



**SWIFT HAULAGE BERHAD**

**200001030627 (533234-V)**

**INTERIM FINANCIAL REPORT**

**30 JUNE 2022**

**17 AUGUST 2022**



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2022 <sup>(a)</sup>**

	Quarter ended		Period to date	
	30.6.2022 Unaudited RM'000	30.6.2021 Unaudited RM'000	30.6.2022 Unaudited RM'000	30.6.2021 Unaudited RM'000
Revenue	160,118	144,204	320,418	297,319
Cost of sales and services	(109,683)	(98,152)	(219,561)	(202,920)
Gross profit	50,435	46,052	100,857	94,399
Other income	4,265	8,439	6,057	10,194
Net gain on impairment of financial instruments	354	(1,597)	367	(1,577)
Administrative and operating expenses	(31,706)	(29,578)	(60,845)	(57,907)
Finance costs	(6,627)	(6,733)	(12,568)	(13,239)
	16,721	16,583	33,868	31,870
Share of results of associates	(220)	(288)	(373)	(1,102)
Share of results of a joint venture	179	30	277	30
Profit before tax	16,680	16,325	33,772	30,798
Tax expense	(3,592)	(3,973)	(6,178)	(7,336)
<b>Profit for the financial period</b>	<b>13,088</b>	<b>12,352</b>	<b>27,594</b>	<b>23,462</b>
<b>Other comprehensive income:</b>				
<b>Item that may be reclassified subsequently to profit or loss</b>				
Foreign currency translations	20	17	(16)	75
<b>Total comprehensive income for the financial period</b>	<b>13,108</b>	<b>12,369</b>	<b>27,578</b>	<b>23,537</b>
<b>Profit attributable to:</b>				
Owners of the Company	13,188	11,598	27,501	22,282
Non-controlling interests	(100)	754	93	1,180
	13,088	12,352	27,594	23,462
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	13,208	11,615	27,485	22,357
Non-controlling interests	(100)	754	93	1,180
	13,108	12,369	27,578	23,537
<b>Earnings per share attributable to owners of the Company (Sen)</b>				
Basic	1.48	2.23	3.09	4.28
Diluted	1.48	2.23	3.09	4.28

**Notes:**

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note 1 of the notes to this interim financial report and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 <sup>(a)</sup>**

	<b>As at 30.6.2022</b>	<b>As at 31.12.2021</b>
	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	526,417	471,606
Investment properties	78,240	78,719
Right-of-use assