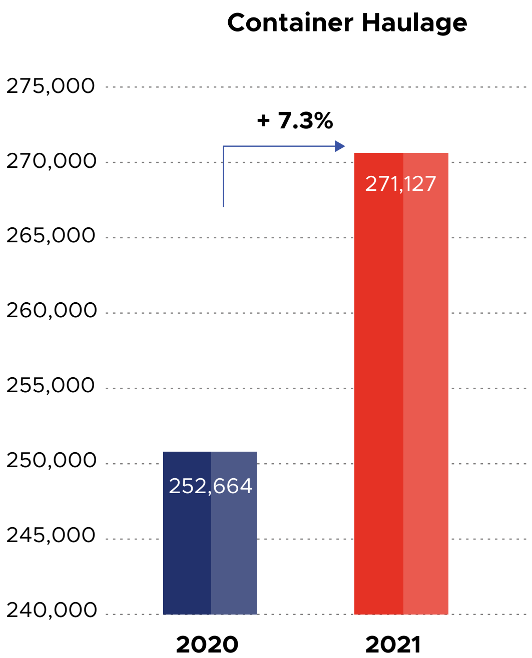


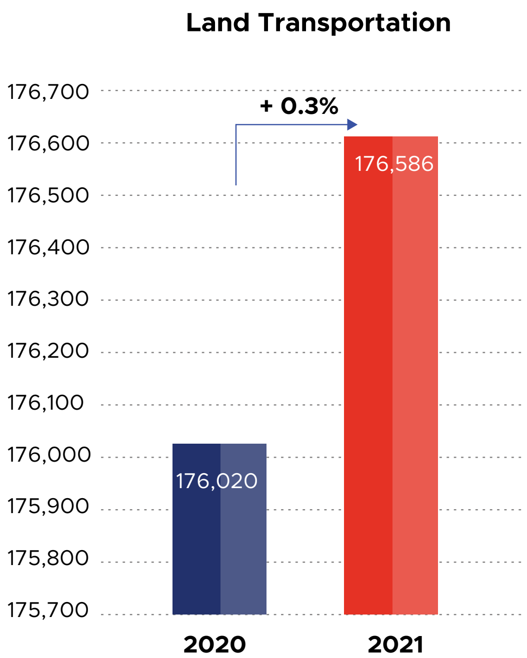


Container haulage remains our largest business segment, contributing revenue of RM271.1 million (46.1%) in FYE 2021 as compared to RM252.7 (45.5%) in FYE 2020. This is followed by revenue from land transportation, warehousing and container depot segments, which contributed revenue of RM176.6 million (30.0%) and RM77.3 million (13.1%) in FYE 2021 respectively, as compared to RM176.0 million (31.7%) and RM71.5 million (12.8%) respectively in the previous financial year.

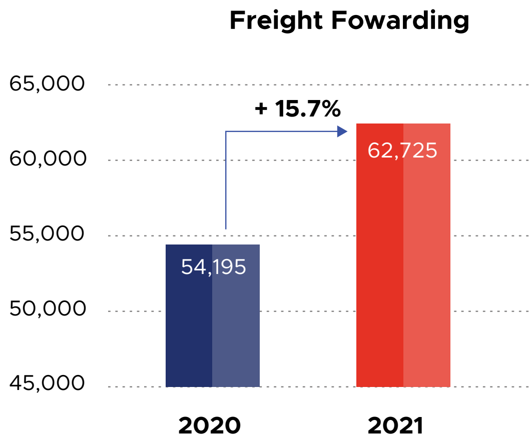
Most of our business segments recorded a growth in revenue during FYE 2021 compared to the previous financial year. This is mainly driven by higher transaction volume as more economic sectors and trade activities are allowed to resume operation during FYE 2021.

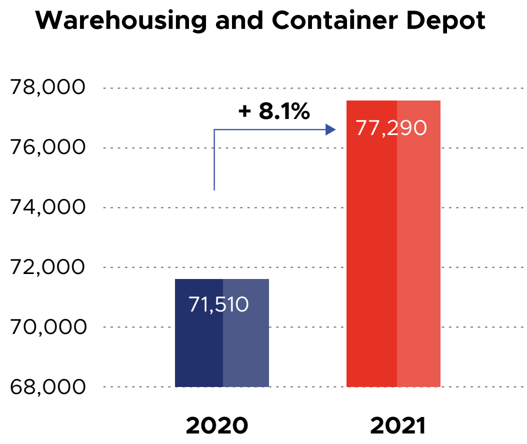
Our Group's revenue is primarily derived from Malaysia, contributing RM545.3 million (92.7%) of our total revenue in FYE 2021 compared to RM538.0 million (96.8%) in the previous financial year.





OPERATION REVIEW BY BUSINESS SEGMENT (CONT'D)





RISK RELATING TO OUR BUSINESS

The Group is exposed to certain anticipated or known risks that may affect our operations, performance, financial condition and liquidity. The Group's approach into managing its potential risks is guided by our risk management framework, which includes processes and policies aimed at addressing and mitigating risks whilst at the same time sustaining the growth of our Group's objectives.

Regulatory Compliance Risk

Regulatory compliance is critical in ensuring uninterrupted operations as specific legislation requires logistic companies in Malaysia and Thailand to maintain various registrations, permits and licences from the regulatory authorities. Non-adherence will result in revocation or non-renewal of these permits and licences, adversely affecting our ability to continue operation or be subjected to a penalty.

In managing regulatory compliance risks, other than obtaining various licences, permits and approvals to carry on business, the Group has also established procedures and mechanisms and engages with the regulatory and governmental authorities when necessary to assure full compliance.

Dependent on our Executive Director and Key Senior Management

We attribute our success to the leadership and continued contributions of the Executive Director and Key Senior Management. They have extensive knowledge and experience in our business activities and play a significant role in our day-to-day operations as well as the implementation of our business strategies. The absence 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 junior staff team members to various aspects of our business operations and decision-making process. In addition, we have also put in place human resource strategies which include competitive remuneration packages and a variety of ongoing training and development programmes for the junior staff who have been earmarked in our succession plan.

Economic Risk in light of the COVID-19 Pandemic

Our business operations are deemed as an "essential services" and were allowed to conduct business operations as normal during the pandemic period. However, our financial performance was affected by the economic disruptions caused by the COVID-19 pandemic due to various lockdown measurements and tighter border control imposed by the governments of other countries.

As part of the conditions set forth by the Ministry of International Trade and Industry permitting companies that provide essential services to continue operating during the various MCO periods, our Group has established a protocol at our workplace to monitor and prevent the spread of COVID-19 in accordance with the strict standard operating procedures that have been determined by the Ministry of Health of Malaysia.

FUTURE PROSPECTS AND OUTLOOK

Given the extent of the COVID-19 outbreak as well as domestic and global uncertainties, the outlook is very much driven by the hope that the vaccine will eventually lead us into a new normal. Nonetheless, the Group is cautiously optimistic that our integrated logistics services are poised to flourish as the domestic and global economic activities recover.

The Group continues its focus on expanding its customer base domestically and regionally with the expansion in warehouse capacity and, at the same time, improved cost management of its operations. The expansion of our warehouse capacity, namely 200,000 square feet in Tebrau, Johor targeted in the first quarter of FYE 2022 ("1Q2022"), 109,000 square feet in Seberang Perai, Pulau Pinang targeted in the second quarter of FYE 2022 ("2Q2022") and 178,000 square feet new warehouse in Port Klang Free Zone, Selangor scheduled to be completed in the third quarter of FYE 2022 ("3Q2022") will contribute positively to our FYE 2022 topline and bottom-line. Overall, our warehouse capacity will increase by approximately 46.0% at the end of FYE 2022 as part of our growth journey.

The Malaysian Government had gradually eased restrictions, and businesses were allowed to be operated under strict standard operating procedures, and the economy is showing signs of recovery. Bank Negara Malaysia ("BNM") has reported that the Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021. Growth was supported mainly by improved domestic demand as economic activity normalised following the easing of containment measures under the National Recovery Plan ("NRP"). BNM expects Malaysia's growth trajectory for 2022 to improve given the resumption of economic activities, further improvement in the labour market, continued policy support and expansion in external demand.

In this regard, we are cautiously confident of our financial performance for the next financial year, barring any unforeseen surprises. We will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity, including mergers and acquisitions, to enhance shareholders' value.

CAPITAL COMMITMENT

In conjunction with our listing, the utilisation of our IPO proceeds is as follows:-

	Proposed Utilisation	Actual Utilisation as at 31 December 2021	Balance Unutilised	Estimated time frame for utilisation upon listing
	RM'000	**RM'000**	**RM'000**	
Capital Expenditure:				
• Construction of a new warehouse	28,565	4,274	24,291	Within 18 months
• Purchase of land	41,560	41,560	-	Within 18 months
• Purchase of prime movers	12,000	7,934	4,066	Within 18 months
Repayment of bank borrowings	69,732	69,732	-	Within 6 months
Estimated listing expenses	10,000	9,470	530	Within 3 months
	161,857	**132,970**	**28,887**	

As at 31 December 2021, save for the capital commitment in respect of the purchase of property, plant and equipment as below, we do not have any other material capital commitments.

Capital Commitment	RM'000
Approved but not contracted for	4,155
Contracted but not provided for	41,276
	45,431

DIVIDEND

We target a payout ratio of up to 30.0% of our profit attributable to the owners of our Company each fiscal year on a consolidated basis after considering our capital requirements, including working and maintenance capital. Dividend payout is subjected to the approval by 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.

For FYE 2021, the Board approved and declared a first interim single tier dividend of 1.8 sen per ordinary share amounted to RM16.0 million, equivalent to approximately 34.0% of our profit attributable to owners of the parent.

SUSTAINABILITY STATEMENT

COMMITMENT TO SUSTAINABILITY

The year 2021 marks a significant milestone for Swift Haulage Berhad ("Swift" or "the Company") and its subsidiaries ("Swift Group" or "the Group") as the Company has successfully listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 21 December 2021. In conjunction with the listing, the Group has set its journey toward corporate sustainability as part of its efforts to build and maintain a sustainable business and ensure a sustainable future for the next generation.

The Group undertakes the commitment to positively impact the economy, environment, and community while simultaneously minimising the logistics operations' adverse effects.

The Board of Directors ("the Board") of the Company is pleased to present this maiden Sustainability Statement ("Statement") for the financial year ended 31 December 2021 ("FYE 2021"). This Statement outlines our framework to drive sustainable strategies and practices in addressing material sustainability challenges and opportunities along our journey towards sustainable long-term growth within the context of Economic, Environment, Social and Governance ("EESG").

SCOPE OF THIS STATEMENT

This Statement covers the sustainability strategies and performance of the Group for the financial period from 1 January 2021 to 31 December 2021, unless otherwise specified.

Information presented in the Economic and Governance sections of this Statement covers the entire business operations of the Group, both locally and internationally. In contrast, the data presented in the Environment and Social sections covers only the business operations in Malaysia.

BASIS OF THIS STATEMENT

This Statement was prepared based on the available internal information with reference to Bursa Malaysia's Main Market Listing Requirements relating to Sustainability Statements and its Sustainability Reporting Guide 2nd Edition.

ASSESSMENT OF MATERIAL MATTERS

For the first year, in conjunction with the listing of the Group, we have conducted an assessment to identify and evaluate a list of Material Matters which are most relevant to the Group and various stakeholders. Kindly refer to the Material Matters Matrix section for further details.

FEEDBACK

Stakeholders' feedback is valuable for our continuous sustainability management and reporting standard improvement. Any feedback, comments or enquiries on this Statement or any other sustainability matters can be directed to corporate@swiftlogistics.com.my.

SUSTAINABILITY HIGHLIGHTS

ECONOMIC

Financial Performance

	FYE 2021 (RM'000)	FYE 2020 (RM'000)
Revenue	588,332	555,837
Net Profit	48,171	42,411

Procurement Practices

Almost 100% local purchases for office supplies, spare parts for vehicle maintenance and tyres.

Customer Satisfaction

	FYE 2021	FYE 2020
Rating	4.2	4.3

Notes: -
(i) Rating of 4 is likely to continue using Swift services
(ii) Rating of 5 is very likely to continue using Swift services

ENVIRONMENT

Carbon Emission Control

	FYE 2021 (tCO2e)	FYE 2020 (tCO2e)
Carbon Emission	116,648	104,192

Waste Management

Type of Waste	FYE 2021 (Tonnes)
Non-Hazardous	586
Hazardous	116
Recycle	18

Energy Efficiency

- ✓ Installed Photovoltaic (PV) solar system in the warehouse at Tebrau, Johor
- ✓ Adopted Reduce, Reuse, Recycle (3R) approach

SOCIAL

Human Rights and Diversity

- ✓ Support human rights, diversity and inclusion
- ✓ Zero-tolerance against discrimination and harassment

Occupational Safety

	FYE 2021
Work-Related Injury	↓ 17%
Accident	↑ 15%
Vehicle Accident Rate	↓ 2%
Loss Time Injury Frequency	↓ 11%

Training and Development

	FYE 2021	FYE 2020
Training conducted	94	84
Training days	163	168
Training cost (RM'000)	234	151
No. of participants involved	1,271	596

GOVERNANCE

Bribery and Corruption Free

- ✓ ABC Policy was implemented across the Group in February 2021.
- ✓ 0 complaint on suspected corruption or unethical behaviour in FYE 2021.

Laws and Regulations

No material breach of laws and regulations was reported in FYE 2021.

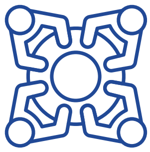
Board Composition

Women's participation in leadership and decision-making process:

FYE 2021	Target to Achieve in FYE 2023
28.6%	30%

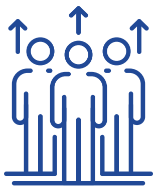
SUSTAINABILITY GOVERNANCE

The Group is cognisant that the key to sustainable business relies on a solid sustainability governance structure. In this regard, we have formed a clear sustainability governance structure with designated roles and responsibilities as follows: -



Board

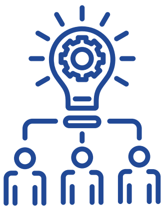
- To hold ultimate responsibility for sustainability management
- To oversee the Group's overall sustainability strategies, efforts and performance



Sustainability Steering Committee ("SSC")

Consisted of Group Chief Executive Officer ("GCEO") and Six (6) Members of Senior Management

- To appoint members of SWC
- To oversee the progress of integrated sustainability activities across the Group
- To ensure key members are involved in the decision-making process of the Group's sustainability matters
- To report the progress of sustainability matters to the Board on a periodical basis



Sustainability Working Committee ("SWC")

Consisted of Coordinators by Region/ Main Business Units and Other Support Key Personnel

- To ensure sustainability matters are effectively communicated to all stakeholders, including employees, contractors, vendors, customers and others
- To coordinate and execute sustainability activities that are in line with the strategic direction of the SSC
- To directly monitor the sustainability performance of the region/ business units to ensure meeting the objectives, goals, targets and values set by the SSC
- To report the progress of sustainability matters to the SSC

STAKEHOLDERS ENGAGEMENT

The Group has identified key stakeholders as those who are impacted by or can influence the Group's operations and business. Engagement with some of the key stakeholders have yet to take place, however, preparation is in progress.

STAKEHOLDERS ENGAGEMENT (CONT'D)

Engagement with various stakeholders shall give us better understanding of their expectations and concerns which shall enable us to integrate into our business practices, where applicable and turn into business norm, i.e.: sustainability practices in the future. Engagement matrix below depicts our various engagement activities and the relevant frequency of engagement:-

Our Stakeholders	Area of Interest/Concerns	How Do We Address These Concerns?	Frequency of Engagement
Employees	• Career development • Knowledge building & talent development	Implement training and development programme for employees	Throughout the year
	Work-life balance	Employee activities and events	Throughout the year
	Employment rights and benefits	• Terms and conditions as per Offer Letter, Employee Handbook and Collective Agreement (Non-Executive) • Practice in accordance with relevant employment laws • Performance management system/ appraisal	Throughout the year Throughout the year Mid and year-end review
	Employee health, safety & wellness	In compliance with various health and safety rules and regulations	Throughout the year
	Child labour and forced labour	Compliance with Human Rights & Labour Practices Policy	Throughout the year
	Diversity and inclusion	Diversity and inclusion are book and have been in practice	Throughout the year
	Women empowerment	Actively promoting women's participation at all level	Throughout the year
Local Authorities/ Regulatory Bodies/ Government Ministries	Regulatory requirements and compliance	• Reports and policies • Site inspection/ audit by authorities	As and when required As and when required
	Accuracy, transparency and disclosure	• Regular check with authorities on their requirements • Internal and external audits follow Standard Operating Procedures ("SOPs")	As and when required Yearly

STAKEHOLDERS ENGAGEMENT (CONT'D)

Our Stakeholders	Area of Interest/Concerns	How Do We Address These Concerns?	Frequency of Engagement
Shareholders/ investors	Business directions	Updates in the Board meetings	Quarterly
	Financial performance	Quarterly results	Quarterly
	Governance and integrity	Session with investors	As and when required
Customers	Service quality	Standards & certifications – audit (internal, external or customer)	Throughout the year
	Data privacy	Non-disclosure Agreement ("NDA"), a clause in Service Level Agreement ("SLA")	Throughout the year
	Knowledge sharing	Customer service centre	Throughout the year
	Reporting	Key Performance Indicator ("KPI") report	Monthly/quarterly
	Traceability	Customer feedbacks/ complaints/ customer survey	Throughout the year
	Human rights	Compliance with Human Rights Policy	Throughout the year
Business Partners /Transporters	Knowledge sharing Safety procedures	• Meetings • Service contract (back-to-back, on customer's requirements) • Vendor audit	As and when required/ quarterly During the development of the contract Yearly
Communities & Public	• Business opportunities • Employment opportunities	Create business and employment opportunities when business growth	Throughout the year
	• Education and social assistance • Social responsibility	Corporate Social Responsibility ("CSR") programmes and campaigns	Throughout the year
	Environment impacts from operation	Compliance with regulations/ immediate rectification if there is any breach	Throughout the year

MATERIALITY ASSESSMENT

Materiality assessment is pivotal for identifying and prioritising material sustainability matters that are important to the Group and various stakeholders. Engagement with various stakeholders, as mentioned in the earlier section, has facilitated us in conducting materiality assessment in the following steps:-

Identification

Identify sustainability matters that are most relevant to the Group.

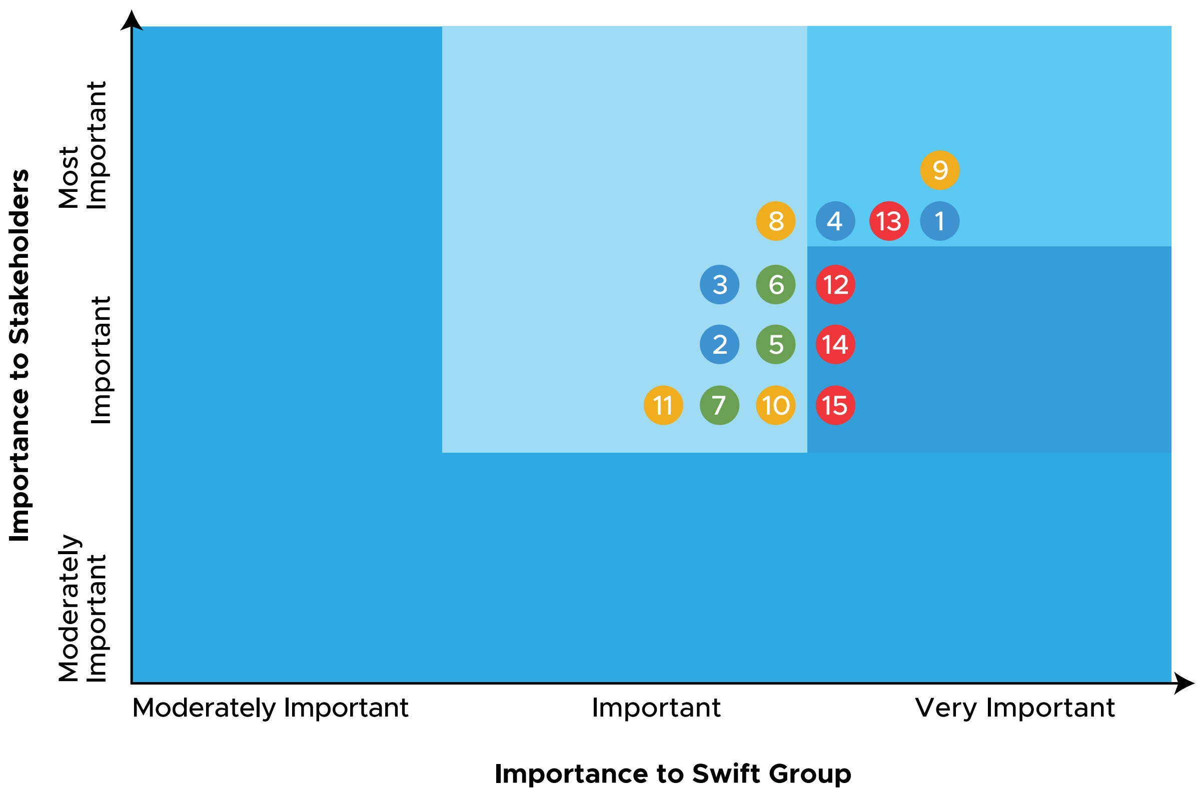
Assessment

Assess material matters from both the Group and stakeholders' perspectives.

Prioritisation

Rank each material matter by prioritising according to the analysis of impacts to the Group and stakeholders.

Based on our initial assessment of risks and opportunities and benchmark against other players within the logistics industry, we have identified and ranked key areas that matter the most to the Group and various stakeholders, scaling from "Important" to "Most Important" as shown in the following Material Matters Matrix: -



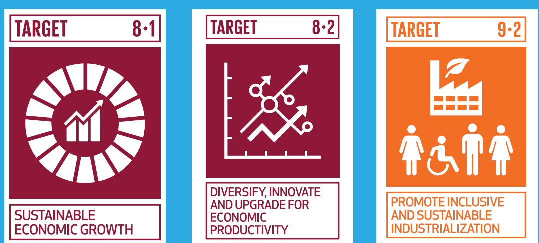
MATERIALITY ASSESSMENT (CONT'D)

ECONOMIC	ENVIRONMENT	SOCIAL	GOVERNANCE
1 Business Performance	5 Carbon Emission Control	8 Human Rights, Diversity and Inclusion	12 Bribery and Corruption Free
2 Technological Innovation	6 Energy and Resources Efficiency	9 Occupational Safety and Health	13 Compliance with Laws and Regulations
3 Procurement Practices	7 Waste Management	10 Training and Development Programme	14 Data Protection and Security
4 Customer Experience and Service Quality		11 Corporate Social Responsibility Programme	15 Board Composition

SUSTAINABILITY STRATEGIES

The United Nations ("UN") has, in its 2030 Agenda for Sustainable Development, outlined Sustainable Development Goals ("SDGs") to improve the lives of "everyone, everywhere" in the present and future. The UNSDGs addressed the global challenges of poverty, inequality, climate change, environmental degradation, peace and justice, among others.

Based on 15 material matters identified in the earlier section, we have formulated our sustainability strategies, taking into consideration the SDGs that are most relevant to the Group within the context of EESG as follows:-

SDGs	Sustainability Strategies
ECONOMIC	
	1. To grow the Group's business in a sustainable way 2. To adopt technology to improve operations efficiency and effectiveness 3. To support local purchases whenever viable 4. To maintain customers' satisfaction

SUSTAINABILITY STRATEGIES (CONT'D)

SDGs	Sustainability Strategies

ENVIRONMENT

1. To control and reduce carbon emission
2. To achieve energy and resources efficiency
3. To practice waste management

SOCIAL

1. To embrace human rights, diversity and inclusion
2. To promote and maintain occupational health and safety
3. To provide training and development programmes
4. To carry out corporate social responsibility programmes

GOVERNANCE

1. To conduct business ethically with integrity
2. To practice bribery and corruption-free in all business dealings
3. To comply with all relevant laws and regulations
4. To maintain a diverse and effective Board

ECONOMIC

BUSINESS PERFORMANCE

	Audited	
	FYE 2021 RM'000	FYE 2020 RM'000
Revenue	588,332	555,837
Gross Profit	187,320	185,738
Net Profit	48,171	42,411

Swift Group's operating activities were mainly derived from four (4) primary business segments: container haulage, land transportation, warehousing and container depot, and freight forwarding service.

In FYE 2021, the Group recorded total revenue of RM588.33 million, an increase of 5.8% compared to RM555.84 million in FYE 2020. The increase was mainly due to better performance from all our business segments as a result of the resumption of our customers' operation to 100% capacity as most states of Malaysia were entering into phase 4 of the National Recovery Plan from October 2021 onward.

We shall continue to improve our financial and business performance via expanding our customer base domestically and regionally with the future improvement in warehouse capacity while simultaneously improving our cost management diligently. In addition, we shall continue to serve our customers with innovative logistics solutions and expand our logistics capacity via merger and acquisition to further enhance value to our various stakeholders.

TECHNOLOGICAL INNOVATION

We are dedicated to delivering innovative logistics solutions to our customers in an effective and efficient manner. In this regard, we have adopted the following information technology ("IT") to support our business operations effectively and efficiently in line with SDG Target 8.2: -

Swift Haulage Portal

The Group is currently using the web portal to monitor and track container movements at any time and anywhere. It is an in-house system that provides customers with the status and precise location of their containers via internet access on a real-time basis. A screen with a dashboard feature and search bar makes it easy for the customers to monitor the movements of their containers anytime at their convenience.

Command Centre

Command Centre has been established to feature safety and security controls of the Group. The Command Centre team is an independent unit formed in 2018 to monitor all Swift trucks' movements and drivers' behaviour. This Centre operates all day round on a 3-shift basis, responsible for monitoring and intervening violations or red flags such as: -

- Speeding
- Idling for more than 30 minutes
- Harsh braking and harsh acceleration
- Movement on undesignated route
- Accident
- Device power removal
- Panic button activation

ECONOMIC (CONT'D)

PROCUREMENT PRACTICES

Good procurement practices add value to the Group's business as it contributes to cost control and reduces operational risks. The Group has put in place several good procurement practices such as: -

a) established procurement requirements to serve as guidance for the procurement team;
b) monitor and research for any market changes which could affect our procurement;
c) perform vendors evaluation periodically to rule out any suppliers who do not meet our requirements;
d) negotiate for the terms of the best possible contract; and
e) support local purchases whenever viable. Currently, the Group is working towards SDG Target 8.1 by engaging almost 100% local purchases for office supplies, spare parts for vehicle maintenance and tyres.

The Group shall further improve the procurement practices via a well-defined process, centralised contract and documentation, multi-sourcing strategy and so on in the future.

CUSTOMER EXPERIENCE AND SERVICE QUALITY

Swift Group places great emphasis on customer satisfaction as it directly impacts our reputation and business performance. A customer survey is carried out yearly to gauge customers' satisfaction with our services. Amongst areas assessed are health, safety, environment and quality ("HSEQ") standard, speed in resolving complaints, ease of doing business with the Group, accessibility and comfort to contact relevant Swift personnel.

The Group has recorded an overall customer satisfaction rating of 4.2 in FYE 2021 compared to 4.3 in FYE 2020 (rating 4: likely and rating 5: very likely to continue using Swift services). Although the overall rating in FYE 2021 is slightly lower than FYE 2020, it is still above 4.0, where customers are likely to continue using Swift services. Nevertheless, we will strive to improve our customers' experience by enhancing our service quality.

To assure good service quality to our customers, the Group has maintained several management systems, signifying our commitment to service excellence and conformance to the standards. Certifications on our management systems are as follows: -

- ISO 9001:2015 Quality Management System ("QMS");
- ISO 14001:2015 Environmental Management System ("EMS");
- ISO 45001:2018 Occupational Health and Safety Management System ("OHSAS");
- ISO 39001:2012 Road Traffic Safety Management System;
- Good Distribution Practices for Medical Devices ("GDPMD");
- Transported Asset Protection Association ("TAPA") Trucking Security Management System ("TSR"), Version 2020 Level 2;
- Sedex Members Ethical Trade Audit ("SMETA") 4 Pillars;
- MS 224:2005 Product Certification for Retread Plant.

On top of the above certifications, rigorous efforts were made by the Group in FYE 2021 to pursue the following new certifications: -

- Authorised Economic Operator ("AEO") status from Royal Malaysian Customs Department; and
- ISO 22000:2018 Food Safety Management System ("FSMS") for a new warehouse in Tebrau.

ENVIRONMENT

CARBON EMISSION CONTROL

Being an integrated logistics services provider, we are well aware of the impacts arising from our daily transportation works on the environment. Heavy diesel consumption in our business activities has resulted in significant carbon emissions.

The Group monitors carbon emissions from our business activities nationwide as part of compliance with the Environmental Quality (Clean Air) Regulations 1978. We have recorded a carbon emission of 116,648 tCO2e in FYE 2021, an increase of 12.0% compared to 104,192 tCO2e recorded in FYE 2020.

This was mainly due to an increase in kilometres travelled by 7% due to a more significant number of prime movers deployed in FYE 2021. Details of the carbon emission generated from our business operations are as follows: -

Financial Year	Diesel Consumption (Litre)	Liquefied Petroleum Gas ("LPG") (kg)	Electricity (kWh)	Carbon Emission Generated (tCO2e)
2021	41,729,506	37,786	3,895,868	116,648
2020	37,044,588	181,499	3,748,571	104,192

The Group is taking actions to reduce carbon emissions by reminding drivers to reduce vehicles idling period, use eco-driving techniques such as no harsh braking, no excess weight as well as practice proper and effective route planning.

WASTE MANAGEMENT

Apart from carbon emission control, Swift Group also takes stringent measures in waste management. Our scheduled waste is stored in proper containers with clear labels within the designated area in accordance with the guidelines prescribed by the Department of Environment ("DOE") Malaysia to prevent spillage or leakage of scheduled wastes into the environment. In addition, all our scheduled wastes generated are properly disposed of through the agents approved by the DOE Malaysia.

The Group has generated 586 tonnes of non-hazardous waste, 116 tonnes of hazardous waste (including waste generated from a spillage incident in September 2021) and 18 tonnes of recycled waste in FYE 2021. All the wastes generated were carefully handled. We are glad to share that no monetary fine was imposed in relation to any hazardous waste spillage incident. We will also continue to maintain our stringent control and commitments to protect the environment moving forward.

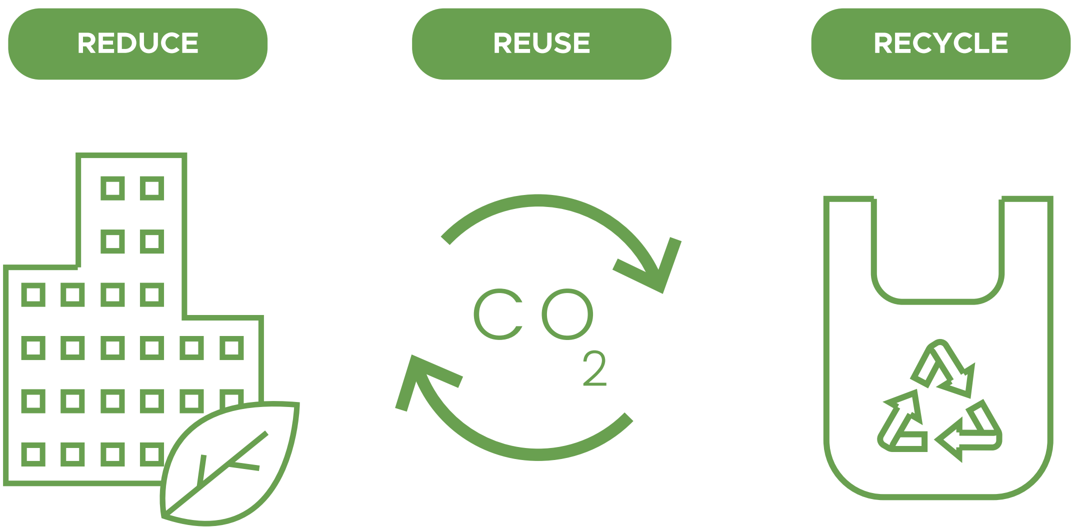
ENVIRONMENT (CONT'D)

ENERGY AND RESOURCES EFFICIENCY

As part of our efforts to combat climate changes in line with SDG Target 13 and to achieve sustainable management and efficient use of natural resources as per SDG Target 12.2, we have rolled out our roadmap to adopt solar energy and sustainable renewable energy. We have installed a solar photovoltaic ("PV") system at our warehouse located in Tebrau, Johor. The said solar PV system can generate 30 MWh of electricity monthly, which enables us to save approximately RM15,000 electricity cost a month in FYE 2021. Next in line is Swift Haulage Central warehouse. We are currently applying for the Net Energy Metering ("NEM") scheme with the Sustainable Energy Development Authority ("SEDA") Malaysia, the implementing agency under the Ministry of Energy and Natural Resources ("KeTSA"). The application is pending approval as at of 31 December 2021.

Other than the usage of solar power, the Group is also gearing toward SDG Target 12.5 by adopting several initiatives to promote energy and resources efficiency as follows: -

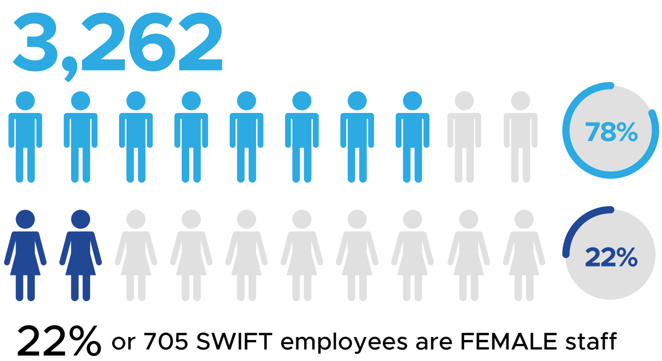
- Uses LED lights across all business operations;
- Conserve electricity and water by switching off lights during lunch or when the area is not in use and put on a 'save water' sticker to remind employees to use water in an optimum manner;
- Adopt reduce, reuse and recycle ("3R") approach for: -
    - Tyres (having retread plant to retread tyres);
    - Paper materials (paper, envelop, boxes);
    - Plastic materials for food & drinks (encourage the employee to bring their own container);
    - Used cooking oil from inhouse canteen/ café and staff personal contribution;
    - Old clothing (donate to a non-profit organisation ("NGO") and charity house;
    - Collection of e-waste and disposal of authorised vendors.



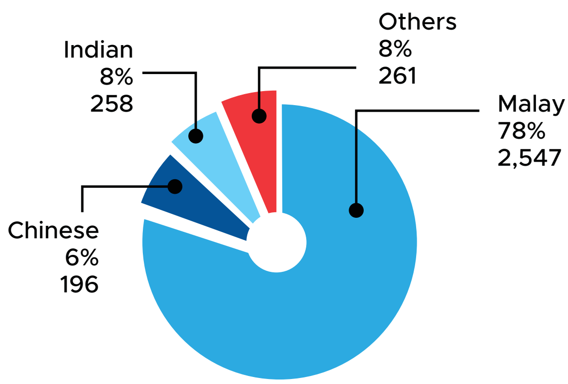
SOCIAL

HUMAN RIGHTS, DIVERSITY AND INCLUSION

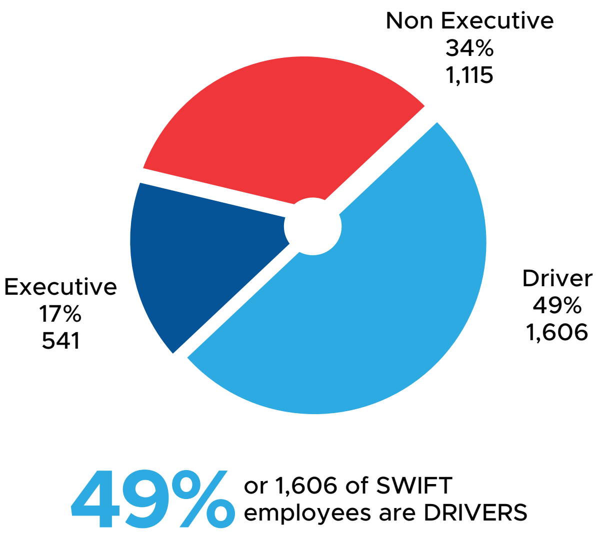
Swift Group perceived human capital as its key asset. The Group believes that valuable insights and ideas can be cultivated from a pool of talents with a diverse background in terms of genders, age groups, races, ethnicities and religions. Diversity and inclusion in the Group could ultimately help to boost business performance and achieve sustainable business growth. The demographic of the Group is illustrated below:-



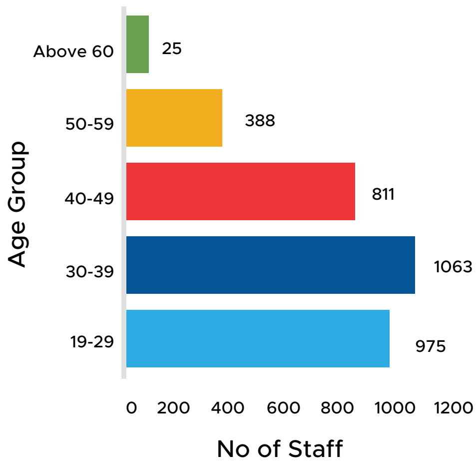
GENDER



RACE



CATEGORY



AGE GROUP

Swift Group Staff Demographics as at December 2021 Workforce

SOCIAL (CONT'D)

HUMAN RIGHTS, DIVERSITY AND INCLUSION (CONT'D)

In line with SDG Target 10.2 and 10.3 on human rights, diversity and inclusion, no discrimination and harassment due to race, gender, skin colour, ethnicity, social origins, religions, disabilities, sexual orientation etc., as well as adherences to labour-related laws have been founding philosophy to the Group since its formation. These elements are detailed in the Group's Human Rights & Labour Practices Policy.

Employment rights and benefits are clearly stated in the employee's Offer Letter, Employee Handbook and Collective Agreement (Non-Executive). The Employee Handbook is accessible to all employees via an internal portal. In addition, our employees are all covered under relevant employment laws, including Employment Act 1955, Industrial Relations Act 1967, Children and Young Persons (Employment) Act 1966 and others.

For our drivers, the benefits offered are beyond the standard. Benefits include 14-day annual leaves, medical benefits (clinical, hospitalisation, Group Term Life ("GTL") and Group Personal Accident ("GPA"), uniform and personal protective equipment ("PPE"), competitive incentive scheme, and meals.

On the other hand, we ensure our foreign workers are provided with a living environment that complies with the Workers' Minimum Standards of Housing and Amenities Act 1990. In FYE 2021, the Group secured a Certificate for Accommodation ("CA") for the apartments to house our foreign workers in Port Klang, Selangor. Nevertheless, there is still an ongoing CA application for the apartment to house our foreign workers in Port Klang, pending a re-audit from the Department of Labour of Peninsular Malaysia ("JTKSM") once the issue identified earlier is rectified.

The Group is pleased to report that there have been zero complaints related to human rights in FYE 2021.

OCCUPATIONAL SAFETY AND HEALTH

Occupational safety and health are of paramount importance to the Group in view of its business operations exposed to a higher risk of road accidents. In line with SDG Target 8.8, the Group emphasises and is determined to provide a safe and healthy working environment to all employees and contractors to protect them from occupational hazards while encouraging them to be safety-minded.

The Group has established a Health, Safety and Environment ("HSE") Committee by business operation locations in compliance with the Department of Occupational Safety and Health's ("DOSH") requirements and ISO 45001:2018 Occupational Health and Safety Management System to promote safety and health awareness and monitor all the relevant matters.

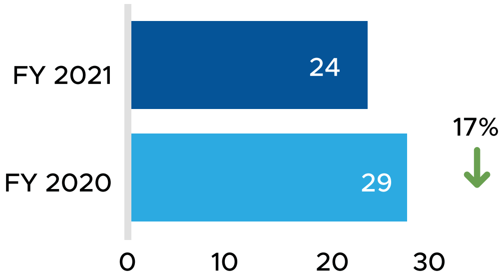
Various site inspections, audits and health and safety activities were conducted in FYE 2021 with adherence to Covid-19 SOPs. The health and safety activities held during the year include training, fire drill at the workplace, health talks and screening and blood donation events.

SOCIAL (CONT'D)

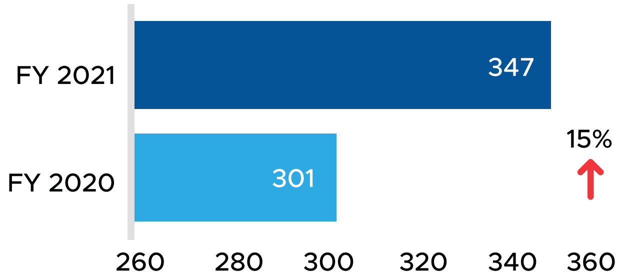
OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

Our occupational safety and health performances in FYE 2021 as compared to FYE 2020 are illustrated as follows: -

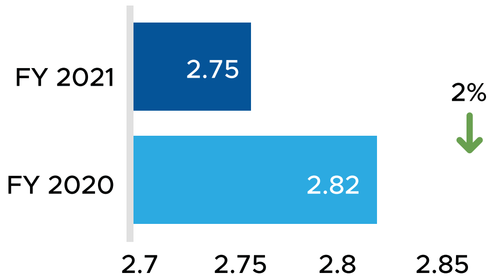
No. of work-related Injury



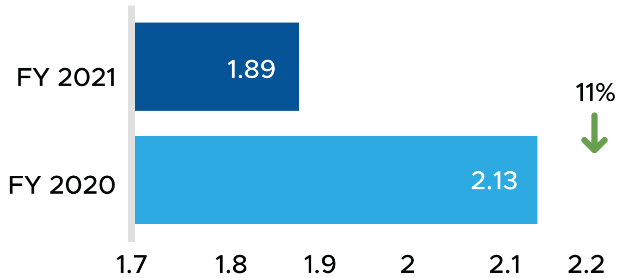
No. of Accident



Total Vehicle Accident Rate



Loss Time Injury Frequency



Notes:

(a) Work-related Injury = loss time injury ("LTI") + non-LTI (those with medical leaves less than & equal to 4 days)

(b) Total Vehicle Accident Rate = total number of vehicle accidents reported per one million kilometre-driven

(c) LTI = the sum of fatalities, permanent total disability, permanent partial disability and loss of workday case ("LWC")

Overall, although we reported a higher number of accidents in FYE 2021, the number of work-related injuries, total vehicle accident rate, and the LTI frequency have been reduced compared to FYE 2020. We shall continue to instil a safety culture across the Group to enhance our safety standards and reduce the number of work-related injuries further.

SOCIAL (CONT'D)

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

In FYE 2021, Swift Group has rolled out the following road transport safety initiatives: -

- Toolbox and accident sharing session;
- Random prime mover inspection;
- Scheduled vehicle inspection according to requirements;
- Road surveillance;
- Behaviour observation safety session;
- Induction (self-learning by the driver), defensive driving training, fatigue management driver competency and technical training;
- Driver motivation training;
- Random drug and alcohol test;
- Driver engagement session i.e.: *Teh Tarik Session and Sembang Santai Bersama Pemandu;*
- Driver reward and consequence management; and
- Command Centre's violation report, followed by counselling and other consequence management (warning letter etc.).

In addition, the Group shall have frequent engagement with the Operations Team and drivers in order to promote and increase awareness of their self-health monitoring and actions.

We have set a target to achieve zero (0) fatalities, major injuries and occupational illness for FYE 2022. The Group is committed to reducing accident rates by intensifying safety training programmes for drivers, workshops, warehouse, and depot employees.

SOCIAL (CONT'D)

OCCUPATIONAL SAFETY AND HEALTH (CONT'D)

The Covid-19 pandemic since 2019 has triggered sudden changes in our business operations. The Group has responded fast by implementing necessary measures to safeguard the safety and health of our employees during this extraordinary time.

Swift Group has formed a Covid-19 taskforce at the headquarters ("HQ") and Region/ Business Unit level to manage Covid-19 relevant matters, ensure preventive measures are being practised and ensure compliances to applicable SOPs in the workplace. The Group issued Covid-19 reminders to all employees via email and telegram on the practice of new norms in order to curb the spread of Covid-19 viruses.

The Group has adopted Work from Home ("WFH") practice as advised by the authorities during the Movement Control Order ("MCO") and Enhanced Movement Control Order ("EMCO") periods. Work rotations were in place to ensure no interruption to operations during the MCO and EMCO periods.

In addition, 100% of our employees have been vaccinated with at least two (2) compulsory doses in FYE 2021. Nevertheless, despite the abovementioned measures, the Group has recorded 407 Covid-19 cases in FYE 2021. We shall continue to weather through the difficult situation and encourage employees to get booster doses in order to lower the infection rate and lessen the severity in case of infection.

While advocating SDG Targets 3.8 and 6.2, the following safety protocols are implemented in our work to curb the spread of Covid-19 viruses: -

1. Compulsory scan of body temperature, record in the daily form and scan with MySejahtera QR code at the entry point;
2. Mandatory wear of face mask at all times and maintain 1-meter physical distance;
3. Promote hygiene and regular sanitisation of common surfaces;
4. No close conversation and unnecessary gathering;
5. Staff to be responsible for own safety, monitor own health and take immediate action when necessary;
6. Practice online meetings via Microsoft Team and Zoom; and
7. Organise online training for employees.

We shall continue to practice the above protocols during the progression from pandemic to endemic.

SOCIAL (CONT'D)

TRAINING AND DEVELOPMENT PROGRAMME

Employees' learning and development are integral to Swift Group as they are the key to the sustainable growth and success of the Group. Employees must be equipped with sufficient knowledge and skills in order to execute their responsibilities according to requirements and deliver good results. In order to achieve greater heights and be a responsible and caring corporation, the Group continues to roll out mandatory training and wellness programmes throughout the years.

Our investment in training and development programmes in FYE 2021 compared to FYE 2020 is as follows:-

Item	FYE 2021	FYE 2020
No. of Training Programme Conducted	94	84
No. of Training Days	163	168
No. of Training Hours	1,141	1,176
Training Cost (RM'000)	234	151
No. of Participant Involved in the Training	1,271	596

The breakdown by training types for FYE 2021 is as follows: -

Type of Training	No. of Training
Functional	53
HSE	24
Technical	3
Soft skill	14
Total	94

On top of the training and development programmes above, the Group takes a strategic and deliberate approach to talent development so that our employees have the opportunities to develop a career path within the Group. We have put in great efforts for internal promotion and mobility as part of the Group's succession planning throughout the years.

Meanwhile, the Group also undertakes Management Trainee ("MT") Programme to develop a talent pipeline of fresh graduates with high potential. The MTs are exposed to various business areas to learn and equip themselves to be full-fledged logistics personnel.

The number of internal promotions and intake for the MT programme for FYE 2021 and FYE 2020 are as follows: -

Item	2021	2020
Internal Promotions	78	44
Management Trainee Programme	7	9

SOCIAL (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY PROGRAMME

Being a responsible public listed company, Swift believes that contribution to the community is essential as part of the corporate social responsibilities ("CSR") in building up and maintaining a sustainable business and society. The Group has made contributions or participated in several CSR events in FYE 2021 involving an investment of RM22,403 as follows: -

- contributed raw materials and necessities assistance to orphanages' homes in preparation for a festive celebration in May 2021;
- contributed to food banks in Selangor during the Covid-19 pandemic in July 2021;
- collected used clothing from employees and donated it to NGOs and charity houses in March and November 2021;
- assisted in cleaning up houses for employees and drivers that were affected by flood in the Eastern region of Malaysia in December 2021; and
- assisted in cleaning up houses for the local community that was affected by a flood in Hulu Langat, Selangor, in December 2021.

GOVERNANCE

BRIBERY AND CORRUPTION-FREE

In advocating SDG Target 16.5, Swift Group is committed to conducting business ethically with integrity and has zero-tolerance against bribery and corruption. Our commitment is enforced through Employee Handbook and Collective Agreement, which clearly state that employees are to conduct business ethically and with integrity. Failure of which disciplinary actions will be taken could be tantamount to the termination.

In addition, Anti-Corruption & Anti-Bribery Policy ("ABC Policy") was implemented across the Group in February 2021 as per mandatory requirements of Section 17A Malaysian Anti-Corruption Commission Act 2009 ("MACC 2009"). The ABC Policy served as a guideline to the Group, and it acted as a defence for the Group's directors, controllers, officers, partners, or any members in the Management of Swift Group from potential exposure and liability of bribery and corruption offences. The Group conducted communication sessions with the employees at regions and Business Units in the same month. The said ABC Policy is publicly available on the Group's website at www.swiftlogistics.com.my.

We are pleased to report that none of our Management or employees is involved in any suspected bribery and corruption practices or unethical behaviours in FYE 2021.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group strives to comply with applicable laws and regulations associated with our business. Various SOPs have been established to state the responsibilities and obligations that need to be fulfilled by the respective department/ personnel to ensure compliance with various applicable laws and regulations.

Walkabout is conducted quarterly by the respective site management and key personnel to ensure a safe working environment and identify areas for improvements.

The validity period and requirement for fulfilment of all the permits, licenses, and certificates of the Group are being monitored regularly to avoid any expiry or non-compliance that could negatively impact the Group's operations.

In FYE 2021, there was no material breach of laws and regulations reported. The Group shall continue to monitor and take necessary actions to prevent any non-compliances to the applicable laws and regulations.

GOVERNANCE (CONT'D)

DATA PROTECTION AND SECURITY

The Group takes data protection and security seriously, especially with the increasing threats of cyberattacks. Safeguarding our customers' and employees' data is crucial so as not to violate the trust given to the Group.

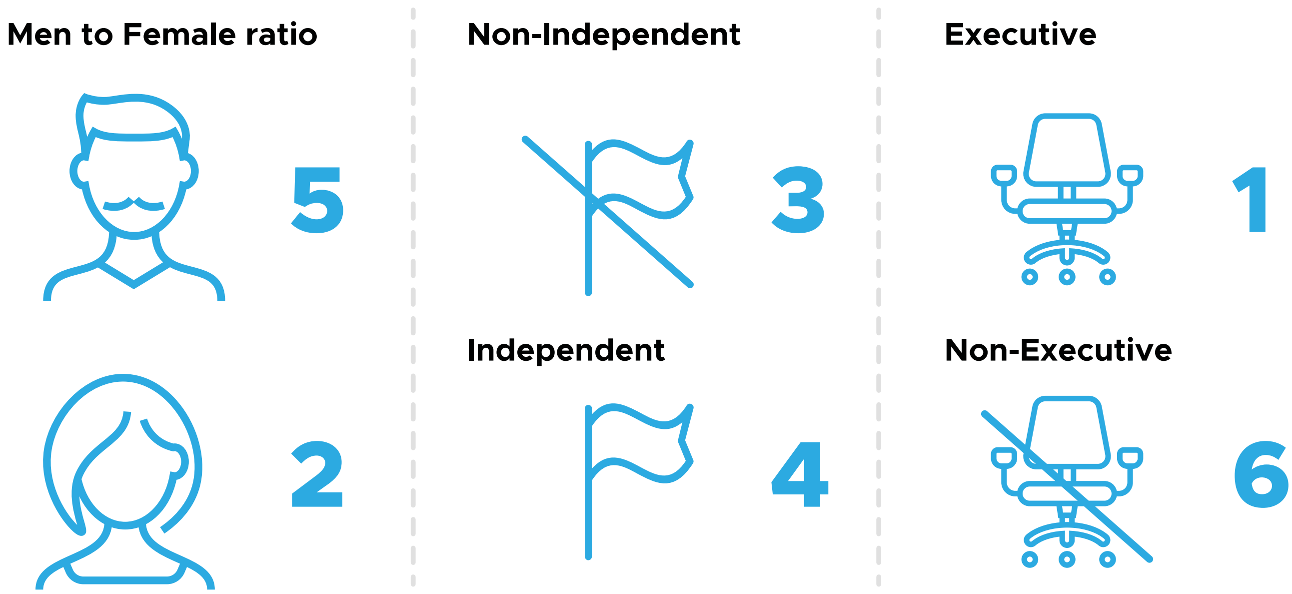
We have several IT security features such as network security firewall and antivirus to protect against viruses, malware exploits, etc. Our IT team has also established IT SOPs to manage our IT resources and applications, covering data protection and security.

On a different note, the Group has imposed employees and contractors/ vendors to sign a confidentiality agreement to ensure confidentiality of data and compliance with the Personal Data Protection Act 2010 ("PDPA").

BOARD COMPOSITION

Swift Group is devoted to abiding by the Malaysian Code on Corporate Governance 2021, especially on the Board composition and effectiveness. Our Board consisted of directors from diverse backgrounds with tremendous experience and strong leadership positions that could steer the Group to a greater height.

We are working towards SDG Target 5.5 by encouraging women's participation in leadership and decision-making. As at 31 December 2021, women's participation in our Board is 28.6% (2/7). We aim to achieve 30% women participation in our Board by December 2023. The Board composition of the Group is depicted as follows: -



Board of Directors Composition

BOARD OF DIRECTORS

BOARD OF DIRECTORS

1. *Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor*
2. *Loo Yong Hui*
3. *Loo Hooi Keat*
4. *Dato' Gopikrishnan A/L N.S. Menon*
5. *Dato' Haji Md Yusoff @ Mohd Yusoff Jaafar*
6. *Datuk Noripah Binti Kamso*
7. *Rozainah Binti Awang*

5. **7.** **3.**

BOARD OF DIRECTORS' PROFILE

TAN SRI DATO SRI ABI MUSA ASA'ARI BIN MOHAMED NOR
Independent Non-Executive Chairman
Malaysian | Male | Aged 71

Tan Sri Dato Sri Abi Musa Asa'ari was appointed to the Board as the Independent Non-Executive Chairman on 22 June 2021.

Tan Sri Abi graduated from University Malaya in 1973 with a Bachelor of Economics (Hons) degree and in 1980 attained a Diploma in Development Administration at the University of Birmingham UK. He subsequently completed his MBA at the same University in 1988. Tan Sri Abi was also conferred an Honorary PhD in Economic Management by Sultan Idris Education University in 2017.

Tan Sri had served the Malaysian Civil Service for 33 years in various government agencies, including the Public Service Department, the National Bureau of Investigation (the precursors of the MACC), the National Institute of Public Administration (INTAN), the Petroleum Development Unit of the Prime Minister Department, the Ministry of Finance and the Ministry of Agriculture. In 2006, he retired as Secretary-General of the Ministry of Agriculture.

After retirement from the Government, he was the Chairman of the Board of Directors of Malaysia Cocoa Development Board from 2006 to 2012. Tan Sri was also the Chairman of the Board of Directors of Tabung Haji Malaysia and the Chairman of the Board of Directors of Sultan Idris Education University from 2007 to 2013.

Tan Sri is currently the Chairman of HeiTech Padu Berhad and MCT Berhad. He also holds directorship in Yayasan HeiTech and several other private limited companies.

Tan Sri does not have any family relationship with any Director and/or major shareholder of the Company.

During the financial year ended 31 December 2021 ("FYE 2021") Tan Sri has attended two (2) out of two (2) Board meetings held during the year.

LOO YONG HUI
Non-Independent Executive Director /
Group Chief Executive Officer
Malaysian | Male | Aged 33

Mr Loo Yong Hui was appointed as the Director since 2014 and was promoted as the Group Chief Executive Officer on 1 May 2021. Subsequently, in conjunction with the listing of the Company in 2021, he was designated as the Non-Independent Executive Director on the Board on 25 June 2021.

He holds a bachelor's degree in Chemical Engineering from the University of Manchester, United Kingdom.

Mr Loo Yong Hui began his career as a fund analyst in 2011 at ECM Libra Financial Group Berhad. He then joined Swift Haulage in 2013 as the corporate planner and, in 2014, took over the charge of the container haulage division for the Central Region. In 2019, he was appointed as the Group Executive Director. He was in charge to oversee the Group Corporate Planning, Group IT and container depot, cross-border transportation, and container haulage division for the Central and Northern Region.

Mr Loo Yong Hui is also the Director of the subsidiary companies, associated companies, and joint venture companies within the Group. He does not hold any directorship in public companies or listed issuers.

Mr Loo Yong Hui is a substantial shareholder of the Company through his substantial shareholdings in Persada Bina Sdn. Bhd.

Mr Loo Yong Hui is the son of Mr Loo Hooi Keat, the Non-Independent Non-Executive Director/ Advisor of the Company. Save as disclosed, he has no family relationship with any other Director and/or major shareholder of the Company.

During FYE 2021, he has attended two (2) out of two (2) Board meetings held during the year.

DATO' HAJI MD YUSOFF @ MOHD YUSOFF BIN JAAFAR

Non-Independent Non-Executive Director

Malaysian | Male | Aged 74

Dato' Haji Md Yusoff was appointed to the Board on 9 March 2011 and was designated as the Non-Independent Non-Executive Director on 25 June 2021.

Dato' holds a Bachelor of Social Science (Hons) degree majoring in Political Science from the University of Science Malaysia.

Dato' served 34 years with the Royal Malaysian Police Force in various departments, namely the Special Branch Department in Pulau Pinang, Terengganu, and Kuala Lumpur. He was the State Deputy Chief Police Officer for Pulau Pinang and Pahang, later promoted as the Chief Police Officer in Terengganu and further promoted as the Commissioner of Police in Sarawak.

Dato' Haji Md Yusoff was the special advisor to the Chief Minister of Sarawak under the Sarawak Ministry of Social Development and Urbanisation upon his retirement from the Police force. Dato' was also the Managing Director of SM Security (M) Sdn Bhd, appointed as a Director of Berjaya Corporation Berhad, Berjaya Inter-Pacific Securities Sdn Bhd (A subsidiary of Berjaya Corporation Berhad).

Presently, Dato' Haji Md Yusoff is a Director at Sunsuria Development Sdn Bhd and Yayasan Taat, the Special Advisor to the President of Chinese Chambers of Commerce Malaysia, and a Director of several subsidiaries under the Group. Dato' does not hold any directorship in public companies or listed issuers.

Dato' Haji Md Yusoff is a substantial shareholder of the Company through his substantial shareholdings in Persada Bina Sdn. Bhd.

Dato' does not have any family relationship with any Director and/or major shareholder of the Company. During FYE 2021, he has attended two (2) out of two (2) Board meetings held during the year.

LOO HOOI KEAT

Non-Independent Non-Executive Director / Advisor

Malaysian | Male | Aged 66

Mr Loo Hooi Keat was appointed to the Board on 27 March 2018 and was designated as the Non-Independent Non-Executive Director / Advisor on 25 June 2021. He is also a member of the Nomination and Remuneration Committee.

He is a Certified Public Accountant and a member of the Malaysian Institute of Certified Public Accountants (MICPA).

Mr Loo Hooi Keat has 24 years of experience in the logistics industry, and his vast professional experience includes working in multi-nationals such as Coopers & Lybrand, Bata Malaysia, Sime Darby Group of Companies, Lion Group of Companies, United Engineers (Malaysia) Berhad, and Konsortium Logistik Berhad (currently known as POS Logistics Berhad).

Mr Loo Hooi Keat was the Chief Executive Officer of Swift Haulage since 2015 and is now providing an advisory role on the business direction and strategic guidance as the Advisor to the Group.

Mr Loo Hooi Keat is presently the President/Chief Executive Officer of Pelikan International Corporation Berhad. He also holds directorship in several other private limited companies.

Mr Loo Hooi Keat is the father of Mr Loo Yong Hui, the Non-Independent Executive Director/ Group Chief Executive Officer and substantial shareholder of the Company. Save as disclosed, he has no family relationship with other Director and/or major shareholder of the Company.

During FYE 2021, he has attended two (2) out of two (2) Board meetings held during the year.

Board of Directors' Profile

DATO' GOPIKRISHNAN A/L N.S. MENON
Independent Non-Executive Director
Malaysian | Male | Aged 60

Dato' Gopikrishnan was appointed to the Board on 22 June 2021. He is a member of the Audit and Risk Management Committee as well as the Nomination and Remuneration Committee.

Dato' completed his Bachelor of Commerce Degree from the University of New South Wales, Sydney, Australia, in 1985, majoring in Accounting, Finance, and Systems.

Dato' has 33 years of experience with the AmBank Group, Malaysia. He started his career at Arab-Malaysian Merchant Bank Berhad, handling Corporate Banking & Factoring in the southern region, and was later transferred to head office in Kuala Lumpur. Dato' was responsible for selected corporate banking clients whilst managing Arab-Malaysian Merchant Bank for Sabah and Sarawak.

In 1996, Dato' was seconded to AMMB International (Labuan) Ltd., responsible for marketing strategies and achieving projected corporate goals. He retired from AmInvestment Bank in February 2021.

Dato' Gopikrishnan does not hold any directorships in other public companies and listed issuers. He does not have any family relationship with any Director and/or major shareholder of the Company.

During FYE 2021, Dato' has attended one (1) out of two (2) Board meetings held during the year.

ROZAINAH BINTI AWANG
Independent Non-Executive Director
Malaysian | Female | Aged 53

Ms Rozainah was appointed to the Board on 22 June 2021. She is the Chairperson of the Audit and Risk Management Committee.

Ms Rozainah is a Fellow of the Chartered Institute of Management Accountants (CIMA), United Kingdom qualification and a member of the Malaysian Institute of Accountants.

Ms Rozainah has more than 17 years of experience in MISC Berhad and its group of companies (MISC Group) in various capacities, including the position of Vice President of Finance. She was a Director at Labuan Reinsurance (L) Limited, Malaysia Marine and Heavy Engineering Holdings Berhad, and was a committee member of the London P&I Club. Ms Rozainah was also on the board of various subsidiaries of MISC Berhad during her tenure at MISC Berhad.

Ms Rozainah was also attached to the Aluminium Company of Malaysia Berhad, TIME Telecommunications Sdn. Bhd. (Timedotcom), KUB GAS Sdn. Bhd., and Colgate Palmolive (M) Sdn. Bhd. during her professional career.

She does not hold any directorship in public companies or listed issuers, and she does not have any family relationship with any Director and/or major shareholder of the Company.

During FYE 2021, she has attended two (2) out of two (2) Board meetings held during the year.

DATUK NORIPAH BINTI KAMSO
Independent Non-Executive Director
Malaysian | Female | Aged 64

Datuk Noripah was appointed to the Board on 22 June 2021. Datuk is the Chairperson of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee.

Datuk Noripah graduated with a Bachelor of Science from Northern Illinois University, United States of America (USA), and a Diploma in Business Studies from the Institute Technology Mara, Malaysia. Datuk earned a master's degree in Business Administration from Marshall University, West Virginia, USA.

Datuk Noripah has more than 30 years of experience in the banking industry. In 1980, she started her career with Urban Development Authority (UDA) and joined Bank of Commerce (M) Berhad (CIMB Group) subsequently in 1983. She held various key positions in the CIMB Group until 2014, of which she left as an advisor to CIMB Group Islamic Banking Division. She was the Chief Executive Officer of CIMB Futures Sdn. Bhd. from 1996 to 2012, the Chief Executive Officer of CIMB Principal Asset Management Berhad from 2005 to 2013 and the founding Chief Executive Officer of CIMB Principal Islamic Asset Management Sdn. Bhd. from 2008 to 2012. During the years, she has established a global platform offering investment capabilities inequities and sukuk for global institutional investors. She was also a former Advisor of CIMB Islamic Bank Berhad from 2013 to 2014.

Datuk Noripah was formerly an Adjunct Professor at the School of Economics, Finance and Banking, Universiti Utara Malaysia (UUM) and the Board of Trustees of the International Council of Islamic Finance Educators (ICIFE). She was also the Past President of the Malaysian Futures Brokers Association (MFBA). In 2015, she was formerly a Global Practitioner in Residence in Principal Financial Group Centre for Global Citizenship, USA. Since 2015, she has also continued to lecture Fundamentals of Islamic Finance Contracts to practising lawyers who are pursuing a Master of Law at St. Joseph University in Beirut, Lebanon.

In the academic year 2016/2017, she was a Visiting Fellow in Islamic Finance in Oxford Center for Islamic Studies (OCIS), an independent centre of the University of Oxford, United Kingdom and was an Adjunct Professor at the Faculty of Business Management, Universiti Teknologi MARA (UiTM). In addition, she was the Chairman of Bank Rakyat and the Chairman of Yayasan Bank Rakyat from 2018 to 2020.

Datuk Noripah authored a globally acclaimed book "Investing in Islamic Funds. A Practitioner's Perspective"; and was recognised as the most influential woman in Islamic Business and Finance by Cambridge International Financial Advisory in 2019.

Datuk Noripah was a Director at the Malaysian Derivatives Clearing House (MDCH), Malaysia Debt Ventures Berhad (a Government Linked Agency under the MOF), Federation of Investment Managers Malaysia, BIMB Investment Management Berhad (a subsidiary of Bank Islam) and currently at Top Glove Corporation Berhad. Bursa Securities appointed her as a Member of its Market Participants Committee from 2014 to 2015.

She does not have any family relationship with any other Director and/or major shareholder of the Company.

During FYE 2021, Datuk has attended one (1) out of two (2) Board meetings held during the year.

Notes: -

1. None of the Directors has a conflict of interest with the Company.

2. None of the Directors:
   (a) has been convicted of any offence within the past five (5) years other than traffic offences, if any; and
   (b) was publicly sanctioned or imposed with a penalty by the relevant regulatory bodies during FYE 2021.

KEY SENIOR MANAGEMENT

1. LOO YONG HUI
2. ESTHER KEE CHUNG CHING
3. STEPHANIE LIM BEE HONG
4. MAZLAN BIN ABDUL JALIL
5. DAVID POH TATT WEI

6. NG CHEE KIN
7. TRACY NEOH LAY CHENG
8. MUHAMMAD ROY NUNIS BIN ABDULLAH
9. RIZNIDA ELIZA BINTI HAMZAH
10. THOMAS RAMADAS

KEY SENIOR MANAGEMENT'S PROFILE

LOO YONG HUI
Group Chief Executive Officer
Malaysian | Male | Aged 33

Mr Loo Yong Hui was appointed as our Director since 2014 and was promoted as the Group Chief Executive Officer on 1 May 2021. Subsequently, in conjunction with the listing of the Company in 2021, he was designated as the Non-Independent Executive Director on the Board on 25 June 2021.

He holds a bachelor's degree in Chemical Engineering from the University of Manchester, United Kingdom.

Mr Loo Yong Hui began his career as a fund analyst in 2011 at ECM Libra Financial Group Berhad. He then joined Swift Haulage in 2013 as the corporate planner and, in 2014, took over the charge of the container haulage division for the Central Region. In 2019, he was appointed as the Group Executive Director. He was in charge to oversee the Group Corporate Planning, Group IT and container depot, cross-border transportation, and container haulage division for the Central and Northern Region.

Mr Loo Yong Hui is also the Director of the subsidiary companies, associated companies, and joint venture companies within the Group. He does not hold any directorship in public companies or listed issuers.

Mr Loo Yong Hui is a substantial shareholder of the Company through his substantial shareholdings in Persada Bina Sdn. Bhd.

Mr Loo Yong Hui is the son of Mr Loo Hooi Keat, the Non-Independent Non-Executive Director/ Advisor of the Company. Save as disclosed, he has no family relationship with any other Director and/or major shareholder of the Company.

During FYE 2021, he has attended two (2) out of two (2) Board meetings held during the year.

ESTHER KEE CHUNG CHING
Group Chief Financial Officer
Malaysian | Female | Aged 43

Ms Esther Kee is the Group Chief Financial Officer appointed on 1 September 2015. She is responsible for the overall financial affairs of the Group.

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

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

Ms Esther has four (4) years of experience at audit firms before joining the logistics industry at Konsortium Logistik Berhad. She was then promoted as the Vice President of Finance before leaving the company in 2011. She continued her career with Pelikan International as Vice President of Corporate Planning in 2012 and Persada Bina as the Group Financial Officer in 2014, 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 five (5) companies within our Group. She was appointed as the Director of Swift Haulage Services, MILS Cold Hub and Swift Commerce in 2017. Subsequently, she was also appointed as the Director of Earth Move International in 2020 and Director of Ann Joo Properties in 2021.

She does not hold directorships in public companies or listed issuers, and she does not have any family relationship with any Director and/or major shareholder of the Company.

Key Senior Management's Profile

STEPHANIE LIM BEE HONG
Managing Director of the Southern Region (for container haulage, warehousing and freight forwarding divisions)
Malaysian | Female | Aged 51

Ms Stephanie Lim is the Managing Director of the Southern Region, managing container haulage, warehousing and freight forwarding divisions. She was appointed to this position on 1 April 2017.

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

After her graduation, Ms Stephanie began her career in Bestari Marine Sdn. Bhd. She was transferred to Boustead Shipping Agencies in 1990 and was responsible for coordinating forwarding principals' requirements with shipping lines and ensuring customs clearance. She left Boustead Shipping Agencies and joined EAC Transport Agencies Sdn. Bhd. in 1993 and was subsequently appointed as General Manager in 2005. She was promoted to Senior General Manager in 2011 after the acquisition of the company by DKSH Transport Agencies (M) Sdn. Bhd. ("DKSH"). In 2013, DKSH was acquired by Swift Group, and the company was known as Swift Logistics TA. Ms Stephanie was then promoted as an Executive Director and subsequently further promoted to Managing Director until now.

She is currently the President of the Johor Ports Shipping & Forwarding Association and a Director of Prosperity Hub Development Sdn. Bhd.

She does not hold directorships in public companies or listed issuers, and she does not have any family relationship with any Director and/or major shareholder of the Company.

MAZLAN BIN ABDUL JALIL
Executive Director of the Eastern Region (for container haulage, warehousing, freight forwarding and inland distribution divisions)
Malaysian | Male | Aged 53

Mr Mazlan is the Executive Director of the Eastern Region for the container haulage, warehousing, freight forwarding and inland distribution divisions. He was appointed to this position on 1 January 2021.

Mr Mazlan graduated with a Bachelor of Science Degree in Industrial Engineering from the University of Texas, the United States of America, in 1990.

Mr Mazlan began his career with Sony TV Industries Sdn. Bhd. in 1991 as an Engineer in the Parts Quality Assurance department. With 14 years of experience, he joined MISC Integrated Logistics Sdn. Bhd. ("MILS") in 2005. He was appointed as the Manager of Business Solutions and Development, Energy Downstream (MILS was later acquired by Swift in 2016 and is currently known as Swift Integrated Logistics). Throughout his career in the company, he was responsible for overseeing the management and operation of logistics, warehousing, haulage, freight forwarding, energy supply chain, specialised transportation, and inland distribution divisions.

In 2017, he was promoted as the General Manager, Supply Chain Management Energy in Swift Integrated Logistics and was responsible for overseeing specialised transportation, Eastern region and East Malaysia. In 2021, he was promoted as the Executive Director of the Eastern Region.

He does not hold directorships in public companies or listed issuers and does not have any family relationship with any Director and/or major shareholder of the Company.

DAVID POH TATT WEI

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

Malaysian | Male | Aged 38

Mr David Poh is the Executive Director of the Central Region for the inland distribution division. He was appointed to this position on 1 January 2021.

Mr David 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, the United Kingdom, in 2004.

Mr David began his career in 2002 as Assistant Branch Manager in Tanjong Express. His responsibility includes human resources, maintenance, accounts, operations, billings, and marketing. In 2007, he was transferred to Tanjong Express Port Klang. Mr David set up a branch office in Bukit Beruntung in 2009 and was served as the Branch Manager of Tanjong Express. With more than 19 years of experience and well development of Tanjong Express during his supervision, the Group appointed him as the General Manager in 2018. In 2021, his career continued to grow when he was appointed as Executive Director of the Central Region for the inland distribution division of Tanjong Express.

Now, Mr David also serves as the Director of Millennium Collection Sdn. Bhd. and Soon Heng Procurement (M) Sdn. Bhd..

He does not hold directorships in public companies or listed issuers and does not have any family relationship with any Director and/or major shareholder of the Company.

NG CHEE KIN

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

Malaysian | Male | Aged 63

Mr Ng Chee Kin is the Executive Director of the Central Region for warehousing, freight forwarding and cross-border transportation divisions. He was appointed to this position on 1 September 2011.

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

Mr Ng has over forty (40) years of experience in the logistics industry. He had served more than seven (7) companies before he joined DKSH Transport Agencies (M) Sdn. Bhd. (currently known as Swift Logistics TA) in 2005. Mr Ng's vast experience and knowledge in the supply chain, shipping and forwarding operation have positioned him among the management lines of the company. Prior, he was the Managing Director and shareholder of Macro Logistics (M) Sdn. Bhd., a company that Swift Haulage subsequently acquired with 65% equity interest. The company was renamed Swift Consolidators, and Mr Ng is the current Director.

Since 2011, he was appointed as Executive Director and is responsible for monitoring the forwarding, cross-border, and warehouse divisions as well as supporting the Group's organisation's strategic alliances and partnerships.

He does not hold directorships in public companies or listed issuers and does not have any family relationship with any Director and/or major shareholder of the Company.

Key Senior Management's Profile

TRACY NEOH LAY CHENG

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

Malaysian | Female | Aged 51

Ms Tracy Neoh is the Executive Director of the Northern Region for the container haulage division. She was appointed to her current position on 3 April 2019.

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

With more than thirty (30) years of working experience, Ms Tracy joined Tanjong Express in 1998 and was appointed as the Account Supervisor. She was given the opportunity to be directly involved in the development of Tanjong Express into the container haulage industry. In 2001, when Tanjong Express's operation commenced officially, she was given the trust to lead and monitor the company's overall operation. Subsequent to the acquisition of Tanjong Express, the Company maintained her position as the Executive Director to oversee the container haulage division in the northern region.

She does not hold directorships in public companies or listed issuers, and she does not have any family relationship with any Director and/or major shareholder of the Company.

MUHAMMAD ROY NUNIS BIN ABDULLAH

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

Malaysian | Male | Aged 63

Mr Muhammad Roy is the Senior General Manager of the Group Human Resource & Administration and Health, Safety, Security, Environment and Quality. He was appointed to his current position on 1 January 2021.

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

In 1990, he began his career as an Executive in Human Resource Department Resources in MISC Berhad. He was then promoted as General Manager at MISC Berhad in 2009, where he led the talent management and career development for the senior leadership. After MISC, Muhammad Roy held the position of Head of Human Resource and Administration at MILS from 2016 to 2018 before joining the Group in 2019.

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

He does not hold directorships in public companies or listed issuers and does not have any family relationship with any Director and/or major shareholder of the Company.

RIZNIDA ELIZA BINTI HAMZAH

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

Malaysian | Female | Aged 50

Ms Riznida is appointed as the Senior General Manager of the Group Legal, Corporate Services and Strategic Communications on 1 January 2021.

Ms Riznida graduated with an LLB (Hons) degree from the University of Warwick, the United Kingdom, in 1995 and holds the Certificate of Legal Practice from the Legal Profession Qualifying Board, Malaysia. Ms Riznida has vast professional legal experience from various companies and organisations, among them are TIME Telekom Sdn. Bhd., the Ministry of Energy, Communications and Multimedia (Jabatan Telekomunikasi Malaysia), Messrs Jeff Leong, Poon & Wong, Messrs William Leong & Co, and Prasarana Malaysia Berhad. During her time at Jabatan Telekomunikasi Malaysia, she was one of the contributors to Malaysia's national policies for the future development of the telecommunications industry in Malaysia. In 2000, she was admitted as an advocate and solicitor at the Kuala Lumpur High Court.

She joined Swift Integrated Logistics as the Head of Group Legal & Corporate Services in 2018. In 2021, she was promoted as the Senior General Manager of Group Legal, Corporate Service & Strategic Communications. Her responsibilities has extended to include public relations, marketing communications, and media communications apart from managing the legal portfolio and related corporate secretarial matters for Swift Group.

She does not hold directorships in public companies or listed issuers, and she does not have any family relationship with any Director and/or major shareholder of the Company.

THOMAS RAMADAS

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

Malaysian | Male | Aged 50

Mr Thomas Ramadas is appointed as the Senior General Manager of the Central Region for the container haulage division on 10 March 2021.

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

Mr Thomas began his career at Konsortium Logistik Berhad (currently known as POS Logistics Berhad) in 1996 until 2002. His responsibility includes strategic planning and the development of the company.

After leaving Konsortium Logistik Berhad, he joined Tanjong Express, followed by Yinson Haulage (Swift Haulage's previous name) in 2003, where he was responsible for the whole company's operations. Following the acquisition of the company by Persada Bina, he climbed several posts in his career, including Operation Manager, Marketing Manager, and Head of Haulage of the Central Region. In 2021, he was appointed as the Senior General Manager of the Central Region until the present.

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

He does not hold directorships in public companies or listed issuers and does not have any family relationship with any Director and/or major shareholder of the Company.

Notes: -

1. None of the Key Senior Management has a conflict of interest with the Company.
2. None of the Key Senior Management:
   (a) has been convicted of any offence within the past five (5) years other than traffic offences, if any; and
   (b) was publicly sanctioned or imposed with a penalty by the relevant regulatory bodies during the FYE 2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Swift Haulage Berhad ("Swift" or "the Company") fully acknowledges its responsibility in leading the Company and its subsidiaries ("the Group") to uphold sound corporate governance by complying to Malaysian Code on Corporate Governance 2021 ("MCCG 2021") issued by the Securities Commission Malaysia with effect on 28 April 2021. We understand that there is a correlated relationship between our business integrity and our Group's reputation as well as shareholders' confidence.

The Board is pleased to present this Corporate Governance Overview Statement ("CG Statement") for the financial year ended 31 December 2021 ("FYE 2021") which shall provide an insight into our corporate governance practices by describing how the Board discharges its duties and responsibilities in maintaining a sustainable business to create long-term values to our shareholders. In accordance with MCCG 2021, this CG Statement is outlined based on the following three (3) key corporate governance principles as set out in the MCCG 2021: -

- Principle A: Board Leadership and Effectiveness;
- Principle B: Effective Audit and Risk Management; and
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This CG Statement is made in accordance with Paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Specific disclosures on the application of each corporate governance practice are set out in the Corporate Governance Report ("CG Report"). Shareholders are advised to read this CG Statement together with the Company's CG Report published on the Company's website at www.swiftlogistics.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1 The Board

Our Board assumes the ultimate responsibility to oversee the Group's business performance, risk management, internal controls, corporate governance and succession planning in order to ensure that the Group is steering towards its strategic aims and objectives. The Group's vision, mission and core values are embedded and deep-rooted in our business operations.

To ensure an effective discharge of responsibility, the Board is guided by the Board Charter, which is made available on the Company's website at www.swiftlogistics.com.my. The Board is supported by two (2) Board Committees, namely Audit and Risk Management Committee ("ARMC"), as well as the Nomination and Remuneration Committee ("NRC"). This shall enable the Board Committee to focus on respective areas for better management and governance within the Group.

Whilst different areas are monitored by different Board Committees, the Board holds the collective oversight responsibility to instil fair, transparent and good corporate governance practices. In this regard, the Board is led by an Independent Non-Executive Chairman, Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor. The Company view the independence of the Board Chairman essentially by segregating such position with Group Chief Executive Officer into different individuals. The roles of Chairman and Group Chief Executive Officer are held by separate persons, and this facilitates clear segregation of roles and responsibilities between them and a balance of power and authority as intended in the Board Charter. This practice has been and will continue to be in place in an effort to protect our shareholders' interests and investments by ensuring that the Board is only supported by but not influenced by the executive role in daily business management. The Board Chairman has also exempted himself from holding any Board Committee position to ensure true independence and integrity during deliberation at Board meetings as recommended by MCCG 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

1 The Board (Cont'd)

During FYE 2021, our Board has met two (2) times upon the formalisation of the Board, with the meeting attendances as follows: -

Director	Meeting Attendance	Percentage of Attendance
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	2/2	100%
Loo Yong Hui	2/2	100%
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	2/2	100%
Loo Hooi Keat	2/2	100%
Dato' Gopikrishnan A/L N.S. Menon	1/2	50%
Datuk Noripah Binti Kamso	1/2	50%
Rozainah Binti Awang	2/2	100%

All Directors have complied with the minimum 50% attendance requirement in Board meetings as stipulated in MMLR. All Board meetings are scheduled in advance to enable Directors to reserve their dates for the meetings. To facilitate Board meetings, all meeting materials such as meeting agendas and Board papers are circulated to the Board at least seven (7) days before the Board meetings. This ensures that the Board possesses sufficient time to review the relevant materials to support a meaningful deliberation during the meetings. The Board also recognises the importance of having segregated Board meetings and Board Committee meetings to uphold an objective and independent deliberation for protecting our shareholders' interest in our best effort.

The Board is also supported by two (2) Company Secretaries by having them in the presence of all Board and Board Committee meetings held during the financial year under review. Company Secretaries have properly discharged their responsibilities by facilitating the Board and Board Committee meetings and providing professional advice pertaining to governance matters and compliance with statutory laws, legislation, regulatory requirements, listing requirements as well as other relevant rules and regulations. As such, the Company Secretaries are mindful to keep themselves abreast of the latest regulations and governance requirements by undertaking continuous professional development.

All matters raised, including discussions, deliberations, decisions and conclusions, were recorded by Company Secretaries in the meeting minutes. Minutes of the Board and Board Committees' meetings are circulated to the Directors in a timely manner for review and thereafter for confirmation at the next Board or Board Committee meeting. The Company Secretaries also play a key role to facilitate communication between the Board and Management.

2 Demarcation of Responsibilities

The Board has adopted a Board Charter that outlines the respective roles and responsibilities of the Board, Board Committees, Chairman, Executive Directors, Independent Non-Executive Directors, Company Secretaries, and the matters reserved for the Board's deliberation and decision. By stipulating a clear line of responsibilities, this Board Charter shall serve as the guideline for the Board to perform their duties in line with the prescribed Board processes and Board Policy. While the Board may appropriately delegate its authority to Board Committees, it should not abdicate its responsibilities and should at all times exercise collective oversight of the Board Committees.

The Board Charter of the Company is published on the Company's website at www.swiftlogistics.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

3 Ethical Business Conduct and Robust Corporate Culture

The Board fully understands that the Group's sustainable development and growth are underpinned by sound corporate governance with ethical behaviour and business dealings conducted across the Group. As such, the Group has put in place an Anti-Bribery and Corruption Policy ("ABC Policy") to comply with the enforcement of Section 17A of the Malaysian Anti-Corruption Commission Act 2009. The ABC Policy demonstrates our zero-tolerance principle against any form of bribery and/or corruption in the business conduct within the Group by advocating compliance with all applicable anti-bribery and corruption laws in Malaysia.

Whistleblowing Policy is formalised and adopted to provide all employees and stakeholders an avenue to raise concern and make report of any work malpractices or improper conduct to the Chairman of ARMC. Disclosure and/or report can be made by formal letter to the Company or email to compliance@swiftlogistics.com.my. The Group will conduct investigations upon receiving report from employees or stakeholders promptly and as fairly as possible. The Chairman of ARMC may also direct the investigation to the most appropriate division or department which is deemed as the best placed to address it, or to lead the investigation directly.

Whistleblower who reports in good faith will be protected by treating all information and disclosure in high confidentiality. The Whistleblowing Policy shall be reviewed from time to time in order to maintain its relevance and compliance with all applicable laws and regulations. Both the ABC Policy and Whistleblowing Policy are published on the Company's website at www.swiftlogistics.com.my.

In line with MCCG requirements, the Group is undergoing periodical enhancement of its present Code of Conduct and Ethics. The policy will be uploaded to the Company's website for the general public's reference upon the obtaining approval from the Board.

4 Sustainability Management

The Board acknowledges that sustainability is a growing concern in today's management. In this regard, the Board has the ultimate responsibility to oversee the Group's sustainability management within the contexts of Economic, Environment, Social and Governance. The Board is supported by the Sustainability Steering Committee ("SSC") and Sustainability Working Committee ("SWC") to communicate the Group's sustainability matters to all employees and relevant stakeholders to assist the Board in developing the sustainability strategies of the Group.

The Group has formalised its Sustainability Policy and Sustainability Procurement Policy in July 2021. Upon the formalisation of detailed sustainability objectives, goals, targets and values by SSC, the SWC is responsible for implementing several sustainability initiatives into daily operations within their respective areas of operation. SWC shall also monitor such implementation and report the same to SSC to ensure that the Group's sustainability management is appropriate and in line with the Group's strategic direction. SSC will then report the progress of sustainability matters to the Board regularly.

Serving as an integrated logistics services provider, the Board takes cognisant of the importance of engaging with our stakeholders to better understand their needs, requirements and expectations for our improvement. The Group has identified key stakeholders who may have a significant impact on the Group's operations and has reported Swift's interaction approaches and frequencies in the Sustainability Statement 2021 within this Annual Report. In addition, Swift's sustainability strategies and commitments are also detailed in the Sustainability Statement 2021.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

4 Sustainability Management (cont'd)

While the Board is aware that sustainability issues evolve in line with the ever-changing business environment, the Board has taken initiatives to keep abreast with the relevant sustainability issues by attending training programmes and subscribing to credible websites or journals for relevant updates. In addition, the Board also stays informed by the ARMC on the Group's risk management and internal control system periodically, which also covers the sustainability risks that the Group is exposed to. The details of the training programmes attended by the Directors during the financial year under review are set out in following Paragraph 6 in this CG Statement.

As we have just started our sustainability initiatives, the Board is currently in the midst of considering and deliberating to include the sustainability performance into our annual performance review in order to keep track and monitor our sustainability journey and performance moving forward.

II. BOARD COMPOSITION

5 Effective Board with Sufficient Diversity

The Board currently comprises seven (7) members, with one (1) Executive Director, four (4) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors, as follows: -

Name	Directorship
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 Board comprises a mix of expertise in various industries to contribute a wide pool of ideas, opinions, skills, and knowledge in driving the Group towards long-term success. The profiles of each Director, including their qualifications and experience, are detailed in the Board of Directors' Profile within this Annual Report. We have also upheld our Board's integrity by having a majority of Independent Non-Executive Directors on the current Board. In addition, there are also two (2) women Directors sitting on the Board, representing a woman representation of 28.6% as at 31 December 2021.

In this regard, the Board has put in place a Board Diversity Policy within the Board Charter to empower the NRC in maintaining the Board with an appropriate balance of independence and gender. While we strive to achieve gender diversity in the Board and Key Senior Management, gender shall not be pre-requisite criteria for the directorship of the Company or the managerial positions in the Group to avoid any inappropriate and ineffective appointment.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

5 Effective Board with Sufficient Diversity (cont'd)

The NRC is tasked with the responsibility to review the effectiveness of the Board and Board Committees, as well as the contribution and performance of each individual Director on a yearly basis. The composition of the present NRC is as follows: -

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

Re-election of Directors

Any Director appointed during the year is required under the Company's Constitution to retire and may seek re-election by the shareholders at the following Annual General Meeting ("AGM") immediately after their appointment. The Company's Constitution also requires that one-third (1/3) of the Directors retire by rotation and seek re-election at each AGM and that each Director shall submit himself or herself for re-election at least once in every three (3) years.

The Directors who are subjected to re-election at the AGM had to be assessed by the NRC, whereupon the Board had considered their appointment for recommendation to shareholders for approval at the upcoming AGM.

The Directors who are standing for re-election at the forthcoming 22nd AGM of the Company are as set forth in the Notice of the 22nd AGM as contained in this Annual Report.

Tenure of Independent Director

As part of the NRC's duties as set out in the Board Charter, they have conducted an independent assessment on the Independent Directors during FYE 2021. None of the existing Independent Directors has served the Board for a cumulative term of more than nine (9) years as all Independent Directors are newly appointed in conjunction with our recent listing in December 2021. In the event that the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, the Board should justify and seek annual shareholders' approval through the two-tier voting process as recommended by Practice 5.3 of MCCG. This statement has also been outlined in the Board Charter, which is made available on the Company's website at www.swiftlogistics.com.my.

For the Group's succession planning, the Board understands the importance of not solely relying on recommendations from existing Board members, Key Senior Management or major shareholders to identify candidates for Board appointment. However, we are still mainly relying on recommendations from the existing Board, Key Senior Management or major shareholders to speed up the appointment process. Nevertheless, we would not hesitate to utilise independent sources to identify suitably qualified candidates in future when necessary.

We also keep our shareholders well-informed on the re-appointment of Directors through the Statement Accompanying Notice of AGM which is attached as part of the Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

6 Overall Board Effectiveness

Directors' Training

One of the responsibilities of the NRC is to assess the training needs of each Director. The Board is mindful of the need for continuous training to keep themselves abreast of the relevant changes in laws, regulations and the business environment to discharge their duties effectively. During FYE 2021 and up to the approval date of this Annual Report, our Directors have attended the following training programmes: -

Director	Training Programmes Attended
Loo Yong Hui	• Mandatory Accreditation Programme • Audit Oversight Board: Conversation with Committees
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	• Mandatory Accreditation Programme
Loo Hooi Keat	• Business Continuity Plan Programme and Global Logistics and Supply Chain Management
Dato' Gopikrishnan A/L N.S. Menon	• Mandatory Accreditation Programme
Rozainah Binti Awang	• Audit Oversight Board: Conversation with Committees
Datuk Noripah Binti Kamso	• Expanding Malaysian Economic Pie. By KSI Strategic Institute for Asia • A Global Discourse on Humanistic Economy. By Wacana Economi Manusiawi • Doing Business with the USA. A Panel Discussion on U.S. Import Bans on Malaysian Palm Oil and Rubber • Corporate Board Leadership Symposium • Disruptive Technologies • Malaysian Banking and Finance Summit. Future of Banking in the New Normal. Disruptive Innovation, Technology and Transformation. • Business and Human Rights Manual Development • Changes in Law: Jurisdictions and Legislation on Business Human Rights • Best Practices of Environmental, Social, and Governance • Addressing Activist Do's and Don't's • Shareholders Activism vs Stakeholders Activism. How They Operate • Development of Company Policies on Business Blockades and Sanctions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

6 Overall Board Effectiveness (cont'd)

Directors' Training (cont'd)

Although Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar was not able to attend a structured training programme during the financial year under review due to his personal exigencies, he continued to gain updates through the briefings by the Company Secretaries and External Auditors during the quarterly meetings as well as communications with other Directors and through his work exposures.

The Board, through NRC, has assessed and evaluated the performance and effectiveness of the Board, Board Committees and each individual Director for FYE 2021. The process was carried out via the distribution of the following digital evaluation forms to our Directors: -

1) Self and Peer Performance Evaluation Form;
2) Board and Board Committee Performance Evaluation Form; and
3) ARMC Evaluation Form.

The abovementioned evaluation forms have covered several criteria such as qualification, knowledge, experience, integrity, professional conduct and business ethics. For the FYE 2021, the Board was satisfied with the results of the annual assessment, and the current size and composition of the Board and Board Committees are appropriate and well-balanced with the right mix of skills, comprising individuals of high calibre, credibility and with the necessary skills and qualifications to discharge their roles and responsibilities effectively.

III. REMUNERATION

7 Remuneration Policies and Procedures

The NRC is also responsible for establishing and developing a competitive remuneration policy and packages for the Board and Senior Management in accordance with the duties and responsibilities as stated in its Terms of Reference ("TOR").

The Board has formalised and adopted a formal Remuneration Policy as a guideline to establish a proper and transparent procedure in developing the remuneration of all Directors and Senior Management. The remuneration packages shall be competitive, adequate but not excessive, and in line with the current market practices to attract, retain, motivate and reward the right talent in our Group.

The Remuneration Policy has specifically set out the guidelines for developing remuneration packages for Executive Directors, Non-Executive Directors and Senior Management respectively, to reflect their scope of roles and responsibilities. The procedures of reporting and monitoring performance evaluation and designing and recommending remuneration packages are outlined in the Remuneration Policy. Individual's responsibilities, contributions and performance are compared to the actual Key Performance Indicators and prescribed benchmarks to assess performance and determine remuneration. Each Director will abstain themselves from the deliberation and voting on matters pertaining to their remuneration.

8 Remuneration of Directors and Senior Management

In establishing the Board's remuneration package, the NRC has taken the consideration of individual responsibilities, commitments to the Board and the Group, complexities and performance of the Group, as well as the skills and experience required to perform their scope of duties. The total remuneration of the Directors on a named basis for FYE 2021 is detailed in our CG Report. The Directors' fees are subject to the shareholders' approval at the forthcoming AGM.

Similar factors such as individual responsibilities, skills, expertise and contributions to the Group's performance are also taken into consideration in determining the remuneration packages of the Group's Senior Management.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

8 Remuneration of Directors and Senior Management (cont'd)

The Board is of the view that the disclosure of the Key Senior Management's remuneration on a named basis would have an adverse effect on the Company's talent retention in the highly competitive industry. Due to the security and confidentiality of the remuneration package of our Key Senior Management, the Board has adopted a disclosure of our Key Senior Management remuneration in bands of RM50,000 on an unnamed basis, as follows: -

Range of Remuneration	Number of Key Senior Management
RM250,001 to RM300,000	1
RM300,001 to RM350,000	1
RM450,001 to RM500,000	1
RM500,001 to RM550,000	2
RM550,001 to RM600,000	2
RM1,450,001 to RM1,500,000	1
RM2,100,001 to RM2,150,000	1

* Key Senior Management who also holds a role as a Director of subsidiaries.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

9 Effective ARMC

In Swift, we have an ARMC comprising exclusively of Independent Non-Executive Directors as follows: -

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

A strong element of independence is proven by the composition of our ARMC to provide an objective view in ensuring the integrity of financial controls and integrated reporting, as well as identifying and managing material risks. The Board is also mindful of having separate individuals to hold the position of Board Chairman and ARMC Chairman to preserve integrity.

The Chairperson of the ARMC, Ms Rozainah Binti Awang, is a fellow member of the Chartered Institute of Management Accountants. Although only one-third (1/3) of the ARMC is a member of a professional accounting body, Datuk Noripah Binti Kamso and Dato' Gopikrishnan A/L N.S. Menon have previously been working in the banking industry. As such, the ARMC as a whole is financially literate and has a sufficient understanding of the Group's business and matters under the purview of the ARMC, including the financial reporting and auditing process.

All the ARMC members have and will continue to sharpen their skills and knowledge by undertaking continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

9 Effective ARMC (cont'd)

In accordance with the TOR of ARMC, a key audit partner is required to observe a cooling-off period of at least two (2) years before being appointed as a member of the ARMC so as to advocate true independence when discharging the roles as an ARMC member. The Board is aware of the best practice upheld by MCCG 2021 to revise the cooling-off period to at least three (3) years. The Board is looking into such a matter and will continue to deliberate and revise the TOR accordingly. Nevertheless, none of the current ARMC members is a former key audit partner involved in auditing the Group.

The Company has also established an External Auditors Assessment Policy to assess the External Auditors on a yearly basis. This policy is to assist the ARMC in evaluating the suitability, objectivity, independence and overall performance of the External Auditors. It covers the scope of selection and appointment, non-audit engagement, as well as annual performance and independent evaluation of External Auditors. In particular, the annual evaluation of the External Auditors includes: -

- quality of audit services;
- adequacy of resources;
- communication and interaction with Management and the Internal Auditors; and
- independence, objectivity and professional scepticism.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10 Proper Risk Management and Internal Control System

The Board affirms its ultimate responsibility towards sound risk management and internal control system in place within the Group to protect the shareholders' investment, stakeholders' interests and the Group's assets.

The Group has adopted ISO 31000 as a guideline of the Group's risk management framework. Such guidance has demonstrated a comprehensive risk management process covering communication and consultation with stakeholders to risk assessment and risk treatment and monitoring thereafter. Meanwhile, Standard Operating Procedures and proper organisational structure with clear reporting lines are put in place in daily operations to ensure a smooth proceeding in our business. Our internal controls are further proven and monitored by the accreditation of the Internal Organisation for Standardisation in our quality, environmental management, occupational health and safety, and road traffic safety management systems.

The Board is supported by the ARMC to monitor and oversee the adequacy and effectiveness of the Group's risk management and internal controls system. Key features of the said system, together with its adequacy and effectiveness, are detailed in the Statement on Risk Management and Internal Control in this Annual Report.

11 Effective Internal Audit Function

The Board has appointed GRC Consulting Services Sdn Bhd ("GRCCS") to be in charge of the Group's internal audit function on an outsourced basis. By outsourcing, the Board can ensure that the internal audit function operates independently and objectively. The Board has also ensured that the Internal Auditors, GRCCS, are free from any relationship and/or conflict of interest with the Group.

The Engagement Director of GRCCS is Mr Affeiz Abdul Razak who has more than 20 years of diverse professional experience in internal audit, risk management, business continuity management and corporate governance advisory.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

11 Effective Internal Audit Function (cont'd)

He is currently one of the Governors in The Institute of Internal Auditors Malaysia's ("IIAM") Board as Board's Vice President II and had previously served as the Honorary Treasurer and Honorary Secretary of IIAM. He is a Chartered Member of Institute of Internal Auditors Malaysia, Certified Financial Services Auditor (US) and has Accreditation in Internal Audit Function Assessment Validation by the Institute of Internal Auditors (US), Associate Member of Association of Certified Fraud Examiners (US), Member of Business Continuity Institute (UK), Affiliate Member of Institute of Risk Management (UK), Certified Business Continuity Institute (UK) Professional with Merit, Member of Institute of Corporate Directors Malaysia and Associate Member of Asian Institute of Chartered Bankers.

Generally, five (5) to eight (8) staff will be allocated to perform the internal audit review of the Group, depending on the complexity and work scope of the particular audit review. All internal audit reviews were conducted with a risk-based approach, guided by the International Professional Practice Framework.

During FYE 2021, the Internal Audit team conducted one (1) internal audit review at the end of quarter 4, 2021 on the Group's container haulage cycle of which the status update and results will be tabled to the ARMC accordingly. From the preliminary audit observations there were no issues that warrant immediate or heightened attention of the ARMC. The Board is of the view that the Group's operation is operating adequately, and no significant weakness has been noted in the Group's internal control system that may arise in material impact and would require separate disclosure in the 2021 Annual Report. Further details of the Group's internal audit function are reported in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

I. ENGAGEMENT WITH STAKEHOLDERS

12 Effective and Transparent Communication with Stakeholders

Regular communication with stakeholders in an effective and transparent manner is essential for the Group to understand better their opinions and perspectives for our sustainable business growth. The Company strictly complies with Bursa Securities' disclosure framework by disclosing complete and accurate information to shareholders and the general public in a timely manner. We also understand that providing timely information is important for shareholders to make informed decisions.

As such, the Company communicates with its stakeholders via the following channels: -

- Announcement made to Bursa Securities' website;
- Quarterly financial results and Annual Report;
- AGM for dialogues with shareholders;
- Sessions with analysts;
- Corporate website;
- Interviews; and
- Social media and other electronic channels.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS

13 AGM

AGM is our principal forum to engage with shareholders annually. In this regard, the Board attempts to provide sufficient opportunities to our shareholders for effective two-way communication. In line with good corporate governance practice, we will distribute the notice of AGM and Annual Report to the registered shareholders not less than 28 days prior days prior to the AGM to ensure that shareholders have sufficient time to peruse the full information about the meeting for facilitating their informed decision-making.

The tentative dates of our AGM are discussed and confirmed by the Board in advance to ensure that all Board members have sufficient time to make necessary arrangements to attend the scheduled AGM. To protect our shareholders' health and safety, we will convene the upcoming AGM virtually. We have engaged Tricor Investor & Issuing House Services Sdn Bhd to support and facilitate our virtual AGM while ensuring that all shareholders' personal data are properly protected to uphold good cyber hygiene. Our shareholders are allowed to attend, participate, raise concerns and vote remotely at the said AGM. Questions raised by our shareholders will be made visible to all meeting participants during the AGM.

Barring unforeseen circumstances, all Board members, particularly the chairperson of each Board Committee, will endeavour to attend the AGM to provide a meaningful response to the queries raised by our shareholders during the meeting. External Auditors will also be invited to attend the AGM to respond to any questions raised by the shareholders pertaining to the conduct of the audit and financial statements of the Group, if any.

Upon conclusion of the AGM, we will circulate the AGM minutes by publishing them on our Company's website within 30 days from the date of the AGM to enable shareholders, especially those who are unable to make him or herself present at the AGM, to have a review of the discussions and decisions made during the meeting.

KEY FOCUS AREAS AND FUTURE PRIORITIES

Looking ahead to the financial year ending 2022, the Board and its respective Board committees will: -

- focus on major strategic issues to ensure sustainability and growth, including developing specific strategic plans and transactions and the Company's broader long-term direction;
- understand the risks associated with strategic decisions and operations and the processes Management has in place to identify, monitor, and manage risk;
- continue to monitor succession planning for the Board and the Key Senior Management to ensure a healthy pipeline of talent is emerging for future Board and senior executive management;
- focus on the corporate culture, emphasising expectations that Management will foster within the Company culture of ethical behaviour, fair dealing, respect for diversity, equity, and inclusion as well as integrity.

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is of the view that the Group has complied with and shall maintain the highest possible standards through continuous adoption of the principles and best practices as prescribed in MCCG 2021 as well as all other applicable laws, where applicable and appropriate. This CG Statement was approved by the Board on 13 April 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("Board") of Swift Haulage Berhad ("Swift" or "the Company") is pleased to present the first (1st) Audit and Risk Management Committee Report, which provides insights into the manner of our Audit and Risk Management Committee ("ARMC") discharged their responsibilities during the financial year ended 31 December 2021 ("FYE 2021"). This report is made in accordance with Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

MEMBERSHIP AND MEETINGS

The ARMC is established with the primary objective to assist the Board in exercising due care on the oversight of the Group's financial reporting process, internal and external audit processes, and risk management and internal control system.

As of 31 December 2021, the composition of the ARMC, together with their meeting attendance in FYE 2021, is as follows: -

Name	Directorship	Meeting Attendance
Chairperson Rozainah Binti Awang	Independent Non-Executive Director	1/1
Members		
Dato' Gopikrishnan A/L N.S. Menon	Independent Non-Executive Director	1/1
Datuk Noripah Binti Kamso	Independent Non-Executive Director	0/1

We have fully complied with Paragraph 15.09 of MMLR by having three (3) members in the ARMC, and no alternative director is appointed in the ARMC. In addition, the Chairman of ARMC, Ms Rozainah Binti Awang, is a fellow member of the Chartered Institute of Management Accountants. In line with the best practices of the Malaysian Code on Corporate Governance 2021, the ARMC comprises exclusively of Independent Non-Executive Directors, and the Chairman of the ARMC is not the Chairman of the Board.

The ARMC carries out its duties and responsibilities in accordance with its Terms of Reference ("TOR"), which are made available on the Company's website at www.swiftlogistics.com.my.

Our ARMC is guided to have at least four (4) meetings annually. However, in conjunction with the recent listing on the Main Market of Bursa Securities in December 2021, only one (1) ARMC meeting was conducted during FYE 2021. The Non-Independent Executive Director cum Group Chief Executive Officer, Group Chief Financial Officer ("Group CFO"), Non-Independent Non-Executive Director cum Advisor, the Management of the Group ("Management") and representatives of the External Auditors have attended the said ARMC meeting by invitation to assist in providing further clarification or information during the meeting.

Notice of ARMC meeting and meeting papers were distributed to the Committee before the Committee meeting to enable the Committee Members to peruse and provide their feedback or comments at the meeting.

The Company Secretary was also in the presence of the meeting to facilitate the meeting process and record the minutes, which were to be tabled for confirmation at the next ARMC meeting and subsequently presented to the Board for notation.

SUMMARY OF ACTIVITIES OF ARMC

In accordance with the TOR of ARMC, the ARMC has carried out the following activities during the financial year and up to the date of this report to discharge its functions and duties: -

1. Financial Reporting

- Reviewed and deliberated on the quarterly financial results and audited financial statements prior to submission to the Board for consideration and approval. Group CFO has assured that the quarterly financial results and annual audited financial statements are made in compliance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, Companies Act 2016 and MMLR; and

- Reviewed the Audited Financial Statements of the Group before recommending them for the Board's approval.

SUMMARY OF ACTIVITIES OF ARMC (CONT'D)

2. External Audit

- Reviewed and assessed the performance, independence and objectivity of External Auditors, as well as the reasonableness of their audit fees and non-audit fees for FYE 2021;

- Deliberated and approved on the Audit Planning Memorandum, which details the areas of audit approach, the scope of work, audit timeline and areas of audit emphasis to ensure the effectiveness of the audit strategy and quality of audit prior to the Board's approval;

- Deliberated on the Audit Review Memorandum with External Auditors in connection to the significant accounting and audit issues arising from the statutory audit of the Group and of the Company for the financial year under review;

- Reviewed and assessed the performance, suitability and independence of the External Auditors for the FYE 2021 before recommending their re-appointment for the Board's approval; and

- Received updates from the External Auditors on changes to the relevant guidelines on the regulatory and statutory requirements.

3. Internal Audit

- Reviewed the appointment of Internal Auditors and recommended for the Board's approval;

- Reviewed the Internal Audit Plan for the Year 2021-2022 presented by the Internal Auditors to ensure adequate scope and comprehensive coverage of the activities of the Group;

- Reviewed the internal audit reports, findings and relevant recommendations to ensure that appropriate actions were taken to improve the Group's internal control system; and

- Conducted an Internal Audit Assessment to review the adequacy of the scope, functions, competency, and resources of the Internal Auditors in carrying out the internal audit work of the Group.

4. Risk Management and Internal Control

- In tandem with the Group's newly listing in Quarter 4 of FYE 2021, the Group has decided to enhance the risk management and internal control review which have been observed in the past. The Group has appointed an outsourced Internal Auditor for the Group's risk management and internal control functions. This shall ensure that the Group's risk management and internal control measures is adequate and sufficient in accordance with the expected industry standards and fully complies with the Bursa Securities listing requirements.

5. Anti-Bribery and Corruption ("ABC") Compliance and Adequate Procedures

- Effective 1 June 2020, Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act") was amended to include the corporate liability of Malaysian commercial organisations ("CO") for corruption offences under the new provision. During the FYE 2021, the Company, defined as a CO under the Guidelines on Adequate Procedures issued by the Prime Minister's Office in December 2018 (which set out adequate procedures a CO would need to put in place as a defence to a corporate liability charge under the MACC Act), has established the ABC Policy and the supporting programmes.

6. Related Party Transactions ("RPT")

- Reviewed the RPT of the Group on a quarterly basis and ensured that all RPT was undertaken on an arm's length basis with proper disclosure.

7. Annual Report

- Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control prior to submission for the Board's consideration and approval and inclusion in the Annual Report 2021.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by GRC Consulting Services Sdn Bhd ("GRCCS"), an outsourced independent professional service provider. The Internal Auditors report directly to the ARMC on the activities carried out based on the approved internal audit plans. The principal function of the Internal Auditors are to undertake a regular and systematic review of the internal control system within the Group so as to provide independent assurance on the adequacy and effectiveness of governance, risk management and internal control processes.

Internal audit plan was tabled to ARMC for approval during ARMC meeting. The objective of the internal audit cycles as per the internal audit plan is to identify operational weaknesses and/or areas of improvement, along with the corresponding root-cause analysis and proposed recommendations.

The Internal Auditors are accountable to provide independent and objective assurance, together with necessary recommendations to improve the Group's operational efficiency. As such, the Internal Auditors perform regular reviews of the Group's operations on a quarterly basis with a systematic risk-based approach in accordance with the approved internal audit plan.

The ARMC and Management will then take note of the findings and implement the relevant proposed recommendations within the stipulated timeframe. GRCCS also performs follow-up reviews to ensure that corrective measures are properly in place and subsequently reports the same to the ARMC.

In order to ensure an effective discharge of duties, the ARMC is authorised to have full and unrestricted access to all information and resources of the Group, which are deemed necessary for the appropriate conduct of internal audit review.

During FYE 2021, Internal Auditors have appropriately discharged their duties by conducting one (1) internal audit review at the end of 4^{th} quarter in FYE 2021 on the Group's container haulage cycle of which the status update and results will be tabled to ARMC accordingly. From the preliminary audit observations, no issues were highlighted by the Internal Auditors that warrant immediate or heightened attention of the ARMC. The Board is of the view that the Group's operation is operating adequately, and no significant weakness has been noted in the Group's internal control system that may arise in material impact and would require separate disclosure in this Annual Report.

The total cost incurred by the internal audit function of the Group for FYE 2021 amounted to RM25,000.

During the financial year, the Internal Auditors have also assisted the Company in developing the Enterprise Risk Management Framework with a principal objective to safeguard shareholders' investments, stakeholders' interests and the Group's assets. Particularly, the framework enables the Board and ARMC to: -

- understand stakeholders' requirements and expectations;
- establish the Group's risk contexts;
- identify, analyse, evaluate and manage risks; and
- continuously monitor and review the risk treatment or mitigation plans.

The risk management framework is designed in accordance with ISO 31000, with a comprehensive process of: -

- communication and consultation with stakeholders;
- establish the context;
- identify, analyse and evaluate risks;
- manage the identified risks; and
- monitoring and review.

Further details of the Group's risk management and internal control functions are outlined in the Statement on Risk Management and Internal Control set out in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. Introduction

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), a listed issuer must ensure that the Board of Directors ("The Board") includes in its annual report a statement about the state of its risk management and internal controls as a group. In addition, the Malaysian Code on Corporate Governance ("MCCG") also stipulates that the Board should maintain a sound system of internal controls, including a review of its effectiveness to safeguard shareholders' investments and the company's assets. This statement outlines the nature and state of the risk management and internal controls of Swift Haulage Berhad ("Swift" or "the Company") and its subsidiaries ("Swift Group" or "the Group") during the financial year.

2. Board Responsibility

The Board acknowledges its responsibility and re-affirms its commitment to the Group's systems of risk management and internal control and to reviewing its adequacy and effectiveness to ensure that the Group's assets and shareholders' interests are safeguarded.

The enterprise risk management and internal control system are designed to identify and manage the company's risks in order to achieve its business objectives. The Board is aware that the enterprise risk management and internal control system can only provide reasonable and not absolute assurance against the risk of material loss or occurrences of unforeseeable circumstances. Accordingly, the purpose of the risk management and internal control system is to manage and minimise rather than eliminate the risk of failure to achieve the policies and objectives of the Company.

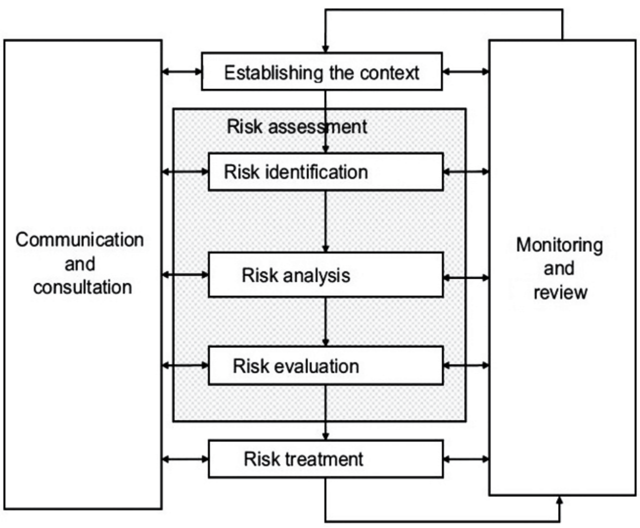
The Board has received reasonable assurance from the Group Chief Executive Officer and Group Chief Financial Officer that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review and up to the date of issuance of this statement. In addition, the Group's joint venture and associate companies have their own Board that provides oversight on their respective risk management and internal control systems.

The Audit and Risk Management Committee (ARMC) reports to the Board on a quarterly basis and, as part of its monitoring activity, ensures key risks are deliberated and mitigating actions are implemented.

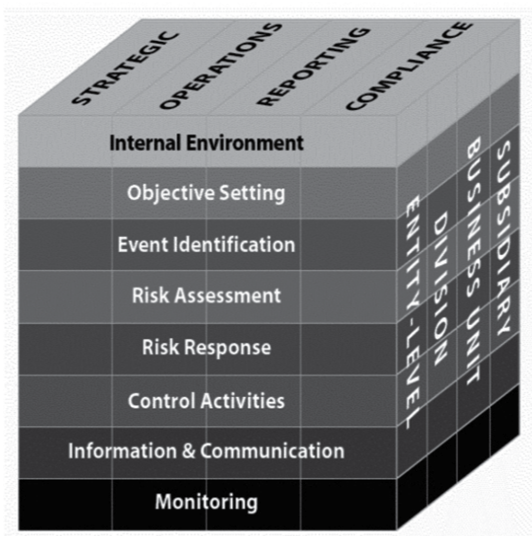
3. Risk Management and Internal Control Framework

The Board acknowledges that the Group's business activities involve some degree of risk. Thus, key management staff and heads of departments are delegated with the responsibility to manage identified risks within defined parameters and standards.

The Board places strong dedication and commitment to the highest standards towards effective enterprise risk management in-line with best practices in corporate governance guided by the MCCG. An Enterprise Risk Management (ERM) approach aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing potential risks to the company that may be exposed to. It enhances and encourages the identification of opportunities through continuous improvement and innovation.



ISO 31000 Risk Management – Practices and Guidelines



Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Framework

3. Risk Management and Internal Control Framework (Cont'd)

The Group established risk management practice is guided by ISO 31000 and the Committee of Sponsoring Organisations of the Treadway Commission's (COSO) Enterprise Risk Management Framework.

The key elements of this risk management process are as follows:-

i. Establish the risk contexts (Objectives, Risk Impact, Risk Appetite/ Parameters);
ii. Risk identification, assessment, evaluation, including detailed risk registers;
iii. Risk Action Plans Establishment; and
iv. ERM Risk Profile and Risk Registers.

During the financial year ended 31 December 2021 ("FYE 2021"), the adequacy and effectiveness of the risk management and system of internal controls were reviewed by the ARMC. GRC Consulting Services Sdn Bhd (GRCCS) was appointed by ARMC in Quarter 4 2021 as an outsourced Enterprise Risk Management (ERM) and Internal Audit service provider for the Group; and the ERM and Internal Audit Plan for Year 2021/2022 was approved by ARMC accordingly.

The Internal Audit Cycle 1 (Year 2021) has commenced and is still an ongoing progress as at the date of this Report, covering the following areas:-

- ✓ Haulage Business Operations;
- ✓ Inbound & Outbound Container Movement;
- ✓ Conditions of Prime Movers and Trailers; and
- ✓ Container Haulage Yard Management.

The ERM Cycle 1 (Year 2021) has commenced and is still an ongoing progress as at the date of this Report, covering the following key activities:-

A) Review and enhancement of Risk Framework and Risk Parameters;

B) Establishment of Risk Profile and Risk Registers for Swift Haulage Berhad – Central Region covering the following areas:-

   - ✓ Container Haulage;
   - ✓ Land Transportation;
   - ✓ Warehousing & Depot Services;
   - ✓ Freight Forwarding Services;
   - ✓ Finance;
   - ✓ Legal;
   - ✓ Information Technology (IT);
   - ✓ Human Resource;
   - ✓ Group HSE Department;
   - ✓ Strategic Management; and
   - ✓ Environmental, Social and Governance (ESG).

4. Internal Audit Function

Risk management and internal control review are practices which the Group has observed in the past. Upon it being listed in Quarter 4 of 2021, the Group has decided to enhance the adopted internal control measures by appointing an outsourced Internal Auditor. This is to ensure the risk management and internal control measures adopted is in accordance with the expected industry standards and fully complies with the Bursa Malaysia listing requirements.

Pursuant to Paragraph 15.27(1) of MMLR, the Board has outsourced the Group's internal audit function to an independent professional service provider, GRC Consulting Services Sdn Bhd. The Internal Auditor assist the Board and ARMC in providing a professional and independent assessment of the overall adequacy, efficiency and effectiveness of the Group's internal control system.

The activities performed by the Internal Auditors during FYE 2021 include: -

a. developed Internal Audit Plan for the FYE 2021 and financial year ending 31 December 2022, setting out the implementation of the internal audit scope of work for the approval of ARMC; and

b. performed an internal audit review on container haulage cycle to examine and evaluate the adequacy and efficiency of the Group's internal controls.

The professional fee for the internal audit function for FYE 2021 amounted to RM25,000.

5. Other Key Elements of Internal Control

The process of governing the effectiveness and integrity of the internal control systems is carried out throughout the various areas as follows: -

(a) Management Structure

The Group maintains a formal management organisation structure with clear lines of accountability and responsibility. The daily running of the businesses is entrusted to the Group Chief Executive Officer and the Management teams.

The heads of each operating department of the Group are empowered with the responsibility of managing their respective operations within their respective limits of authority.

(b) Strategic Business Plan and Annual Budget

The Board constructively contributes to the development of the Group's strategic directions and annually reviews the Group's strategic business plan.

The Board probes Management to ensure Management has taken into consideration the varying opportunities and risks whilst developing the strategic business plan. The Group's annual strategic business plan and budget are reviewed, deliberated, and approved by the Board.

The expectations of the Board are clearly discussed with and understood by the Management. The Board is also responsible for monitoring the implementation of the strategic business plan and for assessing the actual performance of the Group against the annual strategic business plan and budget, as well as providing guidance to Management.

5. Other Key Elements of Internal Control (Cont'd)

(c) Reporting and Review

Periodic operational and financial reports are prepared and presented to the Board for discussion and review based on the established reporting hierarchy within the Group.

Meetings are held at operational and management levels to identify operational issues and discuss and review the business plans, budgets, and financial and operational performances of the Group.

(d) Sustainability Committee

Prior to being listed on Bursa Malaysia in Quarter 4 of 2021, the Swift Group already established the Health, Safety and Environment (HSE) Committee to carry out its responsibilities in relation to health, safety and environment and quality for the Group. In 2022, the HSE Committee was converted to become the Sustainability Committee with an enhanced role. The Sustainability Committee now focuses on environmental, social and governance-related matters and is responsible for setting the overall direction on Health, Safety, Social, Environment and includes vision, mission, values, objectives, strategies, action plans, goals and resources; to continuously meet legal compliance, client expectations, standards alignment and industry best practices.

All the Group's employee is required to work safely, cooperate and act responsibly to prevent injury to himself/ herself, others, and the environment.

(e) Internal Policies and Procedures

Policy and procedures, handbooks, guidelines, and authority limits have been established to guide personnel on day-to-day operational activities.

(f) Whistleblowing Policy

A Whistleblowing Policy is established to protect the values of transparency, integrity, impartiality and accountability in where the Group conducts its businesses and affairs.

(g) Related Party Transactions

Related party transactions (if any) are disclosed, reviewed, and monitored by the Audit Committee and presented to the Board on a periodical basis.

(h) Business Continuity Plan (BCP)

The Group's BCP outlines the business continuity and recovery activities in the event of major disruptions, such as fire, flood, technological or health crises. It describes employees' roles and responsibilities as well as actions that must be carried out to mitigate the risk of business loss from such catastrophes and ensure business continuity with minimal disruption. During the financial year, the BCP was enhanced to minimise the effects of the COVID-19 pandemic. The BCP supports the Group's Emergency Response Plan and has been communicated to all relevant individuals.

(i) Succession Planning Policy

The Succession Planning Policy outlines the processes to identify suitable candidates to fill critical positions so as to safeguard the Group's leadership stability and ensure uninterrupted business in the event of loss of key personnel.

6. Conclusion

Based on the various procedures and controls put in place by the Group, the Board has reviewed and is satisfied that the risk management and internal control system put in place for the year under review is adequate and effective.

The Board acknowledges that the system of risk management and internal control does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or other unforeseen circumstances that result in poor judgement.

The Board recognises the necessity to continuously improve the Group's system of internal control and risk management practices to safeguard shareholders' investments and the Group's assets.

Therefore, the Board will continuously evolve the Group's system of internal control to meet the changing and challenging business environment and put in place appropriate action plans to enhance the system of internal control further if necessary.

7. Review of the Statement by the External Auditors

As required by paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report, issued by Malaysian Institute of Accountants.

This Statement on Risk Management and Internal Control was approved by the Board on 13 April 2022.

ADDITIONAL COMPLIANCE INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

In conjunction with its listing on the Main Market of Bursa Malaysia Securities Berhad, Swift Haulage Berhad issued its prospectus on 30 November 2021 and undertook a public issue of 157,142,900 new ordinary shares at an issue price of RM1.03 per ordinary share.

The entire enlarged issued and paid-up capital of the Group, comprising 889,804,502 ordinary shares, was listed on the Main Market of Bursa Malaysia Securities Berhad on 21 December 2021.

As at 31 December 2021, the gross proceeds from the public issue amounting to approximately RM161.86 million were partially utilised from the date of listing in the following manner: -

Details of Utilisation		Proposed Utilisation	Actual Utilisation	Balance Utilisation	Expected Time frame for Utilisation
		RM'000	RM'000	RM'000	
(i)	**Capital expenditure**				
	Construction of a new warehouse	28,565	4,274	24,291	Within 18 months
	Purchase of land	41,560	41,560	-	Within 18 months
	Purchase of prime movers	12,000	7,934	4,066	Within 18 months
(ii)	**Repayment of bank borrowings**	69,732	69,732	-	Within 6 months
(iii)	**Estimated listing expenses**	10,000	9,470	530	Within 3 months
Total		**161,857**	**132,970**	**28,887**	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 November 2021.

2. AUDIT AND NON-AUDIT FEES PAID/ PAYABLE TO EXTERNAL AUDITORS

For the financial year ended 31 December 2021 ("FYE 2021"), the amount of audit and non-audit fees paid/ payable to the External Auditors, namely BDO PLT, by our Company and Group, respectively, were as follows: -

	The Company	The Group
	RM'000	RM'000
Audit Fees	137	515
Non-Audit Fees	5	5
	142	**520**

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group and its subsidiaries involving the interests of the Directors and/or major shareholders, either still subsisting at the end of the FYE 2021 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTION ("RRPT")

During FYE 2021, there was no RRPT entered which requires shareholders' mandate.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARATION OF THE FINANCIAL STATEMENTS

Pursuant to the Companies Act 2016 ("Act") and Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Directors are required to prepare the financial statements for each financial year and ensure that the financial statements of the Group and the Company have been drawn up in accordance with the applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Act in Malaysia.

The Directors are responsible for the preparation of financial statements prepared for each financial year and ensure that the financial statements give an accurate and fair view of the state of affairs of the Group and the Company as of 31 December 2021, as well as of the financial performance and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements for the financial year ended 31 December 2021, the Board is satisfied that the Directors have:

- adopted the appropriate accounting policies and applied them consistently and prudently;
- ensured compliance with applicable accounting standards, including MFRS, IFRS and requirements of the Act, subject to any material departure being explained in the financial statements;
- made judgements and estimates which are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep accounting records that disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps and are reasonably open to them to safeguard the assets of the Group and of the Company and to detect and prevent fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services. The principal activities of the subsidiaries, associates and a joint venture are disclosed in Notes 11, 12 and 13 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	48,171	38,890
Profit for the financial year attributable to:		
Owners of the parent	47,119	38,890
Non-controlling interests	1,052	-
	48,171	38,890

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year other than the following:

On 24 February 2022, the Company declared a first interim single tier dividend of RM0.0180 per ordinary share amounted to RM16,016,481 in respect of the financial year ended 31 December 2021, which is payable on 24 March 2022.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

The Directors do not recommend the payment of any other dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

On 29 April 2021, the Company 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 conversion has been completed on 10 May 2021.

On 30 April 2021, the Company 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 conversion has been completed on 7 May 2021.

Upon completion of the share conversion, the total number of ordinary shares increased from 72,860,830 to 122,110,267 shares.

On 15 November 2021, the Company carried out a subdivision of 1 existing ordinary share in the Company to 6 new ordinary shares in the Company ("Subdivision"). Upon completion of the Subdivision, the total number of ordinary shares in the Company increased to 732,661,602 shares.

On 17 December 2021, the Company undertook a public issue of 157,142,900 new ordinary shares in conjunction with the initial public offering of the Company at an issue price of RM1.03 per ordinary share.

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issuance of shares during the financial year.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Swift Haulage Berhad

Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar
Loo Hooi Keat
Loo Yong Hui
Dato' Gopikrishnan A/L N.S. Menon (Appointed on 22 June 2021)
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor (Appointed on 22 June 2021)
Rozainah Binti Awang (Appointed on 22 June 2021)
Datuk Noripah Binti Kamso (Appointed on 22 June 2021)
Zulkifli Bin Sarkam (Resigned on 22 June 2021)
Srisant Chitvaranund (Resigned on 22 June 2021)
Syed Mohd Isa Bin Syed Mahdhar (Resigned on 22 June 2021)
Nazaiful Affendi Bin Zainal Abidin (Resigned on 22 June 2021)

DIRECTORS (CONTINUED)

The Directors who have held office during the financial year and up to the date of this report are as follows: (continued)

Subsidiaries of Swift Haulage Berhad

Pursuant to Section 253 of the Companies Act 2016, the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year and up to the date of this report are as follows:

Muhammad Roy Nunis bin Abdullah
Syed Yazid bin Syed Omar
Lim Bee Hong
Ng Chee Kin
Zulkifli Bin Sarkam
Ong Chong Eng
Dato Hew Han Seng
Kee Chung Ching
Ang Han Sin
Neoh Lay Cheng
Ahmad Syahir bin Safihi
Kong Mee Kun
Abdul Razak Bin Samad

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and redeemable convertible preference shares of the Company and of its related corporations (other than wholly-owned subsidiaries) during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

(a) Ordinary shares

	Number of ordinary shares				
	Balance as at 1.1.2021/ Date of appointment	**Allotment and subdivision**	**Bought**	**Sold[1]**	**Balance as at 31.12.2021**
Shares in the Company					
Direct interests:					
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	-	-	500,000	-	500,000
Datuk Noripah Binti Kamso	-	-	500,000	-	500,000
Dato' Gopikrishnan A/L N.S. Menon	-	-	500,000	-	500,000
Rozainah Binti Awang	-	-	100,000	-	100,000

DIRECTORS' INTERESTS (CONTINUED)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and redeemable convertible preference shares of the Company and of its related corporations (other than wholly-owned subsidiaries) during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

(a) Ordinary shares (continued)

	Number of ordinary shares					
	Balance as at 1.1.2021	**Allotment and subdivision**	**Bought**	**Conversion**	**Sold[1]**	**Balance as at 31.12.2021**
Shares in the Company (continued)						
Indirect interests:						
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar [2]	37,931,931	378,507,085	30,527,567	7,241,919	(135,000,000)	319,208,502
Loo Yong Hui [2]	37,931,931	378,507,085	30,527,567	7,241,919	(135,000,000)	319,208,502
Loo Hooi Keat [3]	37,931,931	378,507,085	30,527,567	7,241,919	(135,000,000)	319,208,502
Shares in the subsidiary, Container Connections (M) Sdn. Bhd.						
Indirect interests:						
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	1,445,000	-	-	-	-	1,445,000
Loo Yong Hui	1,445,000	-	-	-	-	1,445,000
Shares in the subsidiary, Swift Crossland Logistics Co., Ltd						
Indirect interests:						
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	4,477,046	-	-	-	-	4,477,046
Loo Yong Hui	4,477,046	-	-	-	-	4,477,046

DIRECTORS' INTERESTS (CONTINUED)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and redeemable convertible preference shares of the Company and of its related corporations (other than wholly-owned subsidiaries) during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

(b) Redeemable convertible preference shares

	-----------Number of redeemable convertible preference shares----------				
	Balance as at 1.1.2021	**Bought**	**Conversion**	**Sold**	**Balance as at 31.12.2021**
Shares in the Company					
Indirect interests:					
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar (2)	18,394,474	-	(18,394,474)	-	-
Loo Yong Hui (2)	18,394,474	-	(18,394,474)	-	-
Loo Hooi Keat (3)	18,394,474	-	(18,394,474)	-	-

(1) Offer for sale pursuant to initial public offering exercise.

(2) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his substantial shareholdings in Persada Bina Sdn. Bhd..

(3) Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his son, Loo Yong Hui's substantial shareholdings in Persada Bina Sdn. Bhd..

By virtue of their interests in the ordinary shares of the Company, Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar, Loo Yong Hui and Loo Hooi Keat are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

The other Directors holding office at the end of the financial year did not hold any beneficial interest in the ordinary shares of the Company or ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Directors is a member, or with a company in which the Director has a substantial financial interest other than the following:

(i) Certain Directors who may be deemed to derive benefits by virtue of trade transactions entered into with companies in which certain Directors have substantial financial interests; and

(ii) Certain Directors who received remuneration from the subsidiaries as Directors of the subsidiaries.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

Details of Directors' remuneration are disclosed in Note 31 to the financial statements.

INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Company maintains a corporate liability insurance for the Directors and officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and officers of the Group. The amount of insurance premium paid by the Group and the Company for the financial year ended 31 December 2021 was RM15,380.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

   (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

   (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

   (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

   (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

   (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in financial statements of the Group and of the Company misleading.

SUBSIDIARIES

Details of subsidiaries are disclosed in Note 11 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events during the financial year and subsequent events between the end of the reporting period and the date when the financial statements are authorised for issue are disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2021 are disclosed in Note 30 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Loo Yong Hui
Director

Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar
Director

Kuala Lumpur
13 April 2022

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 101 to 230 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Loo Yong Hui
Director

Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar
Director

Kuala Lumpur
13 April 2022

STATUTORY DECLARATION

I, Kee Chung Ching (CA 29779), being the officer primarily responsible for the financial management of Swift Haulage Berhad, do solemnly and sincerely declare that the financial statements set out on pages 101 to 230 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
13 April 2022)

Kee Chung Ching

Before me:

Mardhiyyah Abdul Wahab (No. W729)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SWIFT HAULAGE BERHAD
(INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Swift Haulage Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 101 to 230.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the 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 and of the Company 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

1. *Impairment assessment of the carrying amount of goodwill on consolidation*

   The carrying amount of goodwill on consolidation as at 31 December 2021 amounted to RM68,813,000 as disclosed in Note 14 to the financial statements.

   We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the cash generating units ("CGUs") in determining the recoverable amount. These key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rates.

   Audit response

   Our audit procedures included the following:

   a. Compared cash flow projections against recent performance and historical accuracy of budget/forecasts and assessed assumptions used in projections to available sources of data, where applicable;

   b. Evaluated the reasonableness of projected growth in future revenues and profit margins by assessing evidence available to support these assumptions;

   c. Evaluated the reasonableness of pre-tax discount rates used by management by comparing to market data as well as weighted average cost of capital of the Group and relevant risk factors; and

   d. Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

2. *Impairment assessment of carrying amount of investment in a joint venture*

   The carrying amount of investment in a joint venture as at 31 December 2021 amounted to RM10,954,000 as disclosed in Note 13 to the financial statements.

   We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the joint venture in determining the recoverable amount. These key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rate.

   Audit response

   Our audit procedures included the following:

   a. Compared cash flow projections against recent performance and historical accuracy of budgets/ forecasts and assessed assumptions used in projections to available sources of data, where applicable;

   b. Evaluated the reasonableness of projected growth in future revenues and profit margins by assessing evidence available to support these assumptions;

   c. Evaluated the reasonableness of pre-tax discount rate used by management by comparing to market data as well as weighted average cost of capital of the Group and relevant risk factors; and

   d. Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

Key Audit Matter of the Company

Impairment assessment of carrying amounts of investments in subsidiaries

The carrying amounts of investments in subsidiaries as at 31 December 2021 amounted to RM461,624,000 as disclosed in Note 11 to the financial statements.

We determined this to be a key audit matter because it requires significant judgements and estimates about the future results and key assumptions applied to cash flow projections of the subsidiaries in determining the recoverable amount. These key assumptions include projected growth in future revenues and profit margins, as well as determining appropriate pre-tax discount rates.

Audit response

Our audit procedures included the following:

a. Compared cash flow projections against recent performance and historical accuracy of budgets/forecasts and assessed assumptions used in projections to available sources of data where applicable;

b. Evaluated the reasonableness of projected growth in future revenues and profit margins by assessing evidence available to support these assumptions;

c. Evaluated the reasonableness of pre-tax discount rates used by management by comparing to market data as well as weighted average cost of capital of the Company and relevant risk factors; and

d. Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company 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 the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs 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 ISAs, 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 and of the Company, 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 and of the Company.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report
To The Members Of Swift Haulage Berhad
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

(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 or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company 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 auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. 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

Kuala Lumpur
13 April 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	471,606	383,955	187,261	163,862
Investment properties	8	78,719	1,693	1,667	1,693
Right-of-use assets	9	436,764	496,280	145,190	162,653
Other investments	10	1,341	309	-	-
Investments in subsidiaries	11	-	-	461,624	465,173
Investments in associates	12	24,450	20,186	24,485	18,850
Investment in a joint venture	13	10,954	-	-	-
Goodwill on consolidation	14	68,813	68,813	-	-
Intangible assets	15	576	-	576	-
Trade and other receivables	17	-	-	62,626	65,291
Deferred tax assets	24	10,033	2,513	9,343	1,914
		1,103,256	973,749	892,772	879,436
Current assets					
Inventories	16	15,808	10,959	2,540	2,850
Trade and other receivables	17	248,210	178,129	137,335	56,092
Current tax assets		8,010	4,605	106	35
Derivative financial asset	18	1,284	-	-	-
Short term fund	19	-	2,009	-	-
Cash and bank balances	20	64,731	32,891	49,275	9,102
		338,043	228,593	189,256	68,079
Non-current assets held for sale	21	17,194	10,000	-	-
TOTAL ASSETS		1,458,493	1,212,342	1,082,028	947,515
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	25	384,714	121,180	384,714	121,180
Convertible redeemable loan stock	27	-	106,863	-	106,863
Retained earnings		250,039	202,920	108,062	69,172
Exchange translation reserve	26	106	(565)	-	-
		634,859	430,398	492,776	297,215
Non-controlling interests	11(d)	414	(349)	-	-
TOTAL EQUITY		635,273	430,049	492,776	297,215

Statements Of Financial Position
As At 31 December 2021
(continued)

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES (continued)					
LIABILITIES					
Non-current liabilities					
Borrowings	22	396,771	366,512	352,066	320,659
Lease liabilities	9	56,589	96,117	10,292	29,947
Deferred tax liabilities	24	55,446	52,708	-	-
Other payables	23	-	-	73,881	-
		508,806	515,337	436,239	350,606
Current liabilities					
Trade and other payables	23	102,059	110,790	68,195	202,421
Borrowings	22	178,976	112,805	72,841	82,635
Lease liabilities	9	32,090	41,945	11,977	14,638
Derivative financial liability	18	-	734	-	-
Current tax liabilities		1,289	682	-	-
		314,414	266,956	153,013	299,694
TOTAL LIABILITIES		823,220	782,293	589,252	650,300
TOTAL EQUITY AND LIABILITIES		1,458,493	1,212,342	1,082,028	947,515

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	28	588,332	555,837	209,092	180,860
Cost of sales and services		(401,012)	(370,099)	(174,807)	(144,936)
Gross profit		187,320	185,738	34,285	35,924
Other income		19,319	29,154	52,835	33,791
Net (loss)/gain on impairment of financial assets		(4,774)	3,888	6,464	(2,672)
Administrative and operating expenses		(117,039)	(135,259)	(48,433)	(49,867)
Finance costs	29	(26,778)	(29,563)	(13,655)	(15,849)
		58,048	53,958	31,496	1,327
Share of losses of associates	12(f)	(1,371)	(134)	-	-
Share of profit of a joint venture	13(c)	404	-	-	-
Profit before taxation	30	57,081	53,824	31,496	1,327
Taxation	32	(8,910)	(11,413)	7,394	6,440
Profit for the financial year		48,171	42,411	38,890	7,767
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translations, net of tax		671	(239)	-	-
Total comprehensive income for the financial year		48,842	42,172	38,890	7,767
Profit attributable to:					
Owners of the parent		47,119	41,617	38,890	7,767
Non-controlling interests	11(d)	1,052	794	-	-
		48,171	42,411	38,890	7,767
Total comprehensive income attributable to:					
Owners of the parent		47,790	41,378	38,890	7,767
Non-controlling interests	11(d)	1,052	794	-	-
		48,842	42,172	38,890	7,767
Earnings per share attributable to owners of the parent (sen)					
Basic	33(a)	7.43	9.52		
Diluted	33(b)	7.43	5.68		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group	Note	Ordinary share capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	*Non-distributable* Exchange translation reserve RM'000	*Distributable* 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 1 January 2020		102,785	106,863	18,395	(326)	161,303	389,020	(502)	388,518
Profit for the financial year		-	-	-	-	41,617	41,617	794	42,411
Other comprehensive loss, net of tax		-	-	-	(239)	-	(239)	-	(239)
Total comprehensive (loss)/income		-	-	-	(239)	41,617	41,378	794	42,172
Transactions with owners									
Dividend paid to non-controlling interests of a subsidiary	11(e)	-	-	-	-	-	-	(308)	(308)
Additional investment in a subsidiary	11(b)(vii)	-	-	-	-	-	-	(333)	(333)
Total transactions with owners		-	-	-	-	-	-	(641)	(641)
Balance as at 31 December 2020		102,785	106,863	18,395	(565)	202,920	430,398	(349)	430,049

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2021
(continued)

Group	Note	Ordinary share capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	*Non-distributable* Exchange translation reserve RM'000	*Distributable* 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 1 January 2021		102,785	106,863	18,395	(565)	202,920	430,398	(349)	430,049
Profit for the financial year		-	-	-	-	47,119	47,119	1,052	48,171
Other comprehensive income, net of tax		-	-	-	671	-	671	-	671
Total comprehensive income		-	-	-	671	47,119	47,790	1,052	48,842
Transactions with owners									
Issuance of shares	25	161,857	-	-	-	-	161,857	-	161,857
Conversion of shares	25, 27	125,257	(106,863)	(18,394)	-	-	-	-	-
Redemption of shares	25	-	-	(1)	-	-	(1)	-	(1)
Share issuance expenses	25	(5,185)	-	-	-	-	(5,185)	-	(5,185)
Dividend paid to non-controlling interests of a subsidiary	11(e)	-	-	-	-	-	-	(289)	(289)
Total transactions with owners		281,929	(106,863)	(18,395)	-	-	156,671	(289)	156,382
Balance as at 31 December 2021		384,714	-	-	106	250,039	634,859	414	635,273

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2021
(continued)

					Distributable	
Company	**Note**	**Ordinary share capital RM'000**	**Convertible redeemable loan stock RM'000**	**Preference shares RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
Balance as at 1 January 2020		102,785	106,863	18,395	61,405	289,448
Profit for the financial year		-	-	-	7,767	7,767
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	7,767	7,767
Balance as at 31 December 2020		102,785	106,863	18,395	69,172	297,215
Balance as at 1 January 2021		102,785	106,863	18,395	69,172	297,215
Profit for the financial year		-	-	-	38,890	38,890
Other comprehensive income, net of tax		-	-	-	-	-
Total comprehensive income		-	-	-	38,890	38,890
Transactions with owners						
Issuance of shares	25	161,857	-	-	-	161,857
Conversion of shares	25, 27	125,257	(106,863)	(18,394)	-	-
Redemption of shares	25	-	-	(1)	-	(1)
Share issuance expenses	25	(5,185)	-	-	-	(5,185)
Total transactions with owners		281,929	(106,863)	(18,395)	-	156,671
Balance as at 31 December 2021		384,714	-	-	108,062	492,776

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		57,081	53,824	31,496	1,327
Adjustments for:					
Bad debts written off:					
- trade receivables		95	13	2	-
- other receivables		5	11	5	-
Depreciation of:					
- property, plant and equipment	7	31,134	30,190	16,436	14,074
- right-of-use assets	9	24,842	23,871	7,756	8,628
- investment properties	8	1,498	-	26	-
Dividend income from:					
- subsidiaries		-	-	(30,461)	(23,091)
- other investment		(21)	-	-	-
Fair value (gain)/loss on:					
- derivative	18(c)	(2,018)	1,594	-	-
- short term fund		1	3	-	-
- other investments		330	504	-	700
- amounts owing by subsidiaries	17(d)	-	-	4,201	1,292
- amount owing to a subsidiary	23(d)	-	-	(11,338)	-
Gain from bargain purchase	41(b)	-	(3,294)	-	-
Net (gain)/loss on disposal of:					
- property, plant and equipment		(3,775)	(371)	(715)	(345)
- right-of-use assets		-	411	-	-
- non-current assets held for sale		(2,414)	(568)	-	(568)
- subsidiaries	42	-	(12)	-	-
- other investments		(377)	-	-	-
Income distribution from short term fund		(18)	(52)	-	-
Interest expense	29	26,778	29,563	13,655	15,849
Interest income		(361)	(448)	(1,462)	(1,463)
Inventories written off	16(b)	-	17	-	-
Impairment losses on:					
- amounts owing by subsidiaries	17(f)	-	-	1,561	3,992
- amounts owing by associates	17(f)	-	1,730	-	28
- amount owing by a related party	17(f)	63	-	63	-
- other receivables	17(f)	105	451	-	451
- trade receivables	17(e)	8,306	2,929	87	1,010
- investments in subsidiaries	11	-	-	13,549	15,157
- investment in an associate	12	190	-	190	-
- goodwill	14	-	11,783	-	-
- property, plant and equipment	7	-	4,484	-	790
Waiver of debt		-	-	-	48

Statements Of Cash Flows
For The Financial Year Ended 31 December 2021
(continued)

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Adjustments for: (continued)					
Reversal of impairment losses on:					
- amounts owing by subsidiaries	17(f)	-	-	(7,426)	(1,244)
- amounts owing by associates	17(f)	(487)	-	(272)	-
- other receivables	17(f)	(304)	(153)	(139)	-
- trade receivables	17(e)	(3,099)	(8,845)	(528)	(1,565)
- investment in a subsidiary	11(c)	-	-	-	(2,575)
- investment in an associate	12(e)	-	(255)	-	-
Share of losses of associates	12(f)	1,371	134	-	-
Share of profit of a joint venture	13(c)	(404)	-	-	-
Property, plant and equipment written off	7	95	532	-	330
Right-of-use assets written off	9	-	140	-	-
Net unrealised loss/(gain) on foreign exchange		876	(1,094)	1,030	275
Operating profit before changes in working capital		139,492	147,092	37,716	33,100
Changes in working capital:					
Inventories		(4,849)	3,984	310	(55)
Trade and other receivables		(79,632)	30,588	(1,302)	638
Trade and other payables		(14,527)	(30,424)	(5,967)	10,561
Cash generated from operations		40,484	151,240	30,757	44,244
Tax paid		(16,889)	(14,375)	(106)	(371)
Tax refunded		48	2,276	-	162
Net cash from operating activities		23,643	139,141	30,651	44,035
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of subsidiaries, net of cash acquired	41	(9,962)	(8,838)	(10,000)	-
Acquisition of other investment		(3,141)	-	-	-
Additional investment in an associate	12(b)	-	(50)	-	(50)
Investment in a joint venture	13(a)	(10,550)	-	-	-
Acquisition of shares from non-controlling interest	11(b)	-	(333)	-	(333)
Repayments (to)/from related parties		(57)	411	(9)	(33)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (continued)					
Repayments to subsidiaries		-	-	(88,864)	(92,803)
Interest received		361	448	1,462	1,463
Proceeds from:					
- disposal of property, plant and equipment		5,063	3,431	787	471
- disposal of right-of-use assets		-	3,128	-	-
- disposal of other investments		2,156	-	-	-
- disposal of subsidiaries	42	-	(49)	-	-
- disposal of non-current assets held for sale		12,414	7,564	-	7,564
Dividend received from:					
- subsidiaries		-	-	461	492
- other investments		21	-	-	-
Placement of short-term fund		-	(800)	-	-
Purchase of:					
- property, plant and equipment	7(a)	(19,538)	(31,803)	(11,000)	(14,679)
- right-of-use assets	9(b)	(6,072)	(889)	(7,961)	(2,047)
- intangible asset	15	(576)	-	(576)	-
- investment property	8(a)	(60,415)	-	-	-
Advances to associates		(1,711)	(2,843)	(1,926)	(1,196)
Withdrawal of short-term fund		2,027	-	-	-
Withdrawal of deposits with restricted cash		988	-	1,034	-
Withdrawal/(Placement) of deposits with licensed banks		1,997	766	-	(29)
Net cash used in investing activities		(86,995)	(29,857)	(116,592)	(101,180)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid to non-controlling interest of a subsidiary	11(e)	(289)	(308)	-	-
Net drawdown/(repayment) of revolving credits		17,334	(38,000)	13,000	(20,000)
Net drawdown/(repayment) of trade financing		75,693	(125,761)	(1,343)	(66,490)
Interest paid		(25,929)	(27,427)	(13,359)	(13,771)
Redemption of redeemable preference shares	25(d)	(1)	-	(1)	-
Net repayments of lease liabilities		(65,147)	(126,826)	(22,645)	(56,054)

Statements Of Cash Flows
For The Financial Year Ended 31 December 2021
(continued)

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES (continued)					
Net (repayments)/drawdown of term loans		(109,085)	(93,067)	(62,174)	(82,585)
Net drawdown of unrated Islamic medium term notes		57,000	300,000	57,000	300,000
Proceeds from issuance of shares	25	161,857	-	161,857	-
Payments of share issuance expenses	25	(5,185)	-	(5,185)	-
Net cash from/(used in) financing activities		106,248	(111,389)	127,150	61,100
Net increase/(decrease) in cash and cash equivalents		42,896	(2,105)	41,209	3,955
Effect of exchange rate changes on cash and cash equivalents		54	(83)	(2)	3
Cash and cash equivalents at beginning of financial year		18,352	20,540	7,332	3,374
Cash and cash equivalents at end of financial year	20(b)	61,302	18,352	48,539	7,332

Statements Of Cash Flows
For The Financial Year Ended 31 December 2021
(continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings*					
At 1 January		471,136	409,795	403,294	255,117
Cash flows:					
- net drawdowns/(repayments) of borrowings		20,388	25,143	(4,352)	121,979
- interest paid		20,554	18,029	10,835	8,946
		40,942	43,172	6,483	130,925
Non-cash flows:					
- Acquisition of property, plant and equipment	7(a)	62,767	15,690	15,130	15,690
- Acquisition of subsidiaries	41(b)	-	2,007	-	-
- Amortisation of transaction cost		-	1,562	-	1,562
- Unrealised loss/(gain) on foreign exchange	22(e)	1,058	(1,090)	-	-
- Foreign currency translation differences		(212)	-	-	-
At 31 December	22	575,691	471,136	424,907	403,294

* Borrowings exclude bank overdrafts.

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Lease liabilities					
At 1 January		138,062	203,998	44,585	88,979
Cash flows:					
- payment of lease liabilities		(90,083)	(135,622)	(24,246)	(59,845)
- drawdown of lease liabilities*		19,820	-	-	-
- interest paid		5,116	8,796	1,601	3,791
		(65,147)	(126,826)	(22,645)	(56,054)
Non-cash flows:					
- Re-measurement of lease liabilities		(972)	166	(4,668)	-
- Acquisition of subsidiaries	41	-	35,175	-	-
- Disposal of a subsidiary	42(a)	-	(281)	-	-
- Drawdown of lease liabilities for right-of-use assets acquired during the financial year		15,948	25,256	4,383	9,845
- Transfer in from subsidiaries		-	-	318	1,299
- Unwinding of interest		849	574	296	516
- Foreign currency translation differences		(61)	-	-	-
At 31 December	9	88,679	138,062	22,269	44,585

* The amount represents lease liabilities drawdown during the financial year for assets manufactured and used by the Group in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

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 consolidated financial statements for the financial year ended 31 December 2021 comprise the Company and its subsidiaries and the interests of the Group in associates and a joint venture. These financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand ("RM'000"), unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 13 April 2022.

2. PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of integrated logistics services comprising container haulage, land transportation, warehousing and freight forwarding agency services. The principal activities of the subsidiaries, associates and a joint venture are disclosed in Notes 11, 12 and 13 to the financial statements respectively. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 5.1 to the financial statements.

The Group and the Company have also early adopted *Covid-19-Related Rent Concessions beyond 30 June 2021* (Amendment to MFRS 16 *Leases*) in the current financial year. Adoption of the Standard does not have any material effect on the financial performance or position of the Group and of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

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 6 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) power over the investee;

(b) exposure, or rights, to variable returns from its involvement with the investee; and

(c) the ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual agreements; and

(c) the voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and a joint venture are eliminated to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the financial year are included in the statements of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of consolidation (continued)

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, where applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 Business combinations

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.3 Business combinations (continued)

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 consolidated statement of financial position. The accounting policy for goodwill is set out in Note 4.8 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.

4.4 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 Company 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.

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. The principal depreciation rates and periods are as follows:

Buildings	2%
Structure and renovation	10%
Vehicles and mechanical equipment	5 - 14 years
Furniture, fittings and office equipment	10%
Other vehicles	5 - 8 years
Computers and peripherals	20% - 33.33%
Containers	10%

Freehold land has unlimited useful life and is not depreciated. Work-in-progress representing building, structure and renovation, 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.

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 4.10 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Investment properties

Investment properties are property which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group and the Company. Investment properties are initially measured at cost, less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the carrying amount of the investment properties 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 assets would flow to the Group and the Company 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 properties 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 and the Company are obligated to incur when the investment properties are acquired, if applicable.

After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the investment properties to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation periods for investment properties are as follows:

Building	50 years
Leasehold land	85 years

At the end of each reporting period, the carrying amount of an item of the investment properties are assessed for impairment when events or changes in circumstances indicate that their carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.10 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 properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gain or loss arising from the retirement or disposal of investment properties are determined as the difference between the net disposal proceeds, if any, and the carrying amount of the assets and is recognised in profit or loss in the period of the retirement or disposal.

4.6 Leases

The Group and the Company as lessee

The Group and the Company recognise 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 and the Company determine 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Leases (continued)

The Group and the Company as lessee (continued)

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 and the Company consider 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 and the Company revise the lease term if there is a change in the non-cancellable period of a lease.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group and the Company recognise 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 the Company; 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.

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 909 years
Buildings	2 to 6 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 and of the Company. Subsequent to the initial recognition, the Group and the Company measure 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are 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.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less accumulated impairment losses, if any. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS *5 Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale).

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.

(b) Associates

An associate is an entity over which the Group and the Company have 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.

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated 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 consolidated 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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Investments (continued)

(b) Associates (continued)

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 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.

(c) Joint venture

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:
(a) Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
(b) Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:
(a) The structure of the joint arrangement;
(b) The legal form of joint arrangements structured through a separate vehicle;
(c) The contractual terms of the joint arrangement agreement; and
(d) Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interest in a joint ventures in the same manner as investments in associates (i.e. using the equity method as disclosed in Note 4.7(b) to the financial statements).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in a joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests in joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. In accordance with MFRS 11 *Joint Arrangements*, the Group is required to apply all of the principles of MFRS 3 *Business Combinations* when it acquires an interest in a joint operation that constitutes a business as defined by MFRS 3.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.7 Investments (continued)

(c) Joint venture (continued)

For all joint arrangements structured in separate vehicles, the Group must assess the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether it has rights to the joint arrangement's net assets (in which case it is classified as a joint venture), or rights to and obligations for specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). Factors the Group must consider include:
(i) Structure;
(ii) Legal form;
(iii) Contractual agreement; and
(iv) Other facts and circumstances.

Upon consideration of these factors, the Group has determined that all of its joint arrangements structured through separate vehicles give it rights to the net assets and are therefore classified as joint venture.

4.8 Goodwill on consolidation

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.

4.9 Intangible assets

Internally generated intangible assets (development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:
(a) It is technically feasible to develop the product for it to be used or sold;
(b) Adequate resources are available to complete the development and to use or sell the product;
(c) There is an intention to complete and use or sell the product;
(d) The Group is able to use or sell the product;
(e) Use or sale of the product will generate future economic benefits; and
(f) Expenditure on the project can be measured reliably.

Development costs are charged to the profit or loss in the financial year in which it is incurred except for that relating to specific projects intended for commercial exploitation where it is expected to generate future economic benefits and can reasonably be recovered from related future revenue. Such development expenditure is amortised on a straight-line method over a period of five (5) years when the products are ready for use. The amortisation expense is included within the cost of sales in the consolidated statement of comprehensive income. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Intangible assets (continued)

Amortisation is calculated to write off the cost of the assets to their residual values on straight-line basis over their estimated useful lives. The principal amortisation periods are as follows:

Software development costs	5 years

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated statement of comprehensive income as incurred.

4.10 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries and 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 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 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 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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 Financial instruments (continued)

(a) Financial assets (continued)

(ii) Financial assets measured at fair value (continued)

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 subsidiaries and 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 statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

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 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.

Notes to the Financial Statements
31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.11 Financial instruments (continued)

(b) Financial liabilities (continued)

(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.

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.

4.12 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 statements of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

4.13 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company 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 statements of changes in equity in the financial year in which they are paid or declared.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Impairment of financial assets

The Group and the Company recognise an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. The Group and the Company apply 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 and the Company expect 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 using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

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 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.

Individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

Significant judgement is required in determining the probability of default by trade receivables and appropriate forward-looking information, including the impact of COVID-19 pandemic.

Impairment for other receivables and amounts owing by related parties are recognised based on the general approach of MFRS 9. 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 by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances 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.

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, payment trends and past due information.

The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes receivables who are in significant financial difficulties or have defaulted on payment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.14 Impairment of financial assets (continued)

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.

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 increase in credit risk. The Group and the Company have identified the Malaysia gross domestic product ("GDP"), inflation rate, unemployment rate 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.

4.15 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.

4.16 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.

4.17 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 statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Income taxes (continued)

(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 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.

4.18 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.19 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.

4.20 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 Company and its 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.

4.21 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 consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.21 Foreign currencies (continued)

(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.

(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 consolidated 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.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences 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.

4.22 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 and the Company recognise revenue when (or as) they transfer control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group and the Company transfer 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 and the Company perform;

(b) the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's and the Company's performance does not creates an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.22 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 services 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 and the Company's performance as it occurs and the other entity would not need to substantially reperform the Group's and the Company's performance to date. The Group and the Company have 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.

4.23 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 the Company and there is sufficient evidence that the Group and the Company remain committed to their plan to sell the assets.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.23 Non-current assets held for sale (continued)

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 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 assets 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.

4.24 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.

4.25 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.25 Operating segments (continued)

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.

4.26 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 and the Company measure 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 and the Company have 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.

5. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

5.1 New MFRSs adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	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 and of the Company.

5.2 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 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2023
MFRS 17 *Insurance Contracts*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendment to MFRS 17 *Insurance Contracts*)	1 January 2023
Amendments to MFRS 17 *Insurance Contracts*	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements)*	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors)*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 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.

6.2 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) 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.

(b) 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.

(c) Classification of non-current bank borrowings

Term loan agreements entered into by the Group and the Company include repayment on demand clauses at the discretion of the financial institutions. The Group and the Company believe that in the absence of a default being committed by the Group and the Company, 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.

(d) Non-current assets held for sale

Certain non-current assets as disclosed in Note 21 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.

6.3 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.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.3 Key sources of estimation uncertainty (continued)

(a) Impairment of goodwill (continued)

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 14 to the financial statements.

(b) 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.

(c) Impairment on costs of investments in subsidiaries, associates and a joint venture

The Company reviews the costs of investments in subsidiaries, associates and a joint venture for impairment when there is an indication of impairment. The recoverable amounts of these investments are assessed by reference to the value-in-use of the respective entities.

The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective entities discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to reflect their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of these entities.

(d) Impairment assessment of amounts owing by subsidiaries and associates

Impairment assessment of amounts owing by subsidiaries and associates requires management to exercise significant judgements in determining the probability of default by subsidiaries and associates, appropriate forward-looking information and significant increase in credit risk.

(e) Depreciation of property, plant and equipment and investment properties

The Group and the Company estimate the useful lives of property, plant and equipment and investment properties 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 and investment properties 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.

(f) Determination of the lease term for leases

The Group and the Company determine 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 and the Company are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for the Group and the Company 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 and of the Company.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

6.3 Key sources of estimation uncertainty (continued)

(g) 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.

(h) 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.

(i) 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 and the Company for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group and the Company based on their size and their business risk.

(j) 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.

(k) 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 and the Company measure financial instruments at fair value as disclosed in Note 39 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2021	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 office equipment RM'000	Computers and peripherals RM'000	Containers RM'000	Work-in-progress RM'000	Total RM'000
Carrying amount										
At 1 January 2021	83,810	56,006	16,814	198,394	3,575	3,429	4,015	2,255	15,657	383,955
Additions	182	-	1,922	26,852	3,829	350	1,259	3,525	44,386	82,305
Disposals	-	-	-	(1,028)	(253)	(6)	(1)	-	-	(1,288)
Written off	-	-	(76)	(6)	-	(12)	(1)	-	-	(95)
Transferred from right-of-use assets (Note 9)	-	-	-	42,435	34	-	-	-	-	42,469
Acquisition of a subsidiary (Note 41)	-	-	-	-	-	4	1	-	-	5
Depreciation charge for the financial year	(2,282)	-	(1,622)	(23,268)	(728)	(867)	(1,891)	(476)	-	(31,134)
Reclassification	1,720	-	1,800	3,144	97	(40)	102	9	(6,832)	-
Reclassification to non-current assets held for sale (Note 21)	(3,562)	-	(592)	-	-	(27)	-	-	-	(4,181)
Foreign currency translation differences	-	-	-	(392)	(9)	(15)	(10)	(4)	-	(430)
At 31 December 2021	79,868	56,006	18,246	246,131	6,545	2,816	3,474	5,309	53,211	471,606

	----------At 31 December 2021----------			
Group 2021	**Cost RM'000**	**Accumulated depreciation RM'000**	**Accumulated impairment RM'000**	**Carrying amount RM'000**
Buildings	128,410	(44,968)	(3,574)	79,868
Freehold land	56,006	-	-	56,006
Structure and renovation	27,661	(9,122)	(293)	18,246
Vehicles and mechanical equipment	646,936	(399,418)	(1,387) [(1)]	246,131
Other vehicles	12,649	(6,069)	(35)	6,545
Furniture, fittings and office equipment	14,563	(11,734)	(13)	2,816
Computers and peripherals	38,685	(35,196)	(15)	3,474
Containers	11,161	(5,852)	-	5,309
Work-in-progress	53,211	-	-	53,211
	989,282	(512,359)	(5,317)	471,606

(1) 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.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2020	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 office equipment RM'000	Computers and peripherals RM'000	Containers RM'000	Work-in-progress RM'000	Total RM'000
Carrying amount										
At 1 January 2020	82,328	66,006	13,573	179,158	1,984	3,408	3,302	2,610	14,662	367,031
Additions	4,950	-	720	27,746	2,478	1,040	934	235	9,399	47,502
Disposals	-	-	-	(2,909)	(149)	(2)	-	-	-	(3,060)
Written off	(376)	-	(76)	(18)	-	(33)	(29)	-	-	(532)
Transferred from right-of-use assets (Note 9)	-	-	-	13,805	397	-	-	-	-	14,202
Acquisition of subsidiaries (Note 41)	-	-	3,927	2,776	4	43	55	13	-	6,818
Disposal of a subsidiary (Note 42)	-	-	-	(1,462)	-	-	(2)	-	-	(1,464)
Depreciation charge for the financial year	(2,358)	-	(1,275)	(22,254)	(897)	(914)	(1,838)	(654)	-	(30,190)
Impairment	(3,574)	-	(64)	(791)	(35)	(13)	(7)	-	-	(4,484)
Reclassification	2,840	-	9	2,494	(198)	(93)	1,604	55	(6,711)	-
Reclassification to investment property (Note 8)	-	-	-	-	-	-	-	-	(1,693)	(1,693)
Reclassification to non-current assets held for sale (Note 21)	-	(10,000)	-	-	-	-	-	-	-	(10,000)
Foreign currency translation differences	-	-	-	(151)	(9)	(7)	(4)	(4)	-	(175)
At 31 December 2020	83,810	56,006	16,814	198,394	3,575	3,429	4,015	2,255	15,657	383,955

Group 2020	------At 31 December 2020------ Cost RM'000	Accumulated depreciation RM'000	Accumulated impairment[2] RM'000	Carrying amount RM'000
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

[2] Accumulated impairment included impairment recognised in subsidiaries acquired during the financial year.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2021	Buildings 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	Work-in-progress RM'000	Total RM'000
Carrying amount								
At 1 January 2021	17,323	7,600	131,136	2,706	416	616	4,065	163,862
Additions	-	1,294	15,618	3,808	45	317	5,048	26,130
Disposals	-	-	(71)	(1)	-	-	-	(72)
Transferred (out)/in (to)/from subsidiaries	-	-	(2,993)	251	-	(5)	(1,203)	(3,950)
Transferred from right-of-use assets (Note 9)	-	-	17,727	-	-	-	-	17,727
Depreciation charge for the financial year	(475)	(516)	(14,543)	(453)	(96)	(353)	-	(16,436)
Reclassification	1,865	452	449	38	-	21	(2,825)	-
At 31 December 2021	18,713	8,830	147,323	6,349	365	596	5,085	187,261

	-----At 31 December 2021-----			
Company 2021	**Cost RM'000**	**Accumulated depreciation RM'000**	**Accumulated impairment RM'000**	**Carrying amount RM'000**
Buildings	22,645	(3,932)	-	18,713
Structure and renovation	11,151	(2,321)	-	8,830
Vehicles and mechanical equipment	317,628	(169,358)	(947)[3]	147,323
Other vehicles	9,069	(2,720)	-	6,349
Furniture, fittings and office equipment	1,680	(1,315)	-	365
Computers and peripherals	3,626	(3,030)	-	596
Work-in-progress	5,085	-	-	5,085
	370,884	(182,676)	(947)	187,261

(3) Included transfer of accumulated impairment recognised in a subsidiary acquired during the financial year ended 31 December 2020 upon intercompany transfer of assets.

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2020	Buildings 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	Work-in-progress RM'000	Total RM'000
Carrying amount								
At 1 January 2020	18,035	7,552	100,490	392	385	718	4,251	131,823
Additions	-	516	24,956	2,478	77	223	2,119	30,369
Disposals	-	-	(126)	-	-	-	-	(126)
Written off	(283)	(34)	(13)	-	-	-	-	(330)
Impairment	-	-	(790)	-	-	-	-	(790)
Transferred in from subsidiaries	-	10	8,351	53	44	55	-	8,513
Transferred from right-of-use assets (Note 9)	-	-	10,170	-	-	-	-	10,170
Reclassification to investment properties (Note 8)	-	-	-	-	-	-	(1,693)	(1,693)
Depreciation charge for the financial year	(429)	(444)	(12,514)	(217)	(89)	(381)	-	(14,074)
Reclassification	-	-	612	-	(1)	1	(612)	-
At 31 December 2020	17,323	7,600	131,136	2,706	416	616	4,065	163,862

	----------At 31 December 2020----------			
Company 2020	**Cost RM'000**	**Accumulated depreciation RM'000**	**Accumulated impairment RM'000**	**Carrying amount RM'000**
Buildings	20,780	(3,457)	-	17,323
Structure and renovation	9,405	(1,805)	-	7,600
Vehicles and mechanical equipment	284,046	(152,120)	(790)	131,136
Other vehicles	3,762	(1,056)	-	2,706
Furniture, fittings and office equipment	1,638	(1,222)	-	416
Computers and peripherals	3,297	(2,681)	-	616
Work-in-progress	4,065	-	-	4,065
	326,993	(162,341)	(790)	163,862

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Purchase of property, plant and equipment	82,305	47,502	26,130	30,369
Financed by term loans	(62,767)	(15,690)	(15,130)	(15,690)
Unsettled and remained as other payables	-	(9)	-	-
Cash payments on purchase of property, plant and equipment	19,538	31,803	11,000	14,679

(b) In the previous financial year, the Group and the Company had recognised impairment losses of RM4,484,000 and RM790,000 respectively in relation to property, plant and equipment as the recoverable amount determined was lower than the carrying amount of property, plant and equipment.

Impairment losses 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 demolished the warehouse and hence no future cash inflows and outflows were expected.

Impairment losses of the remaining property, plant and equipment of the Group and of the Company amounted to RM825,000 and RM790,000 respectively was determined based on fair value less costs of disposal. The fair value of the property, plant and equipment was categorised as Level 3 in fair value hierarchy. The fair value was recommended by the Directors based on quotation received which subjected to the conditions of the vehicles.

(c) The carrying amounts of property, plant and equipment of the Group and of the Company pledged as securities for banking facilities granted to the Group and the Company as disclosed in Note 22 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Freehold land	51,517	51,517	-	-
Buildings	74,623	78,494	18,713	17,323
Vehicles and mechanical equipment	46,359	39,900	46,359	39,900
	172,499	169,911	65,072	57,223

8. INVESTMENT PROPERTIES

	Leasehold land RM'000	Building RM'000	Total RM'000
Group			
2021			
Carrying amount			
At 1 January 2021	-	1,693	1,693
Addition	63,615	-	63,615
Acquisition of a subsidiary (Note 41)	14,909	-	14,909
Depreciation charge for the financial year	(1,472)	(26)	(1,498)
At 31 December 2021	77,052	1,667	78,719

	------------At 31 December 2021-----------		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Group			
2021			
Leasehold land	78,524	(1,472)	77,052
Building	1,693	(26)	1,667
	80,217	1,498	78,719

	Building/Total RM'000
Group	
2020	
Carrying amount	
At 1 January 2020	-
Reclassification from property, plant and equipment (Note 7)	1,693
At 31 December 2020	1,693

	------------At 31 December 2020-----------		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Group			
2020			
Building	1,693	-	1,693

8. INVESTMENT PROPERTIES (CONTINUED)

	Building/Total RM'000
Company	
2021	
Carrying amount	
At 1 January 2021	1,693
Depreciation charge for the financial year	(26)
At 31 December 2021	1,667

	------------At 31 December 2021-----------		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Company			
2021			
Building	1,693	(26)	1,667

	Building/Total RM'000
Company	
2020	
Carrying amount	
At 1 January 2020	-
Reclassification from property, plant and equipment (Note 7)	1,693
At 31 December 2020	1,693

	------------At 31 December 2020-----------		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Company			
2020			
Building	1,693	-	1,693

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Fair value	89,678	1,951	1,951	1,951

8. INVESTMENT PROPERTIES (CONTINUED)

(a) During the financial year, the Group made the following cash payments to purchase investment property:

	Group 2021 RM'000	Group 2020 RM'000
Purchase of investment property	63,615	-
Unsettled and remained as other payables	(3,200)	-
Cash payments on purchase of investment property	60,415	-

(b) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM2,299,000 (2020: Nil). There is no rental income generated by the Company during the financial year.

(c) Direct operating expense from investment properties which generated rental income to the Group during the financial year amounted to RM33,000 (2020: Nil).

(d) Fair value of investment properties for disclosure purposes, which are at Level 3 fair value, were recommended by Directors as at the end of the reporting period based on indicative market value of similar properties in the vicinity on a price per square foot basis.

(e) Investment properties of the Group and of the Company are mainly used to generate rental income. However, the fair value of the investment properties reflects the highest and best use of the said properties should the investment properties be disposed. Currently, management does not intend to dispose off the investment properties and the existing use of the investment properties remains for rental purposes.

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Right-of-use assets

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Total RM'000
Group						
Carrying amount						
At 1 January 2021	346,166	1,197	148,468	399	50	496,280
Re-measurement	(972)	-	-	-	-	(972)
Additions	13,055	251	8,714	-	-	22,020
Depreciation	(8,451)	(243)	(16,019)	(79)	(50)	(24,842)
Reclassification	673	(673)	(69)	69	-	-
Reclassification to non-current assets held for sale (Note 21)	(13,013)	-	-	-	-	(13,013)
Transferred to property, plant and equipment (Note 7)	-	-	(42,435)	(34)	-	(42,469)
Exchange differences	-	-	(240)	-	-	(240)
At 31 December 2021	337,458	532	98,419	355	-	436,764

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Right-of-use assets (continued)

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Total RM'000
Group						
Carrying amount						
At 1 January 2020	309,502	3,189	149,265	6,927	-	468,883
Acquisition of subsidiaries (Note 41)	33,533	-	9,349	250	-	43,132
Disposal of a subsidiary (Note 42)	-	-	-	(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 7)	-	-	(13,805)	(397)	-	(14,202)
At 31 December 2020	346,166	1,197	148,468	399	50	496,280

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Total RM'000
Company				
Carrying amount				
At 1 January 2021	94,361	8,607	59,685	162,653
Re-measurement	-	(4,668)	-	(4,668)
Additions	12,113	231	-	12,344
Depreciation	(1,779)	(835)	(5,142)	(7,756)
Transfer in from subsidiaries	-	-	344	344
Transferred to property, plant and equipment (Note 7)	-	-	(17,727)	(17,727)
At 31 December 2021	104,695	3,335	37,160	145,190
Carrying amount				
At 1 January 2020	93,492	-	74,482	167,974
Additions	2,047	9,845	-	11,892
Depreciation	(1,178)	(1,238)	(6,212)	(8,628)
Transfer in from subsidiaries	-	-	1,585	1,585
Transferred to property, plant and equipment (Note 7)	-	-	(10,170)	(10,170)
At 31 December 2020	94,361	8,607	59,685	162,653

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Other vehicles RM'000	Computers and peripherals RM'000	Total RM'000
Group						
Carrying amount						
At 1 January 2021	39,628	557	97,436	390	51	138,062
Re-measurement	(972)	-	-	-	-	(972)
Additions	23,782	251	11,735	-	-	35,768
Lease payments	(31,507)	(275)	(57,959)	(289)	(53)	(90,083)
Interest expense	1,799	36	4,115	13	2	5,965
Exchange differences	-	-	(61)	-	-	(61)
At 31 December 2021	32,730	569	55,266	114	-	88,679
Carrying amount						
At 1 January 2020	93,784	687	109,276	251	-	203,998
Acquisition of subsidiaries (Note 41)	24,018	-	10,300	857	-	35,175
Disposal of a subsidiary (Note 42)	-	-	-	(281)	-	(281)
Additions	5,862	-	18,996	297	101	25,256
Re-measurement	-	166	-	-	-	166
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

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Total RM'000
Company				
Carrying amount				
At 1 January 2021	-	8,669	35,916	44,585
Additions	3,940	231	212	4,383
Re-measurement	-	(4,668)	-	(4,668)
Transfer in from subsidiaries	-	-	318	318
Lease payments	(603)	(964)	(22,679)	(24,246)
Interest expense	66	201	1,630	1,897
At 31 December 2021	3,403	3,469	15,397	22,269

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

Lease liabilities (continued)

	Land RM'000	Buildings RM'000	Vehicles and mechanical equipment RM'000	Total RM'000
Company				
Carrying amount				
At 1 January 2020	36,769	-	52,210	88,979
Additions	-	9,845	-	9,845
Transfer in from subsidiaries	-	-	1,299	1,299
Lease payments	(37,999)	(1,661)	(20,185)	(59,845)
Interest expense	1,230	485	2,592	4,307
At 31 December 2020	-	8,669	35,916	44,585

Represented by:	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current liabilities	32,090	41,945	11,977	14,638
Non-current liabilities	56,589	96,117	10,292	29,947
	88,679	138,062	22,269	44,585
Lease liabilities owing to financial institutions	72,611	121,775	15,060	35,544
Lease liabilities owing to non-financial institutions	16,068	16,287	7,209	9,041
	88,679	138,062	22,269	44,585

(a) The Group and the Company have certain leases of machineries with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group and the Company apply the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(b) During the financial year, the Group and the Company made the following cash payments to purchase right-of-use assets:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Purchase of right-of-use assets	22,020	26,145	12,344	11,892
Financed by lease liabilities	(15,948)	(25,256)	(4,383)	(9,845)
Cash payments on purchase of right-of-use assets	6,072	889	7,961	2,047

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(c) The carrying amounts of right-of-use assets of the Group and of the Company pledged as securities for banking facilities granted to the Group and the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Leasehold land	304,279	333,973	93,163	94,361
Vehicles and mechanical equipment	90,151	127,673	37,160	59,685
Other vehicles	198	243	-	-
	394,628	461,889	130,323	154,046

(d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Depreciation charge of right-of-use assets (included in cost of sales and services and administrative and operating expenses)	24,842	23,871	7,756	8,628
Interest expense on lease liabilities (included in finance costs)	5,965	9,370	1,897	4,307
Expense relating to short-term leases (included in cost of sales and services and administrative and operating expenses)	1,855	1,735	659	1,135
Expense relating to leases of low-value assets (included in cost of sales and services and administrative and operating expenses)	405	511	44	42
Variable lease payments (included in cost of sales and services)	4,334	4,202	1,549	2,487
	37,401	39,689	11,905	16,599

(e) The following are total cash outflows for leases as a lessee:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included in net cash from operating activities:				
Payment relating to short-term leases and low value assets	2,260	2,246	703	1,177
Payment relating to variable lease payments not included in the measurement of lease liabilities	4,334	4,202	1,549	2,487
Included in net cash used in investing activities:				
Purchase of right-of-use assets	6,072	889	7,961	2,047
Included in net cash from/(used in) financing activities:				
Payment of lease liabilities	65,147	126,826	22,645	56,054
Total cash outflows for leases	77,813	134,163	32,858	61,765

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(f) The securities of lease liabilities relating to leasehold land is disclosed in Note 22(a) to the financial statements.

(g) The Group and the Company have 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 and the Company for their 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 or loss.

A 10% increase in usage of the Group and of the Company would increase the total lease payment by 0.60% and 0.62% (2020: 0.32% and 0.42%) respectively.

(h) The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(i) The followings are the undiscounted potential future rental payments that are not included in the lease term:

Group	**2021**		**2020**	
	Within five years RM'000	**Total RM'000**	**Within five years RM'000**	**Total RM'000**
Extension options expected not to be exercised	4,408	4,408	4,408	4,408

(j) 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.

(k) Information of financial risks of the lease liabilities were disclosed in Note 40 to the financial statements.

(l) The currency exposure profiles of lease liabilities are as follows:

	Group		**Company**	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Thai Baht	1,813	2,528	-	-
Ringgit Malaysia	86,866	135,534	22,269	44,585
	88,679	138,062	22,269	44,585

9. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

The Group as a lessor

The Group has entered into non-cancellable lease agreements on certain properties and renewable at the end of the lease period. The monthly rental consists of a fixed base rent.

The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Less than one (1) year	136	182
One (1) to two (2) years	131	132
Two (2) to three (3) years	72	127
Three (3) to four (4) years	-	72
	339	513

10. OTHER INVESTMENTS

	Group	
	2021 RM'000	**2020 RM'000**
Non-current		
Financial assets at fair value through profit or loss		
Club memberships	43	43
Equity securities - unquoted shares	37	-
Equity securities - quoted shares	1,261	266
	1,341	309

Information on the fair value hierarchy is disclosed in Note 39 to the financial statements.

11. INVESTMENTS IN SUBSIDIARIES

	Note	Company 2021 RM'000	Company 2020 RM'000
At cost - unquoted shares			
At 1 January		487,498	487,703
Additional investment	b(vii)	-	333
Acquisition of a subsidiary	41	10,000	-
Disposal of subsidiaries	42	-	(538)
At 31 December		497,498	487,498
Accumulated impairment loss			
At 1 January		(22,325)	(10,281)
Charge for the financial year		(13,549)	(15,157)
Reversal of impairment loss		-	2,575
Disposal of subsidiaries	42	-	538
At 31 December		(35,874)	(22,325)
Carrying amount		461,624	465,173

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity 2021 %	Effective interest in equity 2020 %	Principal activities
Delta Express (M) Sdn. Bhd.	Malaysia	100	100	Freight forwarding agency services and investment holding
Swift Consolidators Sdn. Bhd.	Malaysia	100	100	Freight forwarding services
Q-Team Sdn. Bhd.	Malaysia	100	100	Sales, service and spare parts for commercial vehicles and tyre retreading and investment holding
Container Connections (M) Sdn. Bhd.	Malaysia	61.5	61.5	Container depot services and investment holding
Swift Integrated Logistics Sdn. Bhd.	Malaysia	100	100	Integrated logistics services comprising container haulage, land transportation, warehousing and container depot, and freight forwarding agency services, and investment holding

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity 2021 %	2020 %	Principal activities
Swift Crossland Logistics Co., Ltd. (1) (2)	Thailand	49	49	Land transportation and freight forwarding agency services, and investment holding
Tanjong Express (M) Sdn. Bhd.	Malaysia	100	100	Container haulage and land transportation services and investment holding
Komunajaya Sdn. Bhd.	Malaysia	100	100	Fabrication, repair and maintenance services for trailers
Agenda Wira Sdn. Bhd.	Malaysia	100	100	Container haulage and freight forwarding agency services
Ann Joo Properties Sdn. Bhd.	Malaysia	100	-	Investment holding
Subsidiary of Delta Express (M) Sdn. Bhd.				
Swift Logistics TA Sdn. Bhd.	Malaysia	100	100	Freight forwarding agency services
Subsidiaries of Q-Team Sdn. Bhd.				
Fleet Engineering Services Sdn. Bhd.	Malaysia	100	100	Repair, maintenance and configuration of commercial vehicle superstructures
Q-Team Risk Management Sdn. Bhd.	Malaysia	100	100	General insurance agency services
Subsidiaries of Swift Integrated Logistics Sdn. Bhd.				
Swift Haulage Services Sdn. Bhd.	Malaysia	100	100	Dormant
Swift Commerce Sdn. Bhd.	Malaysia	100	100	E-commerce retailing
MILS Cold Hub Sdn. Bhd.	Malaysia	100	100	Dormant
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

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity 2021 %	2020 %	Principal activities
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. [3]	Malaysia	100	100	Dormant
Subsidiary of Swift Crossland Logistics Co., Ltd.				
Crossland Forwarders Co., Ltd. [1] [2]	Thailand	49	49	Dormant
Subsidiary of Tanjong Express (M) Sdn. Bhd.				
Tanjong Express Logistic (M) Sdn. Bhd.	Malaysia	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

(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.*

(3) *Consolidated based on its management accounts for the financial year ended 31 December 2021. The financial statements of this subsidiary is not required to be audited as it is in the progress of striking off during the financial year. The strike-off will not have material financial effect to the Group. As at the date of this report, the subsidiary has been struck off from the register pursuant to Section 550 of the Companies Act 2016.*

(a) On 15 July 2021, the Company acquired the entire equity interest comprising 10,000,000 ordinary shares in Ann Joo Properties Sdn. Bhd. ("AJPSB") for a purchase consideration of RM10,000,000.

(b) In the previous financial year ended 31 December 2020:

(i) On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest comprising 2,500,000 ordinary shares in Sentiasa Hebat Sdn. Bhd. ("STSB") for a purchase consideration of RM7,990,000.

(ii) On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, 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, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest comprising 100 ordinary shares in Earth Move International Sdn. Bhd. ("EMISB") for a purchase consideration of RM1.

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) In the previous financial year ended 31 December 2020: (continued)

(iv) On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, 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, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, 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"), a 61.5% owned subsidiary of the Company, 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 Company 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, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, 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 had been completed in the previous financial year.

(ix) On 21 December 2020, the Company disposed off its entire equity interest comprising 2 ordinary shares in Swift Logistics Sdn. Bhd. ("SLSB") for a cash consideration of RM2. The transaction had been completed in the previous financial year.

(x) On 21 December 2020, the Company disposed off its entire equity interest comprising 250,000 ordinary shares in Mekar Canggih Sdn. Bhd. ("MCSB") for a cash consideration of RM100. The transaction had been completed in the previous financial year.

(xi) On 21 December 2020, the Company disposed off its entire equity interest comprising 60,000 ordinary shares in Roda Warna Sdn. Bhd. ("RWSB") for a cash consideration of RM24. The transaction had been completed in the previous financial year.

(xii) On 21 December 2020, Tanjong Express (M) Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed off its entire equity interest comprising 190,000 ordinary shares in RWSB for a cash consideration of RM76. The transaction had been completed in the previous financial year.

(c) During the financial year, impairment losses on the costs of investments in certain subsidiaries amounting to RM13,549,000 (2020: RM15,157,000) had been recognised due to their recoverable amounts being lower than their carrying amounts.

Impairment losses of RM1,769,000 (2020: RM15,157,000) was determined based on 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 8% (2020: 6%) per annum. The remaining impairment losses of RM11,780,000 (2020: Nil) was determined based on fair value less costs of disposal.

In the previous financial year, the Company had also recognised reversal of impairment loss of RM2,575,000 on investment in a subsidiary due to improvement in the business operation.

11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) Subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	SCL	CCMSB	Total
2021			
NCI percentage of ownership interest and voting interest	51.0%	38.5%	
Carrying amount of NCI (RM'000)	(1,520)	1,934	414
Profit/Total comprehensive income allocated to NCI (RM'000)	902	150	1,052
2020			
NCI percentage of ownership interest and voting interest	51.0%	38.5%	
Carrying amount of NCI (RM'000)	(2,422)	2,073	(349)
Profit/Total comprehensive income allocated to NCI (RM'000)	299	495	794

(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:

2021	SCL RM'000	CCMSB RM'000
Assets and liabilities		
Non-current assets	14,435	17,621
Current assets	16,563	7,347
Non-current liabilities	(18,073)	(7,714)
Current liabilities	(15,772)	(12,685)
Net assets	(2,847)	4,569
Results		
Revenue	46,249	29,599
Profit for the financial year	1,769	388
Total comprehensive income	1,769	388
Cash flows from operating activities	2,575	6,148
Cash flows (used in)/from investing activities	(7,303)	1,972
Cash flows from/(used in) financing activities	4,706	(8,905)
Net decrease in cash and cash equivalents	(22)	(785)
Dividend paid to NCI	-	(289)

11. INVESTMENTS IN SUBSIDIARIES (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)

2020	SCL RM'000	CCMSB RM'000
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
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	(526)	(1,161)
Cash flows used in financing activities	(958)	(7,104)
Net increase in cash and cash equivalents	504	1,579
Dividend paid to NCI	-	(308)

12. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost	19,290	19,290	18,850	18,850
Advances to an associate	5,825	-	5,825	-
Share of post-acquisition reserves, net of dividends received	(475)	896	-	-
Less: Accumulated impairment loss - advances to an associate	(190)	-	(190)	-
	24,450	20,186	24,485	18,850

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

The details of the associates are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity 2021 %	2020 %	Principal activities
BLG Swift Logistics Sdn. Bhd. [(1)]	Malaysia	60	60	Investment holding and provision of automotive solutions and related integrated logistics services
Global Vision Logistics Sdn. Bhd. [(2)]	Malaysia	25	25	Provision of warehousing services
Subsidiary of BLG Swift Logistics Sdn. Bhd.				
Swift Mega Carriers Sdn. Bhd.	Malaysia	60	60	Provision of transportation services

(1) *Although the Company holds 60% interest in BLG Swift Logistics Sdn. Bhd. ("BLG"), BLG is deemed to be an associate as the Company is unable to exercise control over the financial and operating policies of the economic activities of BLG.*

(2) *Associate not audited by BDO PLT.*

(a) During the financial year, the Directors of the Company have reassessed the nature of the amount owing by an associate and determined that the outstanding balance amounting to RM5,825,000 shall constitute as advances to the associate, which are unsecured, interest-free and settlement is neither planned nor likely to occur in the foreseeable future, and are considered to be part of the investments of the Company in providing the associate with a long term source of additional capital.

(b) In the previous financial year, the Company made a capital contribution to an associate, Global Vision Logistics Sdn. Bhd. ("GVLSB") amounted to RM50,000. The capital contribution was unsecured, interest-free and the repayment of such balances were not expected in the foreseeable future.

(c) In the previous financial year, 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.

(d) Impairment for advances to an associate is recognised based on general approach within MFRS 9 using the forward-looking expected credit loss model.

The reconciliation of movements in allowance for impairment accounts of advances to an associate is as follows:

	Group and Company 12-month ECL 2021 RM'000	2020 RM'000
At 1 January	-	-
Charge for the financial year	190	-
At 31 December	190	-

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(e) The Company has assessed whether there are any indications of impairment during the financial year. In doing this, management considered the current environments and performance of the associates. Management has considered the shortfall between the net assets against the cost of investment in an associate in the current financial year as impairment indications.

Recoverable amount of cost of investment in GVLSB was determined based on fair value less costs of disposal. The fair value was recommended by the Directors based on the adjusted net tangible assets of GVLSB. GVLSB has a piece of land and its fair value of the land was based on existing use basis that made reference to indicative market value of similar properties in the vicinity on a price per square feet basis. No impairment is required as the recoverable amount is higher than its carrying amount.

In the previous financial year, the recoverable amounts of the investments in associates were 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 8%. The Group had recognised a reversal of impairment losses of RM255,000 on investment in an associate due to improvement in the business operation.

(f) The summarised financial information of the associates are as follows:

2021	**GVLSB RM'000**	**BLG RM'000**
Assets and liabilities		
Non-current assets	224,832	10,462
Current assets	2,752	4,136
Non-current liabilities	(234,168)	(4,010)
Current liabilities	(4)	(7,798)
Net (liabilities)/assets	(6,588)	2,790
Results		
Revenue	-	5,439
Loss for the financial year	(1,830)	(2,880)
Total comprehensive loss	(1,830)	(2,880)
Share of results by the Group for the financial year		
Share of loss by the Group for the financial year	(457)	(914)*

* Included an adjustment on prior years post-acquisition profits amounted to RM814,000.

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(f) The summarised financial information of the associates are as follows: (continued)

2020	**GVLSB RM'000**	**BLG RM'000**
Assets and liabilities		
Non-current assets	209,889	13,085
Current assets	2,319	7,296
Non-current liabilities	(216,779)	(7,177)
Current liabilities	(187)	(7,534)
Net (liabilities)/assets	(4,758)	5,670
Results		
Revenue	120	10,880
(Loss)/Profit for the financial year	(2,338)	751
Total comprehensive (loss)/income	(2,338)	751
Share of results by the Group for the financial year		
Share of (loss)/profit by the Group for the financial year	(585)	451

(g) Reconciliation of the summarised financial information presented above to the carrying amount of the interests in the associates of the Group are as follows:

	GVLSB RM'000	**BLG RM'000**	**Total RM'000**
2021			
Net (liabilities)/assets as at 1 January	(4,758)	5,670	912
Total comprehensive loss attributable to associates	(1,830)	(2,880)	(4,710)
Net (liabilities)/assets as at 31 December	(6,588)	2,790	(3,798)
Interests in the associates as at year end	25%	60%	
	(1,647)	1,674	27
Capital contribution	50	-	50
Investments in redeemable preference shares	18,738	-	18,738
Advances to an associate	5,825	-	5,825
Less: Accumulated impairment loss on advances	(190)	-	(190)
Carrying value of Group's interests in the associates	22,776	1,674	24,450

12. INVESTMENTS IN ASSOCIATES (CONTINUED)

(g) Reconciliation of the summarised financial information presented above to the carrying amount of the interests in the associates of the Group are as follows: (continued)

	GVLSB RM'000	BLG RM'000	Total RM'000
2020			
Net (liabilities)/assets as at 1 January	(2,420)	4,919	2,499
Total comprehensive (loss)/income attributable to associates	(2,338)	751	(1,587)
Net (liabilities)/assets as at 31 December	(4,758)	5,670	912
Interests in the associates as at year end	25%	60%	
	(1,190)	3,402	2,212
Capital contribution	50	-	50
Investments in redeemable preference shares	18,738	-	18,738
Carrying value of Group's interests in the associates	17,598	3,402	21,000

13. INVESTMENT IN A JOINT VENTURE

	Group 2021 RM'000	Group 2020 RM'000
Unquoted equity shares, at cost	10,550	-
Share of post-acquisition reserves, net of dividends received	404	-
	10,954	-

The details of the joint venture are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity 2021 %	Effective interest in equity 2020 %	Principal activities
Hypercold Logistics Sdn. Bhd.	Malaysia	50	-	Provision of warehousing and transportation services

(a) During the financial year, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired 50% equity interest comprising 1,285,000 ordinary shares in Hypercold Logistics Sdn. Bhd. ("HCLSB") for a purchase consideration of RM10,550,000.

(b) HCLSB is an unlisted separate entity whose quoted market price is not available. The contractual arrangement provides the Group with only rights to the net assets of the joint arrangement, with the rights to assets and obligation for liabilities of the joint arrangement resting primarily with HCLSB. The joint arrangement has been included in the consolidated financial statements using the equity method.

13. INVESTMENT IN A JOINT VENTURE (CONTINUED)

(c) The summarised financial information of the joint venture is as follows:

2021	**HCLSB RM'000**
Assets and liabilities	
Non-current assets	11,226
Current assets	4,252
Non-current liabilities	(5,087)
Current liabilities	(2,079)
Net assets	8,312
Results	
Revenue	8,342
Profit for the financial year	1,289
Total comprehensive income	1,289
Share of post-acquisition profit by the Group for the financial year	
Share of post-acquisition profit by the Group for the financial year	404

(d) Reconciliation of the summarised financial information presented above to the carrying amount of the interest in a joint venture of the Group is as follows:

2021	**HCLSB RM'000**
Net assets as at acquisition date	7,504
Total comprehensive income attributable to the joint venture	808
Net assets as at 31 December	8,312
Fair value adjustments on identifiable assets	(147)
Adjustments relating to the fair value on identifiable assets	*
Adjusted net assets as at 31 December	8,165
Interest in a joint venture as at year end	50%
	4,083
Goodwill	6,871
Carrying value of Group's interest in a joint venture	10,954

* The amount is immaterial to disclose.

(e) The Group has assessed whether there are any indications of impairment during the financial year. In doing this, management considered the current environments and performance of the joint venture. Management has considered the shortfall between the adjusted net assets against the cost of investment in a joint venture in the current financial year as impairment indications.

Recoverable amount of cost of investment in HCLSB was 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 8% per annum. No impairment is required as the recoverable amount is higher than its carrying amount.

14. GOODWILL ON CONSOLIDATION

	Note	Group 2021 RM'000	Group 2020 RM'000
Cost			
At beginning of financial year		84,774	79,482
Acquisition of subsidiaries	41	-	5,292
		84,774	84,774
Accumulated impairment losses			
At beginning of financial year		(15,961)	(4,178)
Charge for the financial year		-	(11,783)
		(15,961)	(15,961)
Carrying amount		68,813	68,813

The carrying amounts of goodwill allocated to the Group's cash-generating-units ("CGUs") are as follows:

	Haulage, forwarding services & warehousing RM'000	Containers and depot services RM'000	Vehicles trading RM'000	Total RM'000
Group				
2021				
Goodwill on consolidation	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
2020				
Goodwill on consolidation	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

(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.

14. GOODWILL ON CONSOLIDATION (CONTINUED)

(b) The cash flow forecasts are based on budgets for the next five (5) years, with various inputs, assumptions and a terminal value thereafter with no terminal growth rate. The cash flows were probability weighted based on the following scenarios:

Group 2021	Best case	Base case	Worst case
Weighting	30%	50%	20%
Revenue growth rates			
Haulage, forwarding services & warehousing	5%	3%	(2%) to 1%
Containers and depot services	5%	3%	(30%)
Vehicles trading	3%	1%	(4%)
Expenses growth rates			
Haulage, forwarding services & warehousing	1% to 2%	2% to 5%	3% to 6%
Containers and depot services	3%	3%	8%
Vehicles trading	2%	3%	4%
Pre-tax discount rates			
Haulage, forwarding services & warehousing	8%	8%	8%
Containers and depot services	8%	8%	8%
Vehicles trading	8%	8%	8%
2020			
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%

14. GOODWILL ON CONSOLIDATION (CONTINUED)

(c) 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	2021	2020
Probability weighted	Best case: 5% Base case: 50% Worst case: 45%	Base case: 5% Best case: 50% Worst case: 45%
Revenue growth rates		
Haulage, forwarding services & warehousing	(5%) to (2%)	(64%) to (2%)
Containers and depot services	(5%)	(5%)
Vehicles trading	(5%)	(5%)
Expenses growth rates		
Haulage, forwarding services & warehousing	3% to 5%	3% to 5%
Containers and depot services	1%	1%
Vehicles trading	4%	4%
Pre-tax discount rates		
Haulage, forwarding services & warehousing	3%	3%
Containers and depot services	2%	2%
Vehicles trading	3%	3%

The 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 at year end to further exceed their recoverable amounts.

In the previous financial year, an impairment loss of RM11,783,000 was recognised due to downsizing of business activities for certain subsidiaries within the Group. It had impacted the forecasted operating cash flows included in the VIU calculations for CGUs from haulage, forwarding services and warehousing.

15. INTANGIBLE ASSETS

	Software development costs/Total RM'000
Group and Company	
Carrying amount	
At 1 January 2021	-
Addition	576
At 31 December 2021	576

	-------------At 31 December 2021------------		
	Cost RM'000	Accumulated impairment RM'000	Total RM'000
Software development costs	576	-	576

Software development costs comprise of costs charged by a software developer as well as salaries of personnel involved in the development project.

16. INVENTORIES

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
At cost				
Spare parts and consumable goods	7,245	6,940	2,540	2,850
Prime movers	8,563	4,019	-	-
	15,808	10,959	2,540	2,850

(a) During the financial year, inventories of the Group and of the Company recognised as cost of sales amounted to RM68,897,000 and RM27,979,000 (2020: RM59,800,000 and RM22,547,000) respectively.

(b) In the previous financial year, the Group recorded a charge to profit or loss pertaining to inventories written off of RM17,000.

17. TRADE AND OTHER RECEIVABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Trade receivables					
Amount owing by a subsidiary	(b)	-	-	-	674
Less: Impairment losses	(f)	-	-	-	(27)
		-	-	-	647
Other receivables					
Amounts owing by subsidiaries	(d)	-	-	66,213	74,400
Less: Impairment losses	(f)	-	-	(3,587)	(9,756)
		-	-	62,626	64,644
Total trade and other receivables (non-current)		-	-	62,626	65,291
Current					
Trade receivables					
Third parties	(a)	230,926	155,345	31,528	26,012
Amount owing by a related party	(b)	107	-	-	-
Amount owing by an associate	(b)	101	30	-	-
Amounts owing by subsidiaries	(b)	-	-	4,520	4,100
		231,134	155,375	36,048	30,112
Less: Impairment losses					
- third parties	(e)	(12,714)	(8,439)	(1,436)	(2,006)
- subsidiaries	(f)	-	-	(679)	(590)
Total trade receivables		218,420	146,936	33,933	27,516

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

		Group		Company	
		2021	2020	2021	2020
	Note	RM'000	RM'000	RM'000	RM'000
Other receivables					
Amounts owing by subsidiaries	(c)	-	-	95,836	13,119
Amount owing by a related party	(c)	63	63	63	63
Amounts owing by associates	(c)	1,983	6,097	547	4,446
Other receivables		4,607	5,109	1,708	1,305
Deposits		8,235	9,889	1,030	5,409
		14,888	21,158	99,184	24,342
Less: Impairment losses					
- other receivables and deposits	(f)	(724)	(1,159)	(529)	(668)
- subsidiaries	(f)	-	-	(1,555)	(1,313)
- associates	(f)	(1,448)	(1,935)	(12)	(284)
- related party	(f)	(63)	-	(63)	-
		12,653	18,064	97,025	22,077
Total receivables		231,073	165,000	193,584	114,884
Prepayments		17,137	13,129	6,377	6,499
Total trade and other receivables (current)		248,210	178,129	137,335	56,092
Total trade and other receivables (non-current and current)		248,210	178,129	199,961	121,383

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group and the Company range from 30 days to 90 days (2020: 30 days to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Amounts owing by a related party, an associate and subsidiaries in trade receivables are subject to normal trade credit terms granted by the Group and the Company of 60 days (2020: 60 days) from date of invoice.

In the previous financial year, the Company renegotiated its amount owing by a subsidiary, which led to changes in the timing of the payments. The impact that arose from the renegotiation was negligible to the Company.

(c) Amounts owing by subsidiaries, a related party and associates in other receivables represent advances, which are unsecured, interest-free and receivable within the next twelve (12) months in cash and cash equivalents.

(d) Non-current amounts owing by subsidiaries of the Company represent loan amounts, which are unsecured, bear interest at 6% (2020: 6%) per annum and receivable within next seven (7) years (2020: eight (8) years) except for advances of RM46,405,000 (2020: RM48,906,000), which is unsecured, interest-free and has a fixed repayment terms ranging from two (2) years to five (5) years (2020: two (2) years to four (4) years). The Company has recognised fair value loss on amounts owing by subsidiaries of RM4,201,000 (2020: RM1,292,000) through profit or loss for the fair value changes in non-current amounts owing by subsidiaries.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

(e) The reconciliation of movements in the impairment losses on trade receivables is as follows:

Group	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2021	1,689	6,750	8,439
Charge for the financial year	537	7,769	8,306
Reversal of impairment losses	(442)	(2,657)	(3,099)
Written off	-	(930)	(930)
Exchange differences	-	(2)	(2)
At 31 December 2021	1,784	10,930	12,714
At 1 January 2020	1,964	9,587	11,551
Acquisition of subsidiaries	154	3,108	3,262
Disposal of a subsidiary	-	(3)	(3)
Charge for the financial year	667	2,262	2,929
Reversal of impairment losses	(1,096)	(7,749)	(8,845)
Written off	-	(455)	(455)
At 31 December 2020	1,689	6,750	8,439
Company			
At 1 January 2021	982	1,024	2,006
Charge for the financial year	26	61	87
Reversal of impairment losses	(342)	(186)	(528)
Written off	-	(129)	(129)
At 31 December 2021	666	770	1,436
At 1 January 2020	315	2,255	2,570
Charge for the financial year	667	343	1,010
Reversal of impairment losses	-	(1,565)	(1,565)
Written off	-	(9)	(9)
At 31 December 2020	982	1,024	2,006

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 end.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

(f) The reconciliation of movements in the impairment losses on other receivables and amounts owing by related parties are as follows:

		Lifetime ECL		
Group	**12-month ECL RM'000**	**Not credit impaired RM'000**	**Credit impaired RM'000**	**Total RM'000**
At 1 January 2021	696	283	2,115	3,094
Charge for the financial year	40	-	128	168
Reversal of impairment losses	(142)	(283)	(366)	(791)
Written off	-	-	(236)	(236)
At 31 December 2021	594	-	1,641	2,235
At 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 losses	(153)	-	-	(153)
Written off	-	-	(7,700)	(7,700)
At 31 December 2020	696	283	2,115	3,094
Company				
At 1 January 2021	923	11,314	401	12,638
Charge for the financial year	1,164	1	459	1,624
Reversal of impairment losses	(135)	(7,702)	-	(7,837)
At 31 December 2021	1,952	3,613	860	6,425
At 1 January 2020	696	8,710	7,710	17,116
Charge for the financial year	476	3,594	401	4,471
Reversal of impairment losses	(249)	(990)	(5)	(1,244)
Written off	-	-	(7,705)	(7,705)
At 31 December 2020	923	11,314	401	12,638

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 end.

(g) No expected credit losses were recognised arising from trade amounts owing by a related party and an associate because the probability of default by the related party and the associate were negligible.

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

(h) As at the end of each reporting period, the credit risk exposure and concentration relating to trade receivables of the Group and of the Company are summarised in the table below:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Maximum exposure	218,420	146,936	33,933	28,163
Collateral obtained	-	-	-	-
Net exposure to credit risk	218,420	146,936	33,933	28,163

During the financial year, the Group and the Company did not renegotiate the terms of any trade receivables.

(i) The currency exposure profiles of trade and other receivables (exclude prepayments) are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
United States Dollar	1,395	680	-	-
Thai Baht	8,690	8,179	16,259	19,742
Singapore Dollar	219	219	-	-
Brunei Dollar	19	-	19	-
Ringgit Malaysia	220,750	155,922	177,306	95,142
	231,073	165,000	193,584	114,884

(j) The ageing analysis of trade receivables of the Group and of the Company are as follows:

Group 2021	Gross carrying amount RM'000	Total allowance RM'000	Balance as at 31.12.2021 RM'000
Current	132,402	(2,809)	129,593
Past due			
1 to 30 days	53,256	(1,040)	52,216
31 to 60 days	31,094	(720)	30,374
61 to 90 days	6,068	(881)	5,187
More than 90 days	8,314	(7,264)	1,050
	98,732	(9,905)	88,827
	231,134	(12,714)	218,420

17. TRADE AND OTHER RECEIVABLES (CONTINUED)

(j) The ageing analysis of trade receivables of the Group and of the Company are as follows: (continued)

Group **2020**	**Gross carrying amount RM'000**	**Total allowance RM'000**	**Balance as at 31.12.2020 RM'000**
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

Company **2021**	**Gross carrying amount RM'000**	**Total allowance RM'000**	**Balance as at 31.12.2021 RM'000**
Current	20,911	(439)	20,472
Past due			
1 to 30 days	8,916	(187)	8,729
31 to 60 days	4,087	(689)	3,398
61 to 90 days	1,037	(23)	1,014
More than 90 days	1,097	(777)	320
	15,137	(1,676)	13,461
	36,048	(2,115)	33,933

Company **2020**	**Gross carrying amount RM'000**	**Total allowance RM'000**	**Balance as at 31.12.2020 RM'000**
Current	17,265	(813)	16,452
Past due			
1 to 30 days	7,319	(405)	6,914
31 to 60 days	3,414	(239)	3,175
61 to 90 days	683	(59)	624
More than 90 days	2,105	(1,107)	998
	13,521	(1,810)	11,711
	30,786	(2,623)	28,163

(k) Information on financial risks of trade and other receivables is disclosed in Note 40 to the financial statements.

18. DERIVATIVE

Group	Notional amount RM'000	Asset RM'000	Liability RM'000
2021			
Current			
Cross-currency interest rate swap contract	31,375	1,284	-
2020			
Current			
Cross-currency interest rate swap contract	38,875	-	734

(a) Derivative asset or liability is classified as financial asset or liability 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) During the financial year, the Group recognised a fair value gain of RM2,018,000 (2020: fair value loss of RM1,594,000) 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 39 to the financial statements.

(e) Information on financial risks of derivative is disclosed in Note 40 to the financial statements.

19. SHORT TERM FUND

	Group	
	2021 RM'000	2020 RM'000
Fair value through profit or loss		
Short term fund	-	2,009

(a) In the previous financial year, short term fund was 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 was categorised as Level 1 in fair value hierarchy. The short term fund of the Group was denominated in RM.

(b) In the previous financial year, the management assessed that the fair value of the short term fund approximated its carrying amount largely due to the short term maturities of this instrument.

(c) Information on the fair value hierarchy is disclosed in Note 39 to the financial statements.

(d) Information on financial risks of short term fund is disclosed in Note 40 to the financial statements.

20. CASH AND BANK BALANCES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash on hand		450	647	45	47
Cash at bank		61,661	27,202	49,201	9,026
Deposits with licensed banks	(a)	2,620	5,042	29	29
		64,731	32,891	49,275	9,102

(a) Deposits with licensed banks of the Group and of the Company have maturity periods ranging from 90 days to 365 days and 150 days (2020: 90 days to 365 days and 150 days) respectively with interest rates ranging from 0.25% to 4.14% and 4.14% (2020: 0.25% to 4.66% and 4.14%) per annum respectively.

(b) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as the end of the financial year:

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances		64,731	32,891	49,275	9,102
Less:					
Bank overdrafts included in borrowings		(56)	(8,181)	-	-
Deposits with licensed banks with maturity of over 3 months		(2,620)	(4,617)	(29)	(29)
Restricted cash	(d)	(753)	(1,741)	(707)	(1,741)
Cash and cash equivalents included in the statements of cash flows		61,302	18,352	48,539	7,332

(c) Included in deposits with licensed banks of the Group and of the Company are fixed deposits of RM2,223,000 and RM29,000 (2020: RM4,604,000 and RM29,000) respectively pledged to the licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 22(a) to the financial statements.

(d) Restricted cash of the Group and of the Company of RM753,000 and RM707,000 (2020: RM1,741,000 and RM1,741,000) respectively mainly represents deposits which are maintained in Debt Servicing Reserve Account with licensed banks in connection with banking facilities granted to the Group as disclosed in Note 22(a) to the financial statements.

20. CASH AND BANK BALANCES (CONTINUED)

(e) The currency exposure profiles of cash and bank balances are as follow:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
United States Dollar	798	1,251	11	53
Ringgit Malaysia	60,250	27,705	49,261	9,048
Euro	108	113	-	-
Singapore Dollar	45	1	3	1
Thai Baht	3,530	3,821	-	-
	64,731	32,891	49,275	9,102

(f) No expected credit losses were recognised arising from the cash and bank balances because the probability of default by these financial institutions were negligible.

(g) Information on financial risks of cash and bank balances are disclosed in Note 40 to the financial statements.

21. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2021 RM'000	**2020 RM'000**
Leasehold land*	13,013	-
Freehold land#	-	10,000
Buildings#	4,181	-
	17,194	10,000

* Transferred from right-of-use assets (Note 9)
\# Transferred from property, plant and equipment (Note 7)

(a) In the previous financial year, the Group had 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 Sale and Purchase Agreement ("SPA") with a third party for the sale of the abovementioned land. The transaction has been completed during the financial year ended 31 December 2021.

(b) 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 been completed on 13 January 2022.

(c) In the previous financial year, the freehold land of the Group pledged as securities for banking facilities granted to the Group was disclosed in Note 22(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 year ended 31 December 2021.

Notes to the Financial Statements
31 December 2021

22. BORROWINGS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current				
Term loans (secured)	26,820	79,676	12,000	67,576
Unrated Islamic medium term notes (secured)	40,125	6,000	40,125	6,000
Trade financing (secured)	94,641	18,948	7,716	9,059
Revolving credits (secured)	17,334	-	13,000	-
Bank overdrafts (secured)	56	8,181	-	-
	178,976	112,805	72,841	82,635
Non-current				
Term loans (secured)	79,896	72,512	35,191	26,659
Unrated Islamic medium term notes (secured)	316,875	294,000	316,875	294,000
	396,771	366,512	352,066	320,659
Total borrowings				
Term loans (secured)	106,716	152,188	47,191	94,235
Unrated Islamic medium term notes (secured)	357,000	300,000	357,000	300,000
Trade financing (secured)	94,641	18,948	7,716	9,059
Revolving credits (secured)	17,334	-	13,000	-
Bank overdrafts (secured)	56	8,181	-	-
	575,747	479,317	424,907	403,294

(a) All borrowings of the Group and of the Company are secured by:

(i) first legal charge over the freehold land, leasehold land, buildings and vehicles and mechanical equipment of the Group and of the Company with a total carrying amounts of RM476,778,000 and RM158,235,000 (2020: RM513,884,000 and RM151,584,000) respectively as disclosed in Notes 7(c), 9(c) and 21(c) to the financial statements;

(ii) pledge of the Group and the Company's fixed deposits of RM2,223,000 and RM29,000 (2020: RM4,604,000 and RM29,000) respectively as disclosed in Note 20(c) to the financial statements; and

(iii) restricted cash of the Group and of the Company of RM753,000 and RM707,000 (2020: RM1,741,000 and RM1,741,000) respectively as disclosed in Note 20(d) to the financial statements.

In the previous financial year, all borrowings of the Group and of the Company were also secured by:

(i) pledge of unquoted shares of certain subsidiaries;

(ii) corporate guarantee by a related party; and

(iii) personal guarantee by certain Directors of the Company.

22. BORROWINGS (CONTINUED)

(b) The term loans of the Group and of the Company are repayable by monthly instalments ranging from 36 months to 180 months and 36 months to 60 months (2020: 36 months to 180 months and 36 months to 60 months) respectively.

(c) Significant covenant of the term loans of the Group and of the Company are that the debt equity ratio of the Group and of the Company shall not at any time exceed 2.25 times and 3 times (2020: 3 times and 3 times) respectively.

(d) As at the reporting date, the weighted average effective interest rates of the borrowings are as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	%	**%**	**%**	**%**
Bank overdrafts	5.80	5.70	-	-
Unrated Islamic medium term notes	3.61	3.38	3.61	3.38
Term loans	4.50	5.04	4.20	4.94
Revolving credits	3.47	3.82	3.43	3.82
Trade financing	3.01	3.73	3.07	3.74

(e) In the prior financial year, the Group entered into cross-currency interest swap contract to manage exposures to foreign currency and interest rate risks of a term loan of USD15,000,000 as disclosed in Note 18 to the financial statements. As at the end of the reporting period, the unrealised loss on foreign exchange of RM1,058,000 (2020: gain of RM1,090,000) and fair value gain on derivative of RM2,018,000 (2020: fair value loss of RM1,594,000) on the term loans are recognised in the profit or loss of the Group.

(f) During the financial year, the Company issued second tranche of the unrated Islamic medium term notes amounting to RM60 million (2020: 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) The currency exposure profiles of borrowings are as follow:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
United States Dollar	33,335	39,777	-	-
Ringgit Malaysia	536,054	438,194	424,907	403,294
Thai Baht	6,358	1,346	-	-
	575,747	479,317	424,907	403,294

(h) Information of financial risks of borrowings are disclosed in Note 40 to the financial statements.

23. TRADE AND OTHER PAYABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Other payable					
Amount owing to a subsidiary	(d)	-	-	73,881	-
Current					
Trade payables					
Third parties	(a)	60,924	59,373	10,740	13,969
Amounts owing to subsidiaries	(b)	-	-	4,068	2,910
Amount owing to a related party	(b)	4	-	-	-
		60,928	59,373	14,808	16,879
Other payables					
Amounts owing to subsidiaries	(c)	-	-	43,365	171,609
Amounts owing to related parties	(c)	21	78	21	30
Accruals		25,090	34,499	7,114	10,336
Other payables		9,707	12,126	1,264	1,116
Deposits		6,313	4,714	1,623	2,451
		41,131	51,417	53,387	185,542
Total trade and other payables (current)		102,059	110,790	68,195	202,421
Total trade and other payables (non-current and current)		102,059	110,790	142,076	202,421

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and the Company ranging from 14 days to 90 days and 30 days to 90 days (2020: 14 days to 90 days and 30 days to 90 days) respectively from date of invoice.

(b) Amounts owing to subsidiaries and a related party in trade payables are subject to normal trade credit terms granted to the Group and the Company ranging from 30 days to 90 days (2020: 30 days to 90 days) from date of invoice.

(c) Amounts owing to subsidiaries and related parties in other payables represent advances, which are unsecured, interest-free and payable upon demand.

(d) Non-current amount owing to a subsidiary of the Company represents loan amounts, which is unsecured, interest free and repayable within next five (5) years. The Company has recognised fair value gain on amount owing to a subsidiary of RM11,338,000 (2020: Nil) through profit or loss for the fair value changes in non-current amount owing to a subsidiary.

(e) The currency exposure profiles of trade and other payables are as follows:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
United States Dollar	657	125	8	-
Ringgit Malaysia	96,235	105,657	142,068	202,421
Singapore Dollar	129	89	-	-
Brunei Dollar	49	53	-	-
Thai Baht	4,987	4,866	-	-
Australian dollar	2	-	-	-
	102,059	110,790	142,076	202,421

(f) Information on financial risks of trade and other payables are disclosed in Note 40 to the financial statements.

24. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Balance as at 1 January	50,195	48,289	(1,914)	4,889
Acquisition of subsidiaries (Note 41)	-	2,970	-	-
Recognised in profit or loss (Note 32)	(4,782)	(1,064)	(7,429)	(6,803)
Balance as at 31 December	45,413	50,195	(9,343)	(1,914)
Presented after appropriate offsetting:				
Deferred tax assets	(10,033)	(2,513)	(9,343)	(1,914)
Deferred tax liabilities	55,446	52,708	-	-
	45,413	50,195	(9,343)	(1,914)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2021	36,442	45,618	(29,352)	52,708
Recognised in profit or loss	15,456	(9,136)	(3,582)	2,738
As at 31 December 2021	51,898	36,482	(32,934)	55,446
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

24. DEFERRED TAX (CONTINUED)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (continued)

Deferred tax assets of the Group

	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 2021	3,158	28,513	194	(29,352)	2,513
Recognised in profit or loss	1,192	9,858	52	(3,582)	7,520
As at 31 December 2021	4,350	38,371	246	(32,934)	10,033
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

Deferred tax liabilities of the Company

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2021	17,886	9,424	(27,310)	-
Recognised in profit or loss	8,376	(5,951)	(2,425)	-
As at 31 December 2021	26,262	3,473	(29,735)	-
As at 1 January 2020	8,688	13,051	(16,850)	4,889
Recognised in profit or loss	9,198	(3,627)	(10,460)	(4,889)
As at 31 December 2020	17,886	9,424	(27,310)	-

24. DEFERRED TAX (CONTINUED)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (continued)

Deferred tax assets of the Company

	Provisions RM'000	Unused tax allowances and unabsorbed capital allowances RM'000	Lease liabilities RM'000	Offsetting RM'000	Total RM'000
As at 1 January 2021	932	28,277	15	(27,310)	1,914
Recognised in profit or loss	48	9,793	13	(2,425)	7,429
As at 31 December 2021	980	38,070	28	(29,735)	9,343
As at 1 January 2020	950	15,900	-	(16,850)	-
Recognised in profit or loss	(18)	12,377	15	(10,460)	1,914
As at 31 December 2020	932	28,277	15	(27,310)	1,914

(c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2021 RM'000	2020 RM'000
Unabsorbed capital allowances	25,696	28,409
Unused tax losses		
- Expires by 31 December 2028	43,899	44,067
- Expires by 31 December 2029	419	638
- Expires by 31 December 2030	2,033	2,129
- Expires by 31 December 2031	468	-
Other temporary differences	3,365	3,572
	75,880	78,815

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 amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local tax authorities.

In Malaysia, with effective from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

25. SHARE CAPITAL

		Group and Company			
		2021		2020	
	Note	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:					
Ordinary shares					
Balance as at 1 January		72,861	102,785	72,861	102,785
Conversion of redeemable convertible preference shares	(e)	7,242	18,394	-	-
Conversion of convertible redeemable loan stock	(f)	42,008	106,863	-	-
		122,111	228,042	72,861	102,785
Subdivision of 1 existing ordinary to 6 new ordinary shares	(g)	610,551	-	-	-
Issuance of shares	(h)	157,143	161,857	-	-
Share issuance expenses		-	(5,185)	-	-
Balance as at 31 December		889,805	384,714	72,861	102,785
Issued and fully paid:					
Preference shares					
Balance as at 1 January		18,395	18,395	18,395	18,395
Conversion of redeemable convertible preference shares	(e)	(18,394)	(18,394)	-	-
Redemption of redeemable preference shares	(d)	(1)	(1)	-	-
Balance as at 31 December		-	-	18,395	18,395
		889,805	384,714	91,256	121,180

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

(b) The redeemable preference shares ("RPS")

On 12 May 2017, the Company 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

25. SHARE CAPITAL (CONTINUED)

(b) The redeemable preference shares ("RPS") (continued)

On 12 May 2017, the Company issued 1,000 RPS at a nominal value of RM1.00 per RPS. The salient terms of the RPS are as follows: (continued)

(ii) Repayment capital

The RPS(s) shall rank in priority to the ordinary shares and the assets of the Company 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 shareholders.

(iii) Dividend

The RPS will be 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 distribution.

(iv) Voting rights

The RPS Holder(s) shall be entitled to receive notice of, and attend, all general meetings of the Company 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 Company.

(c) The redeemable convertible preference shares ("RCPS")

On 31 December 2019, the Company 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 in involved in similar business with the Company, where in such instance the approval of all the parties are required) and provided that the existing shareholders of the Company 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 Company 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 Company. 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.

25. SHARE CAPITAL (CONTINUED)

(c) The redeemable convertible preference shares ("RCPS") (continued)

On 31 December 2019, the Company 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: (continued)

(ii) Redemption Rights

(a) The holders of the RCPS shall have the right at its absolute discretion, to demand the Company 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 Company.

(b) To the extent that the Company 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.

(iii) Conversion Rights

(a) The Company 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 Company.

(b) Subject to the approvals having been obtained from all the relevant authorities for the initial public offering of the securities of the Company 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 Company, 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 Company 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 Company 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 Company.

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. Hence, RCPS have been classified as equity.

(d) The redemption of RPS

On 23 April 2021, the Company 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.

25. SHARE CAPITAL (CONTINUED)

(e) The conversion of RCPS

On 30 April 2021, the Company 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.

(f) The conversion of convertible redeemable loan stock ("CRLS")

On 29 April 2021, the Company 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.

(g) On 15 November 2021, the Company carried out a subdivision of 1 existing ordinary share in the Company to 6 new ordinary shares in the Company ("Subdivision"). Upon completion of the Subdivision, the total number of ordinary shares in the Company increased from 122,110,267 to 732,661,602 shares.

(h) On 17 December 2021, the Company undertook a public issue of 157,142,900 new ordinary shares in conjunction with the initial public offering of the Company at an issue price of RM1.03 per ordinary share.

26. EXCHANGE TRANSLATION RESERVE

	Group	
	2021 **RM'000**	**2020** **RM'000**
Non-distributable:		
Exchange translation reserve	106	(565)

Exchange translation reserve

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 presentation currency of the Group. 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, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

27. CONVERTIBLE REDEEMABLE LOAN STOCK ("CRLS")

	Group and Company	
	2021 **RM'000**	**2020** **RM'000**
Equity component		
At 1 January	106,863	106,863
Conversion of CRLS	(106,863)	-
At 31 December	-	106,863

27. CONVERTIBLE REDEEMABLE LOAN STOCK ("CRLS") (CONTINUED)

On 12 May 2017, the Company issued 106,862,842 CRLS at a nominal value of RM1.00 per CRLS, with fifteen (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 Company.

On 29 April 2021, the Company converted 106,862,842 CRLS into 42,007,518 new ordinary shares at RM2.5439 per share as disclosed in Note 25(f).

28. REVENUE

Revenue from contracts with customers is disaggregated in the table below by service lines and timing of revenue recognition:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Revenue from contracts with customers				
Container haulage	271,128	252,664	155,667	143,540
Land transportation	176,585	176,021	38,963	25,386
Warehousing and container depot	77,290	71,509	3,460	2,651
Freight forwarding	62,725	54,195	3,042	2,852
Others	604	1,448	7,960	6,431
	588,332	555,837	209,092	180,860

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Timing of revenue recognition				
Transferred over time	525,003	500,194	198,090	171,577
Transferred at a point in time	63,329	55,643	11,002	9,283
	588,332	555,837	209,092	180,860

Disaggregation of revenue from contracts with customers has been presented in the operating segments, Note 38 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 of the Group and of the Company amounted to RM1,023,645,000 and RM250,633,000 (2020: RM894,734,000 and RM206,322,000) respectively and include recoverable costs of RM435,313,000 and RM41,541,000 (2020: RM338,897,000 and RM25,462,000) respectively.

29. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on:				
- term loans	7,667	11,687	2,568	7,571
- bank overdrafts	259	602	57	223
- trade financing	3,657	4,821	540	481
- revolving credits	305	1,394	264	767
- amounts owing to subsidiaries	-	-	866	811
- lease liabilities	5,965	9,370	1,897	4,307
- unrated Islamic medium term notes	8,925	1,689	7,463	1,689
	26,778	29,563	13,655	15,849

30. PROFIT BEFORE TAXATION

Other than those disclosed elsewhere in the financial statements, profit before taxation is arrived at:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
After charging:				
Auditors' remuneration:				
Statutory audit				
- current year	515	467	137	61
- over-provision in prior year	(11)	(3)	-	-
Non-statutory audit				
- current year	5	-	5	-
Bad debts written off:				
- trade receivables	95	13	2	-
- other receivables	5	11	5	-
Fair value loss on:				
- other investments	330	700	-	700
- short term fund	1	3	-	-
Loss on disposal of:				
- property, plant and equipment	19	424	-	-
- right-of-use assets	-	470	-	-
Loss on foreign exchange:				
- realised	949	226	2	40
- unrealised	896	-	1,032	275
Management fees paid/payable	175	420	125	300
Rental of:				
- land	42	53	-	-
- hostel	11	9	-	-
- office equipment	148	216	-	-
- office and yard	258	611	419	1,117
- warehouse	1,638	1,010	210	-
- house	14	18	30	19
- machinery and equipment	4,093	4,373	1,593	2,528
- others	390	158	-	-
Waiver of debt	-	-	-	48

Notes to the Financial Statements
31 December 2021

30. PROFIT BEFORE TAXATION (CONTINUED)

Other than those disclosed elsewhere in the financial statements, profit before taxation is arrived at: (continued)

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
And crediting:				
Dividend income from:				
- other investment	21	-	-	-
- subsidiaries	-	-	30,461	23,091
Fair value gain on:				
- other investments	-	196	-	-
Gain on foreign exchange:				
- realised	59	86	22	-
- unrealised	20	1,094	2	-
Gain on disposal of:				
- property, plant and equipment	3,794	795	715	345
- right-of-use assets	-	59	-	-
- non-current assets held for sale	2,414	568	-	568
- other investments	377	-	-	-
Income distribution from short term fund	18	52	-	-
Interest income	361	448	1,462	1,463
Management fee income	-	-	3,871	4,001
Rental income	193	135	13	-

31. EMPLOYEE BENEFITS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Included in:				
Cost of sales	110,503	105,581	44,571	40,433
Administrative expenses	69,868	78,100	16,996	16,971
	180,371	183,681	61,567	57,404
Analysed as:				
Salaries, wages, allowances, incentives, overtime and bonus	157,749	157,938	52,176	49,087
Defined contribution plan	16,291	17,865	6,682	5,988
Social security contribution	1,858	2,221	705	649
Other employee benefits	4,473	5,657	2,004	1,680
	180,371	183,681	61,567	57,404

31. EMPLOYEE BENEFITS (CONTINUED)

Included in the employee benefits of the Group and of the Company are remunerations of Directors and other key management personnel, as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Directors of the Company:				
Fees	546	319	468	240
Short-term employee benefits	2,060	2,170	2,060	2,170
Defined contribution plan	354	310	354	310
Social security contribution	1	1	1	1
Other employee benefits	14	13	14	13
	2,975	2,813	2,897	2,734
Directors of subsidiaries:				
Fees	344	166	-	-
Short-term employee benefits	4,638	4,224	-	-
Defined contribution plan	612	539	-	-
Social security contribution	6	5	-	-
Other employee benefits	18	25	-	-
	5,618	4,959	-	-
Other key management personnel:				
Short-term employee benefits	1,918	1,696	-	-
Defined contribution plan	242	214	-	-
Social security contribution	4	4	-	-
Other employee benefits	7	14	-	-
	2,171	1,928	-	-
	10,764	9,700	2,897	2,734

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group and the Company amounted to RM93,000 and RM46,000 (2020: RM57,000 and RM24,000) respectively.

No monetary value of benefits-in-kind received by other key management personnel other than in cash from the Group.

32. TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current tax expense based on profit for the financial year	12,802	12,266	81	114
Deferred tax (Note 24)	(1,839)	352	(3,402)	(1,952)
Real property gains tax	739	64	-	64
	11,702	12,682	(3,321)	(1,774)
Under/(Over)-provision in prior years:				
Income tax	151	147	(46)	185
Deferred tax (Note 24)	(2,943)	(1,416)	(4,027)	(4,851)
	8,910	11,413	(7,394)	(6,440)

(a) Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profit for the fiscal year.

(b) The numerical reconciliation between the taxation and the product of accounting profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before taxation	57,081	53,824	31,496	1,327
Taxation at statutory tax rate of 24% (2020: 24%)	13,699	12,918	7,559	318
Tax effects in respect of:				
Income not subject to tax	(10,555)	(9,550)	(17,096)	(13,136)
Expenses not deductible for tax purposes	8,523	8,807	6,216	10,980
Movement in deferred tax assets not recognised	(704)	528	-	-
Effect of tax rate on incremental chargeable income	-	(85)	-	-
Real property gains tax	739	64	-	64
Under/(Over)-provision in prior years:				
- Income tax	151	147	(46)	185
- Deferred tax	(2,943)	(1,416)	(4,027)	(4,851)
Taxation for the financial year	8,910	11,413	(7,394)	(6,440)

32. TAXATION (CONTINUED)

(c) Tax on each component of other comprehensive income is as follows:

2021	Before tax RM'000	Group Tax effect RM'000	After tax RM'000
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	671	-	671
2020			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translations	(239)	-	(239)

33. EARNINGS PER SHARE

(a) Basic

	Group 2021	2020
Profit attributable to owners of the parent (RM'000)	47,119	41,617
Weighted average number of ordinary shares in issue ('000)	633,801	437,165*
Basic earnings per ordinary share (sen)	7.43	9.52

(b) Diluted

	Group 2021	2020
Profit attributable to owners of the parent (RM'000)	47,119	41,617
Weighted average number of ordinary shares in issue ('000)	633,801	732,662*
Diluted earnings per ordinary share (sen)	7.43	5.68

* Comparative figures at the weighted average number of ordinary shares in issue have been restated to reflect the adjustments arising from the share split, which were completed on 15 November 2021.

34. DIVIDEND

	Group and Company			
	2021		2020	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
Interim cash dividend proposed	1.80	16,016	-	-

On 24 February 2022, the Company declared a first interim single tier dividend of RM0.0180 per ordinary share amounted to RM16,016,481 in respect of the financial year ended 31 December 2021, which is payable on 24 March 2022.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

The Directors do not recommend the payment of any other dividend in respect of the current financial year.

35. 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 Company has controlling related party relationship with its direct subsidiaries, associates, related parties and a joint venture 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, associates and a joint venture as disclosed in Notes 11, 12 and 13 to the financial statements;

(ii) Companies in which the Directors have financial interests; and

(iii) 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.

35. RELATED PARTY DISCLOSURES (CONTINUED)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2021	**2020**
	RM'000	**RM'000**
With related party, Persada Bina Sdn. Bhd.		
Management fee paid/payable	175	420
Rental of office paid/payable	-	477
Purchase of furniture & fittings	-	550
Purchase of office buildings	-	4,950
With related party, Kaypi Technologies Sdn. Bhd.		
Purchase of office equipment paid/payable	80	137
Rental of office equipment paid/payable	1	73
With related party, Pelikan Asia Sdn. Bhd.		
Purchase of stationery	499	364
Forwarding income received/receivable	61	17
Warehouse income received/receivable	196	211
With related party, SM Security (M) Sdn. Bhd.		
Security services	229	299
With associate, Swift Mega Carriers Sdn. Bhd.		
Office and yard rental	60	5
Tyres and tubes repair and maintenance	110	3
Truck management fees	1	-
With associate, BLG Swift Logistics Sdn. Bhd.		
Interest income received/receivable	-	23
Rental income received/receivable	72	72
Warehouse income received/receivable	1,199	1,973
Forwarding income received/receivable	-	3
Storage income received/receivable	-	2
Transportation income received/receivable	1	2,844

	Company	
	2021	**2020**
	RM'000	**RM'000**
With subsidiary, Swift Consolidators Sdn. Bhd.		
Transport income received/receivable	6,539	4,173
Management fee received/receivable	67	66
Interest expenses paid/payable	82	76
Forwarding expenses paid/payable	1,811	1,183
Dividend income received/receivable	1,000	2,000
With subsidiary, Delta Express (M) Sdn. Bhd.		
Interest expenses paid/payable	6	6
Dividend income received/receivable	8,000	-

35. RELATED PARTY DISCLOSURES (CONTINUED)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company	
	2021 RM'000	2020 RM'000
With subsidiary, Q-Team Sdn. Bhd.		
Tyres, tubes, repair and maintenance paid/payable	5,652	5,024
Purchase of prime movers and trailers paid/payable	9,223	7,966
Repair and maintenance received/receivable	280	282
Warehouse income received/receivable	-	36
Management fee received/receivable	175	173
Interest income received/receivable	215	227
Rental of equipment paid/payable	255	-
Transport income received/receivable	98	-
Dividend income received/receivable	1,000	-
Handling fees and service contract maintenance	66	38
With subsidiary, Swift Crossland Logistics Co., Ltd.		
Transport income received/receivable	6,862	5,809
Transport charges paid/payable	7,362	4,009
Interest income received/receivable	1,077	1,108
Warehouse income received/receivable	-	31
Forwarding expenses paid/payable	-	158
With subsidiary, Swift Integrated Logistics Sdn. Bhd.		
Transport income received/receivable	13,992	11,278
Transport charges paid/payable	1,642	471
Management fee received/receivable	1,727	1,706
Interest income received/receivable	16	21
Interest expense paid/payable	180	51
Rental of storage paid/payable	-	480
Rental of prime mover and trailer paid/payable	1,039	964
Rental of office paid/payable	130	184
Rental of yard paid/payable	899	1,163
Tyres, tubes, repair and maintenance paid/payable	48	70
Rental of prime mover and trailer received/receivable	136	783
With subsidiary, Container Connections (M) Sdn. Bhd.		
Depot gate charges paid/payable	711	496
Haulage income received/receivable	21	-
Transport charges paid/payable	86	36
Repair charges	235	184
Dividend income received/receivable	461	491
Warehouse income received/receivable	1,201	831
Repair and maintenance received/receivable	376	196
Management fee received/receivable	42	42
Interest expense paid/payable	17	-
With subsidiary, Tanjong Express (M) Sdn. Bhd.		
Dividend income received/receivable	12,000	20,000
Haulage income received/receivable	4,381	2,968
Transport expenses paid/payable	2,720	1,771
Workshop management fee paid/payable	2,632	1,352
Rental of prime mover and trailer paid/payable	21	164
Rental of office paid/payable	22	-
Repair and maintenance received/receivable	2,605	1,623
Warehouse income received/receivable	-	394
Rental of prime mover and trailer received/receivable	48	-
Management fee received/receivable	615	608

35. RELATED PARTY DISCLOSURES (CONTINUED)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company	
	2021 RM'000	2020 RM'000
With subsidiary, Komunajaya Sdn. Bhd.		
Purchase of trailer paid/payable	1,426	8,154
Repair and maintenance paid/payable	432	35
Repair and maintenance received/receivable	-	529
Transport income received/receivable	2	2
Forwarding income received/receivable	13	-
Interest expense paid/payable	-	5
Rental of prime mover and trailer paid/payable	-	114
Dividend income received/receivable	5,000	600
Management fee received/receivable	131	130
With subsidiary, Agenda Wira Sdn. Bhd.		
Dividend income received/receivable	3,000	-
Transport income received/receivable	-	75
Transport expenses paid/payable	-	424
Repair and maintenance received/receivable	-	485
Rental of office paid/payable	-	175
Rental of vehicles paid/payable	293	167
Workshop management fee received/receivable	-	250
Interest expense paid/payable	16	-
With indirect subsidiary, Swift Logistics TA Sdn. Bhd.		
Transport income received/receivable	60,237	57,476
Transport charges paid/payable	3,453	1,406
Management fee received/receivable	805	971
Rental of office paid/payable	88	39
Repair and maintenance received/receivable	2	1
Interest expenses paid/payable	563	641
With indirect subsidiary, Fleet Engineering Sdn. Bhd.		
Sales of raw material received/receivable	-	43
Purchase of superstructure paid/payable	26	47
Rental of office paid/payable	451	451
With indirect subsidiary, Tanjong Express Logistic (M) Sdn. Bhd.		
Transport income received/receivable	2,145	399
Transport expenses paid/payable	5	92
Repair and maintenance paid/payable	12	812
Truck rental expenses paid/payable	-	20
Management fee received/receivable	309	305
Interest expenses paid/payable	-	32
Workshop management fee received/receivable	-	426
With indirect subsidiary, Swift Commerce Sdn. Bhd.		
Purchase of goods	73	17
With indirect subsidiary, Sentiasa Hebat Sdn. Bhd.		
Transport income received/receivable	-	31
Transport expenses paid/payable	8,070	2,216
Repair and maintenance received/receivable	1,314	505
With indirect subsidiary, Sentiasa Hebat (Penang) Sdn. Bhd.		
Transport income received/receivable	24	6

35. RELATED PARTY DISCLOSURES (CONTINUED)

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (continued)

	Company	
	2021	**2020**
	RM'000	**RM'000**
With indirect subsidiary, Northern Gateway Depot Sdn. Bhd.		
Depot gate charges paid/payable	233	92
With indirect subsidiary, Agensi Tanjung Bruas Sdn. Bhd.		
Transport income received/receivable	7,633	1,998
Interest expense paid/payable	2	-
Forwarding expenses paid/payable	116	1
With indirect subsidiary, Earth Move International Sdn. Bhd.		
Transport income received/receivable	37	56
With associate, Swift Mega Carriers Sdn. Bhd.		
Repair and maintenance received/receivable	49	14
With former subsidiary, Swift Logistics Sdn. Bhd.		
Waiver of debt	-	48
With related party, Kaypi Technologies Sdn. Bhd.		
Purchase of computers received/receivable	16	23
Rental of office equipment paid/payable	1	21
With related party, Persada Bina Sdn. Bhd.		
Management fee paid/payable	125	300
Warehouse income received/receivable	-	31
Forwarding expenses paid/payable	-	158
With related party, SM Security (M) Sdn. Bhd.		
Security services	229	229
With related party, Pelikan Asia Sdn. Bhd.		
Purchase of stationery	165	192

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 as at 31 December 2021 are disclosed in Notes 17 and 23 to the financial statements.

(c) Compensation of key management personnel

The key management personnel comprise the Executive Directors and other key management personnel of the Group and of the Company and their remuneration during the financial year are disclosed in Note 31 to the financial statements.

36. CAPITAL COMMITMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:				
- approved but not contracted for	4,155	83,455	-	33,810
- contracted but not provided for	41,276	41,794	32,226	9,971
	45,431	125,249	32,226	43,781

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Analysed as follows:				
- buildings	29,150	58,200	29,150	27,200
- structure and renovation	-	13,789	-	1,238
- vehicles and mechanical equipment	13,761	44,330	3,076	10,423
- land	-	4,800	-	4,800
- furniture, fittings and office equipment	492	843	-	43
- computers and peripherals	2,028	3,287	-	77
	45,431	125,249	32,226	43,781

37. CONTINGENT LIABILITIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unsecured corporate guarantees given to licensed banks for facilities granted to certain subsidiaries				
- Limit of guarantee	-	-	126,148	91,721
- Amount utilised	-	-	81,570	51,125
Secured bank guarantees	15,106	14,259	13,538	14,118

The determination of treatment of contingent liabilities is based on the view of management of the expected outcome of the contingencies for matters in the ordinary course of the business.

The Directors are of the view that the chances of the banks to call upon the corporate and bank guarantees are remote. Accordingly, the fair values of the above corporate and bank guarantees given to certain subsidiaries for banking facilities are negligible.

38. 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	-	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 financial statements.

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 financial statements. These policies have been applied consistently throughout the financial years.

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one year.

38. OPERATING SEGMENTS (CONTINUED)

2021	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
Revenue							
External customers	271,127	176,586	77,290	62,725	604	-	588,332
Inter-segment	49,560	28,358	7,721	-	15,872	(101,511)	-
Total revenue	320,687	204,944	85,011	62,725	16,476	(101,511)	588,332
Interest income	71	21	16	88	165	-	361
Depreciation of property, plant and equipment	(16,593)	(8,511)	(4,312)	(976)	(742)	-	(31,134)
Depreciation of right-of-use assets	(8,344)	(5,173)	(9,285)	(551)	(1,489)	-	(24,842)
Depreciation of investment properties	-	-	(1,473)	-	(25)	-	(1,498)
Finance costs	(4,498)	(3,646)	(3,365)	(1,931)	(13,338)	-	(26,778)
Share of losses of associates	-	-	-	-	(1,371)	-	(1,371)
Share of profit of a joint venture	-	-	-	-	404	-	404
Profit/(loss) before taxation	32,001	11,865	10,978	24,157	(21,676)	(244)	57,081
Taxation							(8,910)
Other material non-cash items:							
- Net gain/(loss) on impairment of financial assets	1,346	(105)	(49)	(6,091)	125	-	(4,774)
- Gain on disposal of property, plant and equipment	3,024	640	46	-	84	-	3,794
- Gain on disposal of non-current assets held for sale	-	-	-	-	2,414	-	2,414

38. OPERATING SEGMENTS (CONTINUED)

2021	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
Assets						
Segment assets	356,036	209,095	441,778	195,620	202,517	1,405,046
Investments in associates						24,450
Investment in a joint venture						10,954
Current tax assets						8,010
Deferred tax assets						10,033
Total assets						1,458,493
Additions to capital expenditures	30,526	21,670	113,743	862	1,715	168,516
Liabilities						
Segment liabilities	68,392	59,308	82,655	93,500	462,630	766,485
Current tax liabilities						1,289
Deferred tax liabilities						55,446
Total liabilities						823,220

38. OPERATING SEGMENTS (CONTINUED)

2020	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
Revenue							
External customers	252,664	176,020	71,510	54,195	1,448	-	555,837
Inter-segment	35,760	16,565	2,862	(358)	25,188	(80,017)	-
Total revenue	288,424	192,585	74,372	53,837	26,636	(80,017)	555,837
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	(6,580)	(3,626)	(3,812)	(1,254)	(14,291)	-	(29,563)
Share of losses of associates	-	-	-	-	(134)	-	(134)
Profit/(Loss) before tax	30,249	13,369	9,574	25,450	(24,588)	(230)	53,824
Taxation							(11,413)
Other material non-cash items:							
- Net gain/(loss) on impairment of financial assets	295	55	(40)	1,880	1,698	-	3,888
- Impairment losses on goodwill	-	-	-	-	(11,783)	-	(11,783)
- Impairment losses on property, plant and equipment	-	-	-	-	(4,484)	-	(4,484)
- Gain from bargain purchase	-	-	-	-	(3,294)	-	(3,294)

Notes to the Financial Statements
31 December 2021

38. OPERATING SEGMENTS (CONTINUED)

2020	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Total RM'000
Assets						
Segment assets	369,392	179,355	318,523	146,717	171,051	1,185,038
Investments in associates						20,186
Current tax assets						4,605
Deferred tax assets						2,513
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

38. 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.

Non-current assets are based on the geographical location of the assets of the Group and do not include other investments and deferred tax assets.

	Group	
	2021	**2020**
	RM'000	**RM'000**
Revenue from external customers		
Malaysia	545,313	537,951
Overseas	43,019	17,886
	588,332	555,837

	Group	
	2021	**2020**
	RM'000	**RM'000**
Non-current assets		
Malaysia	1,077,447	961,402
Overseas	14,435	9,525
	1,091,882	970,927

Major customer

Included in total revenue is revenue generated from one customer amounting to approximately RM54,352,000 (2020: RM69,268,000), representing 9.2% (2020: 12.5%) of the total revenue, arising from three (3) segments which are container haulage, land transportation and warehousing and container depot.

39. 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 from that in the previous financial year.

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 ended 31 December 2021 and 31 December 2020.

39. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Capital management (continued)

The Group monitors capital utilisation on the basis of gearing ratio and net gearing ratio. Gearing ratio represents total debt divided by total equity attributable to owners of the parent whereas net gearing ratio represents total debt less cash and bank balances and short term fund divided by total equity attributable to owners of the parent.

There are no changes made on the capital management, policies and procedures of the Group and of the Company during the financial year.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Borrowings	575,747	479,317	424,907	403,294
Less:				
Cross-currency interest rate swap	(1,284)	734	-	-
Net borrowings after cross-currency interest rate swap	574,463	480,051	424,907	403,294
Lease liabilities owing to:				
- financial institutions	72,611	121,775	15,060	35,544
- non-financial institutions	16,068	16,287	7,209	9,041
Total debt	663,142	618,113	447,176	447,879
Less:				
Cash and bank balances	(64,731)	(32,891)	(49,275)	(9,102)
Short term fund	-	(2,009)	-	-
Total net debt	598,411	583,213	397,901	438,777
Total equity attributable to owners of the parent	634,859	430,398	492,776	297,215
Gearing ratio	104.5%	143.6%	90.7%	150.7%
Net gearing ratio	94.3%	135.5%	80.7%	147.6%

Pursuant to the requirements of Practice Note No.17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement during the financial year ended 31 December 2021.

39. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial instruments

(i) Categories of financial instruments

2021 Group	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
Financial assets			
Other investments	1,341	-	1,341
Trade and other receivables, exclude prepayments	-	231,073	231,073
Cash and bank balances	-	64,731	64,731
Derivative financial asset	1,284	-	1,284
	2,625	295,804	298,429

	Amortised cost RM'000	Total RM'000
Financial liabilities		
Trade and other payables	102,059	102,059
Borrowings	575,747	575,747
Lease liabilities	88,679	88,679
	766,485	766,485

2020 Group	Fair value through profit or loss RM'000	Amortised cost RM'000	Total RM'000
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
	2,318	197,891	200,209

	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
Borrowings	-	479,317	479,317
Lease liabilities	-	138,062	138,062
Derivative financial liability	734	-	734
	734	728,169	728,903

Notes to the Financial Statements
31 December 2021

39. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial instruments (continued)

(i) Categories of financial instruments (continued)

2021 **Company**	**Amortised cost** **RM'000**	**Total** **RM'000**
Financial assets		
Trade and other receivables, exclude prepayments	193,584	193,584
Cash and bank balances	49,275	49,275
	242,859	242,859

	Amortised cost **RM'000**	**Total** **RM'000**
Financial liabilities		
Trade and other payables	142,076	142,076
Borrowings	424,907	424,907
Lease liabilities	22,269	22,269
	589,252	589,252

2020 **Company**	**Amortised cost** **RM'000**	**Total** **RM'000**
Financial assets		
Trade and other receivables, exclude prepayments	114,884	114,884
Cash and bank balances	9,102	9,102
	123,986	123,986

	Amortised cost **RM'000**	**Total** **RM'000**
Financial liabilities		
Trade and other payables	202,421	202,421
Borrowings	403,294	403,294
Lease liabilities	44,585	44,585
	650,300	650,300

39. FINANCIAL INSTRUMENTS (CONTINUED)

(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.

(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 amounts owing by subsidiaries, amount owing to a subsidiary 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 Company provides corporate guarantees and bank guarantees to financial institutions for banking facilities granted to certain subsidiaries. The fair value of such financial corporate guarantees is negligible as the probability of the subsidiaries defaulting on the banking facilities are remote.

(vii) Derivative financial asset and liability

The fair value of the derivative is determined by using mark-to-market values at the end of the reporting date and change in the fair value is recognised in profit or loss. There is no transfer between levels in the hierarchy during the financial year.

39. 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**
Financial assets			
Amounts owing by subsidiaries	Discounted cash flows approach	Discount rate (2021: 6% 2020: 6%)	The higher the discount rate, the lower the fair value of the asset would be.
Equity securities - Unquoted shares	Adjusted net assets approach	Adjusted net assets	The higher the adjusted net assets, the higher the fair value of the unquoted shares would be.
Financial liability			
Amount owing to a subsidiary	Discounted cash flows approach	Discount rate (2021: 6% 2020: nil)	The higher the discount rate, the lower the fair value of the liability would be.

39. 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 statements of financial position.

	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	Total RM'000	RM'000	RM'000
2021										
Group										
Financial assets										
Fair value through profit or loss										
- Club memberships	-	43	-	43	-	-	-	-	43	43
- Equity securities:										
- Unquoted shares	-	-	37	37	-	-	-	-	37	37
- Quoted shares	1,261	-	-	1,261	-	-	-	-	1,261	1,261
- Derivative financial asset	-	1,284	-	1,284	-	-	-	-	1,284	1,284
Financial liabilities										
Amortised cost										
- Lease liabilities	-	-	-	-	-	79,634	-	79,634	79,634	88,679
2020										
Group										
Financial assets										
Fair value through profit or loss										
- Short term fund	2,009	-	-	2,009	-	-	-	-	2,009	2,009
- Club memberships	-	43	-	43	-	-	-	-	43	43
- Equity securities:										
- Quoted shares	266	-	-	266	-	-	-	-	266	266
Financial liabilities										
Amortised cost										
- Lease liabilities	-	-	-	-	-	116,899	-	116,899	116,899	138,062
Fair value through profit or loss										
- Derivative financial liability	-	734	-	734	-	-	-	-	734	734

Notes to the Financial Statements
31 December 2021

39. 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 statements of financial position (continued).

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	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	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2021										
Company										
Financial assets										
Amortised cost										
- Amounts owing by subsidiaries	-	-	-	-	-	-	62,626	62,626	62,626	62,626
Financial liabilities										
Amortised cost										
- Amount owing to a subsidiary	-	-	-	-	-	-	73,881	73,881	73,881	73,881
- Lease liabilities	-	-	-	-	-	21,273	-	21,273	21,273	22,269
2020										
Company										
Financial assets										
Amortised cost										
- Amounts owing by subsidiaries	-	-	-	-	-	-	64,644	64,644	64,644	64,644
Financial liabilities										
Amortised cost										
- Lease liabilities	-	-	-	-	-	40,665	-	40,665	40,665	44,585

40. 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 and the Company are exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. It is, and has been throughout for the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as 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 and the Company. The maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

As at 31 December 2021, other than the amounts owing by subsidiaries constituting approximately 83% (2020: 70%) of the total receivables of the Company, the Group and the Company do not have any significant concentration of credit risk related to any individual customer or counterparty.

(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.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profiles of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31 December 2021				
Group				
Trade and other payables	102,059	-	-	102,059
Borrowings	193,529	309,626	127,488	630,643
Lease liabilities	34,934	49,998	12,558	97,490
Financial guarantees*	15,106	-	-	15,106
	345,628	359,624	140,046	845,298
As at 31 December 2020				
Group				
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
	303,652	348,255	220,413	872,320
As at 31 December 2021				
Company				
Trade and other payables	68,195	85,219	-	153,414
Borrowings	86,857	265,214	124,741	476,812
Lease liabilities	12,904	9,693	1,363	23,960
Financial guarantees*	139,686	-	-	139,686
	307,642	360,126	126,104	793,872
As at 31 December 2020				
Company				
Trade and other payables	202,421	-	-	202,421
Borrowings	95,726	213,179	148,671	457,576
Lease liabilities	16,826	28,336	4,418	49,580
Financial guarantees*	105,839	-	-	105,839
	420,812	241,515	153,089	815,416

* This disclosure represents the maximum liquidity risk exposure.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company'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 places 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.

In the prior financial year, the Group entered into cross-currency interest rate swap contract to manage exposures to interest rate risks.

The notional amount and maturity date of the interest rate swap contract outstanding as at the end of the reporting period are as follows:

	Contractual amount in Foreign Currency USD'000	Equivalent amount in Ringgit Malaysia RM'000	Expiry date
At 31 December 2021			
Group			
Derivative			
Cross-currency interest rate swap contract	7,994	31,375	17 April 2023
At 31 December 2020			
Group			
Derivative			
Cross-currency interest rate swap contract	9,904	38,875	17 April 2023

40. 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 and the Company's profit after tax to a reasonably possible change in 100 basis points against interest rates of instruments, with all other variables held constant:

			Group		Company	
			2021	**2020**	**2021**	**2020**
			RM'000	**RM'000**	**RM'000**	**RM'000**
	Note		**Profit after tax**	**Profit after tax**	**Profit after tax**	**Profit after tax**
Floating rates						
Short term fund	19	- 100 basis points higher	-	+15	-	-
		- 100 basis points lower	-	-15	-	-
Lease liabilities	9	- 100 basis points higher	-197	-253	-	-
		- 100 basis points lower	+197	+253	-	-
Term loans	22	- 100 basis points higher	-811	-1,157	-359	-716
		- 100 basis points lower	+811	+1,157	+359	+716
Unrated Islamic medium term notes	22	- 100 basis points higher	-2,713	-2,280	-2,713	-2,280
		- 100 basis points lower	+2,713	+2,280	+2,713	+2,280
Bank overdrafts	22	- 100 basis points higher	-	-62	-	-
		- 100 basis points lower	-	+62	-	-
Trade financing	22	- 100 basis points higher	-719	-144	- 59	-69
		- 100 basis points lower	+719	+144	+ 59	+69
Revolving credits	22	- 100 basis points higher	-132	-	-99	-
		- 100 basis points lower	+132	-	+99	-

40. 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 and of the Company's financial instruments that are exposed to interest rate risk:

Group	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
At 31 December 2021									
Fixed rates									
Deposits with licensed banks	20	0.33	2,620	-	-	-	-	-	2,620
Lease liabilities	9	5.68	28,569	19,962	9,340	3,876	997	-	62,744
Floating rates									
Term loans	22	4.50	26,820	41,457	17,266	12,174	6,635	2,364	106,716
Unrated Islamic medium term notes	22	3.61	40,125	46,800	49,500	49,575	49,680	121,320	357,000
Lease liabilities	9	3.88	3,521	3,539	3,417	2,138	2,158	11,162	25,935
Trade financing	22	3.01	94,641	-	-	-	-	-	94,641
Revolving credits	22	3.47	17,334	-	-	-	-	-	17,334
Bank overdrafts	22	5.80	56	-	-	-	-	-	56

40. 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 and of the Company's financial instruments that are exposed to interest rate risk (continued):

Group	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
At 31 December 2020									
Fixed rates									
Deposits with licensed banks	20	1.99	5,042	-	-	-	-	-	5,042
Lease liabilities	9	5.74	39,442	35,337	21,308	7,487	1,208	10	104,792
Floating rates									
Short term fund	19	3.10	2,009	-	-	-	-	-	2,009
Term loans	22	5.04	79,676	19,226	35,222	10,102	4,406	3,556	152,188
Unrated Islamic medium term notes	22	3.38	6,000	36,000	37,200	39,600	39,600	141,600	300,000
Lease liabilities	9	6.09	2,503	2,548	2,596	2,504	1,257	21,862	33,270
Trade financing	22	3.73	18,948	-	-	-	-	-	18,948
Bank overdrafts	22	5.70	8,181	-	-	-	-	-	8,181

40. 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 and of the Company's financial instruments that are exposed to interest rate risk: (continued)

Company	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
At 31 December 2021									
Fixed rates									
Deposit with a licensed bank	20	4.14	29	-	-	-	-	-	29
Amount owing by a subsidiary	17	5.33	-	2,575	2,684	2,796	2,911	5,255	16,221
Lease liabilities	9	5.54	11,977	7,226	1,066	359	378	1,263	22,269
Floating rates									
Term loans	22	4.20	12,000	12,000	11,667	7,554	3,970	-	47,191
Trade financing	22	3.07	7,716	-	-	-	-	-	7,716
Revolving credits	22	3.43	13,000	-	-	-	-	-	13,000
Unrated Islamic medium term notes	22	3.61	40,125	46,800	49,500	49,575	49,680	121,320	357,000

Notes to the Financial Statements
31 December 2021

40. 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 and of the Company's financial instruments that are exposed to interest rate risk (continued):

Company	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
At 31 December 2020									
Fixed rates									
Deposit with a licensed bank	20	4.14	29	-	-	-	-	-	29
Amount owing by a subsidiary	17	5.80	-	2,054	2,013	1,965	1,912	7,794	15,738
Lease liabilities	9	5.88	14,638	14,875	8,738	1,469	873	3,992	44,585
Floating rates									
Term loans	22	4.94	67,576	8,000	8,000	7,667	2,992	-	94,235
Trade financing	22	3.74	9,059	-	-	-	-	-	9,059
Unrated Islamic medium term notes	22	3.38	6,000	36,000	37,200	39,600	39,600	141,600	300,000

40. 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 year, 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 and of the Company's profit after tax to a reasonably possible change in the United States Dollar ("USD"), Euro, 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.

	Group	
	2021 RM'000	**2020 RM'000**
Profit after tax		
USD/RM		
- strengthen by 3%	35	41
- weaken by 3%	(35)	(41)
Euro/RM		
- strengthen by 3%	2	3
- weaken by 3%	(2)	(3)
SGD/RM		
- strengthen by 3%	3	3
- weaken by 3%	(3)	(3)
THB/RM		
- strengthen by 3%	165	163
- weaken by 3%	(165)	(163)

	Company	
	2021 RM'000	**2020 RM'000**
THB/RM		
- strengthen by 3%	371	450
- weaken by 3%	(371)	(450)

The exposures to the other currencies are not significant, hence the effects of the changes in the exchange rates are not explained above.

41. ACQUISITION OF SUBSIDIARIES

(a) On 15 July 2021, the Company acquired the entire equity interest comprising 10,000,000 ordinary shares in Ann Joo Properties Sdn. Bhd. ("AJPSB") for a purchase consideration of RM10,000,000.

AJPSB's identifiable assets and liabilities have been included in the financial statements 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:

	31.12.2021 RM'000
Property, plant and equipment	5
Investment property	14,909
Trade and other receivables	17
Cash and bank balances	38
Total identifiable assets	14,969
Trade and other payables	(4,618)
Current tax liabilities	(351)
Total identifiable net assets/cost of acquisition	10,000

The effects of the acquisition of AJPSB on cash flow were as follows:

	2021 RM'000
Consideration settled in cash	(10,000)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	38
Net cash outflow of the Group on acquisition	(9,962)

AJPSB had contributed the following results to the Group for the financial year ended 31 December 2021 from the acquisition date.

	15.7.2021 to 31.12.2021 RM'000
Revenue	2,299
Profit for the financial year	227

Had the acquisition occurred on 1 January 2021, revenue and profit after tax of the Group for the financial year ended 31 December 2021 are as follows:

	2021 RM'000
Revenue	591,051
Profit for the financial year	50,063

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies:

(i) Acquisition of Sentiasa Hebat Sdn. Bhd. ("STSB")

On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest comprising 2,500,000 ordinary shares in STSB for a purchase consideration of RM7,990,000.

	31.12.2020 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)
Bank overdrafts	(1,199)
Current tax liabilities	(68)
Deferred tax liabilities	(3,329)
Lease liabilities	(33,703)
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 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 had sold prime movers and trailers 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 or its financier for the sale of prime movers and trailers.

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies: (continued)

(i) Acquisition of Sentiasa Hebat Sdn. Bhd. ("STSB") (continued)

STSB had 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 RM'000
Revenue	4,102
Profit for the financial year	130

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 RM'000
Revenue	576,164
Profit for the financial year	50,328

(ii) Acquisition of Sentiasa Hebat (Penang) Sdn. Bhd. ("STPSB")

On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest comprising 500,000 ordinary shares in STPSB for a purchase consideration of RM1,000,000.

	31.12.2020 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

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies: (continued)

(ii) Acquisition of Sentiasa Hebat (Penang) Sdn. Bhd. ("STPSB") (continued)

The effects of the acquisition of STPSB on cash flow were as follows:

	31.12.2020 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 had 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 RM'000
Revenue	869
Profit for the financial year	69

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 RM'000
Revenue	561,796
Profit for the financial year	40,770

(iii) Acquisition of Agensi Tanjung Bruas Sdn. Bhd. ("ATBSB")

On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest comprising 100,000 ordinary shares in ATBSB for a purchase consideration of RM10,000.

	31.12.2020 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

Notes to the Financial Statements
31 December 2021

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies: (continued)

(iii) 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 RM'000
Consideration settled in cash	(10)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	139
Net cash inflow of the Group on acquisition	129

ATBSB had 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 RM'000
Revenue	172
Profit for the financial year	109

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 RM'000
Revenue	555,736
Profit for the financial year	41,012

(iv) Acquisition of Earth Move International Sdn. Bhd. ("EMISB")

On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest comprising 100 ordinary shares in EMISB for a purchase consideration of RM1.

	31.12.2020 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	*

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies: (continued)

(iv) Acquisition of Earth Move International Sdn. Bhd. ("EMISB") (continued)

The effects of the acquisition of EMISB on cash flow were as follows:

	31.12.2020 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.

EMISB had 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 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 RM'000
Revenue	554,709
Profit for the financial year	41,240

(v) Acquisition of Top Tyres & Workshop Sdn. Bhd. ("TTWSB")

On 31 August 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, acquired the entire equity interest comprising 500,000 ordinary shares in TTWSB for a purchase consideration of RM1.

	31.12.2020 RM'000
Other receivables	1,800
Current tax assets	46
Cash and bank balances	755
Total identifiable assets	2,601

Notes to the Financial Statements
31 December 2021

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies: (continued)

(v) Acquisition of Top Tyres & Workshop Sdn. Bhd. ("TTWSB") (continued)

	31.12.2020 RM'000
Total identifiable assets	2,601
Trade and other payables	(1,461)
Bank overdrafts	(1,074)
Lease liabilities	(54)
Total identifiable net assets	12
Gain from a bargain purchase	(12)
Total cost of acquisition	*

The effects of the acquisition of TTWSB on cash flow were as follows:

	31.12.2020 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)
Net cash outflow of the Group on acquisition	(1,074)

* Denotes RM1.

TTWSB had 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 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 RM'000
Revenue	557,732
Profit for the financial year	40,789

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies: (continued)

(vi) Acquisition of Northern Gateway Depot Sdn. Bhd. ("NGDSB")

On 31 August 2020, Container Connections (M) Sdn. Bhd., a 61.5% owned subsidiary of the Company, acquired the entire equity interest comprising 100,000 ordinary shares in NGDSB for a purchase consideration of RM1,000,000.

	31.12.2020 RM'000
Property, plant and equipment	371
Right-of-use assets	1,145
Trade and other receivables	1,644
Current tax assets	4
Deferred tax assets	359
Cash and bank balances	663
Total identifiable assets	4,186
Trade and other payables	(3,395)
Lease liabilities	(1,090)
Total identifiable net liabilities	(299)
Goodwill	1,299
Total cost of acquisition	1,000

The effects of the acquisition of NGDSB on cash flow were as follows:

	31.12.2020 RM'000
Consideration settled in cash	(1,000)
Less: Cash and cash equivalents of subsidiary acquired	
- Cash and bank balances	663
Net cash outflow of the Group on acquisition	(337)

NGDSB had 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 RM'000
Revenue	3,191
Profit for the financial year	556

41. ACQUISITION OF SUBSIDIARIES (CONTINUED)

(b) In the previous financial year, the Group completed the following acquisition of shares of companies: (continued)

(vi) Acquisition of Northern Gateway Depot Sdn. Bhd. ("NGDSB") (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 RM'000
Revenue	562,881
Profit for the financial year	45,563

42. DISPOSAL OF SUBSIDIARIES

In the previous financial year, the Group and the Company completed the following disposal of shares of companies:

(a) Disposal of Swift Mega Carriers Sdn. Bhd. ("SMCSB")

On 30 November 2020, Swift Integrated Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed off the entire equity interest comprising 2,450,000 ordinary shares in SMCSB for a cash consideration of RM10,000.

The gain on disposal of SMCSB was as follows:

	31.12.2020 Group RM'000
Property, plant and equipment	1,464
Right-of-use assets	294
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)
Gain on disposal	-

42. DISPOSAL OF SUBSIDIARIES (CONTINUED)

In the previous financial year, the Group and the Company completed the following disposal of shares of companies: (continued)

(a) Disposal of Swift Mega Carriers Sdn. Bhd. ("SMCSB") (continued)

The effects of the disposal of SMCSB on cash flow were as follows:

	31.12.2020 RM'000
Consideration settled in cash	10
Less: Cash and cash equivalents of subsidiary disposed	
- Cash and bank balances	(41)
Net cash outflow of the Group on disposal	(31)

(b) Disposal of Mekar Canggih Sdn. Bhd. ("MCSB")

On 21 December 2020, the Company disposed off the entire equity interest comprising 250,000 ordinary shares in MCSB for a cash consideration of RM100.

The gain on disposal of MCSB was as follows:

	31.12.2020 Group RM'000	31.12.2020 Company RM'000
Cost of investment	-	538
Less: Accumulated impairment	-	(538)
	-	-
Other receivables	25	-
Cash and bank balances	17	-
Total identifiable assets	42	-
Other payables	(46)	-
Net liabilities	(4)	-
Net proceeds from disposal	*	*
Gain on disposal	(4)	*

The effects of the disposal of MCSB on cash flow were as follows:

	31.12.2020 RM'000
Consideration settled in cash	*
Less: Cash and cash equivalents of subsidiary disposed	
- Cash and bank balances	(17)
Net cash outflow of the Group on disposal	(17)

* Denotes RM100.

42. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(c) Disposal of Roda Warna Sdn. Bhd. ("RWSB")

On 21 December 2020, the Group and the Company disposed off the entire equity interest comprising 250,000 ordinary shares in RWSB for a cash consideration of RM100 and RM24 respectively.

The gain on disposal of RWSB was as follows:

	31.12.2020 Group RM'000	31.12.2020 Company RM'000
Cost of investment	-	@
Other receivables	73	-
Cash and bank balances	1	-
Total identifiable assets	74	@
Other payables	(78)	-
Net (liabilities)/Carrying amount	(4)	@
Net proceeds from disposal	*	#
Gain on disposal	(4)	**

The effects of the disposal of RWSB on cash flow were as follows:

	31.12.2020 Group RM'000
Consideration settled in cash	*
Less: Cash and cash equivalents of subsidiary disposed	
- Cash and bank balances	(1)
Net cash outflow of the Group on disposal	(1)

* Denotes RM100.
# Denotes RM24.
@ Denotes RM1.
** Denotes RM23.

42. DISPOSAL OF SUBSIDIARIES (CONTINUED)

(d) Disposal of Swift Logistics Sdn. Bhd. ("SLSB") (continued)

On 21 December 2020, the Company disposed off the entire equity interest comprising 2 ordinary shares in SLSB for a cash consideration of RM2.

The gain on disposal of SLSB was as follows:

	31.12.2020 Group RM'000	31.12.2020 Company RM'000
Cost of investment	-	*
	-	(*)
	-	-
Cash and bank balances	*	-
Total identifiable assets	*	-
Other payables	(4)	-
Net liabilities	(4)	-
Net proceeds from disposal	*	*
Gain on disposal	(4)	(*)

The effects of the disposal of SLSB on cash flow were as follows:

	31.12.2020 Group RM'000
Consideration settled in cash	*
Less: Cash and cash equivalents of subsidiary disposed	
- Cash and bank balances	(*)
Net cash outflow of the Group on disposal	-

* Denotes RM2.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) On 9 February 2021, the Group entered into a Sale and Purchase Agreement ("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 27 August 2021.

(b) 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 been completed on 11 January 2022.

(c) 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.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

(d) 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.

(e) 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.

(f) On 21 April 2021, the Group entered into conditional Share Sale Agreement with a third party to acquire 50% equity interest 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.

(g) On 23 April 2021, the Group entered into conditional Share Sale Agreement with a third party to acquire 15% equity interest comprising 15,000 ordinary shares in Platinium Coldchain Sdn. Bhd. for a purchase consideration of RM37,500. The transaction has been completed on 16 June 2021.

(h) 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.

(i) 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 been completed on 25 November 2021.

(j) On 15 November 2021, the Company carried out a subdivision of 1 existing ordinary share in the Company to 6 new ordinary shares in the Company ("Subdivision"). Upon completion of the Subdivision, the total number of ordinary shares in the Company increased from 122,110,267 shares to 732,661,602 shares.

(k) On 30 November 2021, the Company issued a prospectus in connection with the Initial Public Offering ("IPO") and the Listing. The IPO involves the offering of 889,804,502 ordinary shares in the Company in conjunction with the listing of and quotation for the entire ordinary shares in the Company on the Main Market of Bursa Malaysia Securities Berhad comprising an offer for sale of up to 732,661,602 existing ordinary shares in the Company and a public issue of 157,142,000 new ordinary shares in the Company. The IPO and the Listing were completed on 21 December 2021.

(l) The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. Following this, the Government of Malaysia had imposed a series of Movement Control Order ("MCO") pursuant to the Prevention and Control of Disease Act 1988 ("PCDA") which was further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved. On 8 March 2022, the Government of Malaysia announced that the Country will begin its transition to endemic phase of COVID-19 from 1 April 2022 with the opening of its international borders and abolishment of certain COVID-19 restrictions.

The management has assessed the financial impact on the Group and the Company and is of the opinion that there were no material financial impact arising from the pandemic during the financial year. Nevertheless, the extent of the financial impact on the Group and the Company is difficult to assess at the date of authorisation of financial statements due to uncertainties arising from the pandemic. To mitigate their potential risks exposure, the Group and the Company have taken and will continue to take necessary steps to safeguard and preserve their financial condition, emphasising on liquidity management to meet their continuing financial commitments and liquidity needs of business operations.

(m) On 24 February 2022, the Company declared a first interim single tier dividend of RM0.0180 per ordinary share amounted to RM16,016,481 in respect of financial year ended 31 December 2021, which is payable on 24 March 2022. The dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2022.

LIST OF PROPERTIES
31 DECEMBER 2021

No.	Property Address	Tenure/ Date of expiry of the lease	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition Date	Approximate Age of Building	Carrying amount as at 31 December 2021 (RM'000)
1	No 23, Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor.	Leasehold for 99 years/ expiring on 30 June 2105	Warehouse, haulage yard and 3-storey office	2,232,952/ 590,534	01.04.2009	28 years	131,984
2	Lot 28, Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor.	Leasehold for 99 years/ expiring on 30 June 2105	Tenanted and container depot	1,263,231/ Nil	14.12.2011	Nil	77,051
3	Lot 87989, Jalan Perigi Nenas 8/7, Seksyen 7, Taman Perindustrian Pulau Indah, 42000 Pelabuhan Klang, Selangor.	Leasehold for 99 years/ expiring on 30 March 2097	Haulage yard and container depot	2,553,770/ Nil	14.10.2013	Nil	75,444
4	Lot 2939-2980, Lorong Perusahaan Sg Lonkan 6, Kawasan Perusahaan Sg Lonkan, 13400 Butterworth, Pulau Pinang.	Freehold	Warehouse, haulage yard, workshop and 2-storey office	749,600/ 152,991	28.03.2008	25 years	54,893
5	Plo 137 - 138, Jalan Angkasa Mas Utama, Kawasan Perindustrian Tebrau II, 81100 Johor Bahru, Johor.	An initial period of 13 years, expiring on 7 July 2023 and a subsequent period of 30 years expiring on 7 April 2053	Warehouse, workshop, transportation yard and 3-storey office	894,287/ 140,225	01.04.2009	23 years	43,635
6	Lot 21687, Jalan Pelabuhan Klang Utara, Kawasan Perindustrian Selat Klang Utara, 42000 Pelabuhan Klang, Selangor.	Leasehold for 99 years/ expiring on 13 July 2088	Haulage yard	518,390/ Nil	01.12.2013	Nil	32,879
7	Lot 3, Jalan Sultan Mohamed 5, Kawasan Perindustrian Bandar Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor.	Leasehold for 99 years/ expiring on 30 June 2105	Warehouse, haulage yard and 2 $^1/_2$ storey office	348,481/ 128,373	15.09.2011	8 years	28,094

List of Properties
31 December 2021

No.	Property Address	Tenure/ Date of expiry of the lease	Description of property/ Existing use	Land area/ Built-up area (sq. ft.)	Acquisition Date	Approximate Age of Building	Carrying amount as at 31 December 2021 (RM'000)
8	1020, Jalan Perindustrian Bukit Minyak, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Pulau Pinang.	Leasehold for 60 years/ expiring on 29 October 2058	Held for sale	131,363/ 67,460	29.08.2005	12 years	17,194
	Plot 174 b, Jalan Perindustrian, Bukit Minyak Industrial Park, 14100 Simpang Ampat, Pulau Pinang.	Leasehold for 60 years/ expiring on 6 November 2067	Held for sale	129,253/ Nil	16.01.2007	Nil	
9	Menggatal, District of Kota Kinabalu, Sabah No. 3, Kampung Kapa, Batu 6 1/2, Jalan Tuaran, 88450 Kota Kinabalu, Sabah.	Leasehold for 99 years/ expiring on 21 October 2068, Leasehold for 99 years/ expiring on 25 April 2061, Leasehold for 999 years/ expiring on 24 June 2926	Vacant yard	252,951/ Nil	15.03.2017	Nil	14,438
10	Lot 11, Jalan Sultan Mohamed 2, Kawasan Perindustrian Sultan Sulaiman, 42000 Pelabuhan Klang, Selangor.	Leasehold for 99 years/ expiring on 30 June 2105	Workshop and 3-storey office	196,021/ 71,204	17.07.1991	24 years	12,773

ANALYSIS OF SHAREHOLDINGS
AS AT 5 APRIL 2022

Total Number of Issued Shares	:	889,804,502
Issued Share Capital	:	RM389,899,318
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) vote per Ordinary Share

DISTRIBUTION OF ORDINARY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Ordinary Shares	%
Less than 100	4	0.058	149	0.000
100 – 1,000	759	11.036	563,762	0.063
1,001 – 10,000	3,860	56.129	20,681,918	2.324
10,001 – 100,000	1,893	27.526	61,302,071	6.889
100,001 to less than 5% of issued shares	356	5.176	357,687,964	40.198
5% and above of issued shares	5	0.072	449,568,638	50.524
Total	**6,877**	**100.000**	**889,804,502**	**100.000**

DIRECTORS' SHAREHOLDINGS IN ORDINARY SHARES
(Based on the Register of Directors' Shareholdings)

Name of Directors	Direct Shareholdings	%	Indirect Shareholdings	%
Tan Sri Dato Sri Abi Musa Asa'ari Bin Mohamed Nor	500,000	0.056	-	-
Loo Yong Hui	50,000	0.006	337,921,102 [(a)]	37.977
Loo Hooi Keat	2,620,500	0.294	337,921,102 [(b)]	37.977
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	-	-	337,921,102 [(a)]	37.977
Dato' Gopikrishnan A/L N.S. Menon	500,000	0.056	-	-
Datuk Noripah Binti Kamso	500,000	0.056	-	-
Rozainah Binti Awang	100,000	0.011	-	-

Notes:-
(a) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his substantial shareholdings in Persada Bina Sdn Bhd.
(b) Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his son's substantial shareholdings in Persada Bina Sdn Bhd.

SUBSTANTIAL ORDINARY SHAREHOLDERS
(Based on the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Shareholdings	%	Indirect Shareholdings	%
Persada Bina Sdn Bhd	337,921,102	37.977	-	-
Kumpulan Wang Persaraan (Diperbadankan)	81,182,794	9.123	-	-
Bluefin Bidco Limited	69,277,342	7.785	-	-
Loo Yong Hui	50,000	0.006	337,921,102 [(a)]	37.977
Loo Hooi Keat	2,620,500	0.294	337,921,102 [(b)]	37.977
Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	-	-	337,921,102 [(a)]	37.977

Notes:-
(a) Deemed interested pursuant to Section 8(4) of the Companies Act 2016 by virtue of his substantial shareholdings in Persada Bina Sdn Bhd.
(b) Deemed interested pursuant to Section 59(11)(c) of the Companies Act 2016 by virtue of his son's substantial shareholdings in Persada Bina Sdn Bhd.

Analysis of Shareholdings
As at 5 April 2022

LIST OF 30 LARGEST ORDINARY SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERSADA BINA SDN BHD	175,526,048	19.726
2	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	81,182,794	9.123
3	UOBM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERSADA BINA SDN. BHD.	72,831,774	8.185
4	BLUEFIN BIDCO LIMITED	69,277,342	7.785
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PERSADA BINA SDN BHD	50,750,680	5.703
6	PERSADA BINA SDN BHD	38,812,600	4.361
7	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ASIA EX JAPAN EQUITY SMALLER COMPANIES (LXG HGIF)	28,506,000	3.203
8	KENANGA NOMINEES (TEMPATAN) SDN BHD KENANGA PRIVATE EQUITY SDN BHD (FUND I)	25,976,968	2.919
9	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ANGKA DAYAMAS SDN BHD (PB)	23,143,470	2.600
10	LEMBAGA TABUNG ANGKATAN TENTERA	20,000,000	2.247
11	LASERFORMS SDN BHD	17,816,458	2.002
12	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN BHD (2)	15,750,000	1.770
13	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR FORTRESS CAPITAL ASSET MANAGEMENT (M) SDN BHD	10,796,300	1.213
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	8,481,600	0.953
15	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GLORY PORTFOLIO SDN BHD	5,740,220	0.645
16	HSBC NOMINEES (ASING) SDN BHD HSBC TUB AG FOR HSHK ASIAN SMALL CAPS (INKA MBH)	4,904,700	0.551
17	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	4,600,000	0.516
18	HSBC NOMINEES (ASING) SDN BHD SMTBUSA FOR ASEAN EQUITY ACTIVE MOTHER FUND	4,212,400	0.473
19	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR FOONG CHOONG HENG (SWIFT)	3,866,000	0.434
20	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	3,851,400	0.432
21	DB (MALAYSIA) NOMINEE (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR GREATLINK ASEAN GROWTH FUND	3,611,600	0.405
22	WEE KA KENG	3,500,000	0.393
23	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BERHAD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (DANA MAS MAJU)	2,793,000	0.313
24	BIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SENTOSA JAYA CAPITAL SDN BHD (MGNM83401)	2,598,700	0.292
25	LAI NGIT SIN	2,555,000	0.287
26	YAYASAN ISLAM TERENGGANU	2,500,000	0.280
27	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOO HOOI KEAT	2,398,500	0.269
28	HSBC NOMINEES (ASING) SDN BHD SMTBUSA FOR ASEAN PLUS EQUITY MOTHER FUND	2,112,100	0.237
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN HUI MENG	2,000,000	0.224
30	MAJLIS AGAMA ISLAM NEGERI SEMBILAN	2,000,000	0.224
	TOTAL	**692,095,654**	**77.780**

GROUP DIRECTORY

HEAD OFFICE

Swift Corporate Office
Suite 8.02, Level 8, Intan Millennium Square 2,
No. 88, Jalan Batai Laut 4,
Taman Intan, 41300 Klang, Selangor.
Tel: 03-3361 3555
Fax: 03-3361 3511

CENTRAL

Swift Project Logistics
Suite 8.01, Level 8, Intan Millennium Square 2,
No. 88, Jalan Batai Laut 4,
Taman Intan, 41300 Klang, Selangor.
Tel: 03-3341 3388
Fax: 03-3343 3387

Swift Forwarding & Shipping
Suite 8.02, Level 8, Intan Millennium Square 2,
No. 88, Jalan Batai Laut 4,
Taman Intan, 41300 Klang, Selangor.
Tel: 03-3361 3555
Fax: 03-3361 3511

Swift Haulage Berhad
Lot 3, Jalan Sultan Mohamed 5,
Kawasan Perindustrian Bandar Sultan Sulaiman,
42000 Pelabuhan Port Klang, Selangor.
Tel: 03-3176 0162 / 0272
Fax: 03-3176 0364 / 0131

Swift Integrated Logistics Centre
(Central/Port Klang)
Warehouse – PKA/PKB, Cross Border,
Command Centre, & BLG VDC
Lot 23, Jalan Sultan Mohamed 1,
Kawasan Perindustrian Bandar Sultan Sulaiman,
42000 Pelabuhan Klang, Selangor.
Tel: 03-3169 6700
Fax: 03-3176 1306

Q-Team Sdn Bhd
Lot 11, Lebuh Sultan Mohamed 2,
Kawasan Perindustrian Bandar Sultan Sulaiman,
42000 Pelabuhan Klang, Selangor.
Tel: 03-3176 6088
Fax: 03-3176 4903 / 03-3176 9099 (workshop)

Swift Air Freight
Malaysia Airlines Freight Forwarders Complex,
Lot C15, Block C, Free Commercial Zone,
KLIA Cargo Village,
Kuala Lumpur International Airport,
64000 Sepang, Selangor.
Tel: 03-8787 2724
Fax: 03-8787 2729

Tanjong Express (M) Sdn Bhd
Inland Distribution
No 17, Jalan Kamunting 2,
Perindustrian Jalan Kamunting,
Bukit Beruntung,
48300 Rawang, Selangor.
Tel: 1700-818-000
Fax: 03-602 1717

Tanjong Express (M) Sdn Bhd
Lot 19298, Jalan Sijangkang Utama 1,
Kawasan Perindustrian Sijangkang,
Telok Panglima Garang,
42500 Telok Panglima Garang, Selangor.
Tel: 012-234 5091

Swift Haulage Berhad (Melaka)
Lot 2113-1, Jalan PAK 2/1,
Kawasan Perindustrian Ayer Keroh Fasa IV,
75450 Ayer Keroh, Melaka.
Tel: 06-231 0191

Group Directory

NORTHERN

Swift Integrated Logistics Centre (Northern)
Warehouse, Haulage, Forwarding, Container Depot & Inland Distribution
Lot 2939-2980, ACKU Industrial Area,
Jalan Bagan Lalang,
13400 Mak Mandin, Butterworth, Pulau Pinang.
Tel: 04-314 2020
Fax: 04-314 2080

Tanjong Express Logistic (M) Sdn Bhd
3064, Lorong Jelawat 1,
Seberang Jaya Industrial Park,
13700 Seberang Perai, Pulau Pinang.
Tel: 04-397 6977
Fax: 04-390 4377

SOUTHERN

Swift Integrated Logistics Centre (Southern)
Warehouse, Forwarding & Inland Distribution
PLO 137 & 138, Jalan Angkasa Mas Utama,
Kawasan Perindustrian Tebrau 2,
81100 Johor Bahru, Johor.
Tel: 07-357 5510
Fax: 07-351 3557

Swift Haulage Berhad (Southern)
PLO 516, Jalan Keluli 3,
Kawasan Perindustrian Pasir Gudang,
81700 Pasir Gudang, Johor.
Tel: 07-256 3689
Fax: 07-256 3695

EASTERN

Swift Integrated Logistics Centre (Eastern)
Kuantan Kerteh Railway System,
Lot 22A, 22B & 21AA,
Kawasan Perindustrian Kerteh,
24300 Kerteh, Kemaman, Terengganu.
Tel: 09-830 5867 / 5256
Fax: 09-830 5888

Swift Integrated Logistics Sdn Bhd
Kuantan Kerteh Railway System,
Jalan Kampung Selamat,
Kawasan Pelabuhan Kuantan,
26080 Kuantan, Pahang.
Tel: 09-583 8312 / 8314
Fax: 09-583 8320 / 8311

Swift Integrated Logistics Sdn Bhd – Tok Bali
Unit 1.2.01 & Unit 1.2.02, Admin Complex,
Tok Bali Supply Base,
16700 Pasir Puteh, Kelantan.
Tel: 09-778 0230

EAST MALAYSIA

Swift Kota Kinabalu Office
A-716, 7th Floor, Phase 1, Wisma,
88300 Kota Kinabalu, Sabah.
Tel: 088-212 069

Swift Labuan Office
Lot 10, 2nd Floor, Wisma Wong Wo Lo,
87000 Wilayah Persekutuan Labuan.
Tel: 087-440 120 / 087-413 611
Fax: 087-419 091

Swift Bintulu Office
Ground Floor, Sublot No 3,
Kidurong Hill Commercial Area,
Lot 4090, Block 26, Jalan Nyabau,
97000 Bintulu, Sarawak.
Tel: 086-348 176

Swift Miri Office
2nd Floor, Lot 2213, Block 5 MCLD,
Jalan Saberkas Utama,
Saberkas Commercial Centre,
98000 Miri, Sarawak.
Tel: 085-642 490

THAILAND

Swift Crossland Logistics Co., Ltd.
27th Floor, 1858 / 117-118,
Bangna-Trad Rd, Bangna Sub-District,
Bangna District, 10260, Thailand.
Tel: +66 (2) 1306949-52
Fax: +66 (2) 1306939

NOTICE OF 22ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second ("**22nd**") Annual General Meeting ("**AGM**") of SWIFT HAULAGE BERHAD ("**Company**") will be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 15 June 2022 at 11:00 a.m. or at any adjournment thereof, for the following purposes:-

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors Reports thereon.	**[Please refer to Explanatory Note (a)]**
2.	To approve the payment of Directors' fees amounting to RM467,500.00 for the financial year ended 31 December 2021.	**Ordinary Resolution 1**
3.	To approve the payment of benefits payable to the Directors up to an amount of RM50,000.00 from 16 June 2022 until the next AGM of the Company in year 2023.	**Ordinary Resolution 2**
4.	To re-elect the following Directors who retire pursuant to Clause 21.7 of the Company's Constitution and being eligible, have offered themselves for re-election:-	
	(i) Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar	**Ordinary Resolution 3**
	(ii) Mr. Loo Hooi Keat	**Ordinary Resolution 4**
5.	To re-appoint BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration	**Ordinary Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, with or without modifications, to pass the following Ordinary Resolutions:-

6. **ORDINARY RESOLUTION**
   - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 — **Ordinary Resolution 6**

   "**THAT** subject always to the Companies Act 2016 ("**Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to its letter dated 23 December 2021 to grant additional temporary relief measures to listed issuers and thereafter ten percent (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities' Main Market Listing Requirements (hereinafter referred to as the "**General Mandate**");

   AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

   AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

7. **ORDINARY RESOLUTION** **Ordinary Resolution 7**

- **PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK AUTHORITY")**

"**THAT** subject to compliance with the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby given full authority, to seek shareholders' approval for the authority for the Company to purchase and/or such ordinary shares in the Company ("**Shares**") through Bursa Securities upon such terms and conditions as the Directors of the Company ("**Directors**") may deem fit in the interest of the Company provided that:-

(i) the aggregate number of Shares so purchased and/or held pursuant to this ordinary resolution ("**Purchased Shares**") does not exceed ten per centum (10%) of the total number of issued shares of the Company; and

(ii) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the aggregate of the retained profits of the Company;

THAT the Directors be and are hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 127 of the Act) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares and/or cancel the remainder and to deal with the Purchased Shares in such other manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and any other relevant authorities for the time being in force;

AND THAT such approval and authorisation shall only continue to be in force until:-

(a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by an ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first;

AND FURTHER THAT the Directors of the Company be authorised to do all such acts and things (including, without limitation executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the Proposed Share Buy-Back Authority."

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC No.: 201908002648)
LIM LIH CHAU (LS0010105) (SSM PC NO.: 201908001454)
Company Secretaries

Kuala Lumpur
29 April 2022

Notes:-

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("**RPV**") facilities to be provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via Tricors' online platform at https://tiih.online. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.

2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 18.4(a) of the Company's Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.

   With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.

   As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Tricor's online platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to is.enquiry@my.tricorglobal.com during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 June 2022 ("**General Meeting Record of Depositors**") shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.

4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised.

8. The instrument appointing a proxy must be deposited at the registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Form of Proxy electronically at https://tiih.online not later than forty-eight (48) hours before the time set for holding the meeting.

   Please refer to the Administrative Guide for the 22nd AGM of the Company that is available for download at www.swiftlogistics.com.my for further details.

Explanatory Note (a)

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

Explanatory Notes to Ordinary and Special Business:-

(a) Ordinary Resolution 1 – Directors' Fees

Payment of the Directors' fees for the financial year ended 31 December 2021 amounting to RM467,500.00 will be made by the Company if the proposed Ordinary Resolution 1 is passed at the 22nd AGM of the Company.

(b) Ordinary Resolution 2 – Benefits of Directors

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the Directors' benefits up to an amount of RM50,000.00 with effect from 16 June 2022 until the next AGM of the Company in year 2023 that comprises of meeting allowance.

(c) Ordinary Resolutions 3 and 4 – Re-election of Directors

Clause 21.7 of the Constitution of the Company states that one-third (1/3) of the Directors shall retire from office and shall be eligible for re-election at each AGM. All Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

In determining the eligibility of the Directors to stand for re-election at the forthcoming 22nd AGM, the NRC has considered the following:-

(i) Directors' self-assessment and peer-to-peer performance evaluation;
(ii) Evaluation on the effectiveness of the Board as a whole and the Committees of the Board.

The Board approved the NRC's recommendation for the retiring Directors pursuant to Clause 21.7 of the Constitution of the Company. All the retiring Directors have consented to their re-election and abstained from deliberation as well as decision on their own eligibility to stand for re-election at the relevant NRC and Board meetings, where applicable.

(d) Ordinary Resolution 5 – Re-appointment of Auditors

The Audit and Risk Management Committee ("**ARMC**") have assessed the suitability and independence of the External Auditors and recommended the re-appointment of BDO PLT as External Auditors of the Company for the financial year ending 31 December 2022. The Board has in turn reviewed the recommendation of the ARMC and recommended the same to be tabled to the shareholders for approval at the forthcoming 22nd AGM of the Company under Resolution 5.

(e) Ordinary Resolution 6
Authority to Issue Shares Pursuant to the Companies Act 2016

As part of the initiative from Bursa Securities to aid and facilitate listed issuers in sustaining their business or easing their compliance with Bursa Securities' rules, amid the unprecedented uncertainty surrounding the recovery of the COVID-19 outbreak, Bursa Securities has via its letter dated 23 December 2021 granted several additional relief measures to listed issuers, amongst others, listed issuers are allowed to seek a higher general mandate under Paragraph 6.03 of Main Market Listing Requirements ("**Main LR**") of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities ("**20% General Mandate**").

This 20% General Mandate may be utilised by listed issuer to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

The Board believes that the Company requires a flexible and readily available method of raising capital, to allow the Company to capture suitable prospective investment opportunities in a timely manner.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group to sustain the business, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders, on the following basis:-

- the proposed 20% General Mandate would provide the Group with financial flexibility to raise capital expeditiously for its operations, future expansion and business development.
- the proposed 20% General Mandate would allow the Company to raise equity capital promptly rather than the more costly and time-consuming process by obtaining shareholders' approval in a general meeting should the need for capital arise.
- other financing alternatives such as debt financing may incur interest burden to the Group.
- the proposed 20% General Mandate provides the Company with the capability to capture any capital raising and/or prospective investment opportunities if and when they are identified.

This 20% General Mandate, if passed, will provide flexibility for the Company and empower the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The 20% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

(f) Ordinary Resolution 7
Proposed Renewal of Authority for the Company to Purchase its Own Shares

The proposed Resolution, if passed, would empower the Directors of the Company to purchase the Company's ordinary shares of up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the Company's retained profits based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s).

Further details are set out in the Statement to Shareholders dated 29 April 2022 circulated together with this Annual Report.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 22nd AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

There are no Directors standing for election as Director of the Company at the Twenty-Second Annual General Meeting.

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SWIFT HAULAGE BERHAD
[Registration No. 200001030627 (533234-V)]

FORM OF PROXY

*I/We:

Full Name (In Block)	CDS account no.:	No. of Shares held:
Address:	NRIC/Passport/Registration no.:	
Contact No.:	Email address:	

being a *member / members of **SWIFT HAULAGE BERHAD** (“**Company**”), do hereby appoint:

First Proxy “A”

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

AND
Second Proxy “B”

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

*or failing him/her, the CHAIRMAN OF THE MEETING as * my/our proxy to vote for * me/us on * my/our behalf at the Twenty-Second Annual General Meeting (“**22nd AGM**”) of the Company to be conducted virtually at the broadcast venue at Board Room, Suite 8.02, Level 8, Intan Millennium Square 2, No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor Darul Ehsan on Wednesday, 15 June 2022 at 11:00 a.m. or at any adjournment thereof.

Please indicate with an “x” in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at *his/her discretion.

Resolution No.	Ordinary Resolution	For	Against
1.	To approve the payment of Directors’ fees for the financial year ended 31 December 2021.		
2.	To approve the payment of benefits payable to the Directors from 16 June 2022 until the next AGM of the Company in year 2023.		
3.	To re-elect Dato’ Haji Md Yusoff @ Mohd Yusoff Bin Jaafar who retires pursuant to Clause 21.7 of the Company’s Constitution.		
4.	To re-elect Mr. Loo Hooi Keat who retires pursuant to Clause 21.7 of the Company’s Constitution.		
5.	To re-appoint BDO PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
As Special Business			
6.	Authority to Issue Shares pursuant to the Companies Act 2016.		
7.	Proposed Share Buy-Back Authority.		

**strike out whichever not applicable*

Dated this _______day of ___________________2022.

Signature of Member/Common Seal

Notes:-

1. As part of the initiatives to curb the spread of COVID-19, the Meeting will be conducted on a virtual basis by way of live streaming and online remote voting via Remote Participation and Voting (“**RPV**”) facilities to be provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“**Tricor**”) via Tricors’ online platform at https://tiih.online. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue, which is the main venue of the Meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 18.4(a) of the Company’s Constitution, which require the Chairman to be present at the main venue of the Meeting. Members, proxies and/or corporate representatives will not be allowed to be physically present at the broadcast venue on the day of the Meeting.
   With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise your right to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Meeting.
   As guided by the Securities Commission Malaysia’s Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Meeting via real time submission of typed texts through a text box within Tricor’s online platform during the live streaming of the Meeting as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to is.enquiry@my.tricorglobal.com during the Meeting. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 June 2022 (“**General Meeting Record of Depositors**”) shall be eligible to attend, speak and vote at the Meeting or appoint proxy(ies) to attend, participate, speak and vote in his stead.
4. A member entitled to attend and vote at the Meeting, may appoint more than one (1) proxy to attend and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same Meeting, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
7. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation’s common seal or under the hand of an officer or attorney duly authorised.
8. The instrument appointing a proxy must be deposited at the registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or submit the Form of Proxy electronically at https://tiih.online not later than forty-eight (48) hours before the time set for holding the meeting.
   Please refer to the Administrative Guide for the 22nd AGM of the Company that is available for download at www.swiftlogistics.com.my for further details.

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 April 2022.

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Postage Stamp

The Registrar
SWIFT HAULAGE BERHAD
[Registration No. 200001030627 (533234-V)]
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur
Wilayah Persekutuan

Please fold along this line (2)

SWIFT HAULAGE BERHAD
200001030627 (533234-V)
Suite 8.02, Level 8 Intan Millennium Square 2 (IMS 2),
No. 88, Jalan Batai Laut 4,
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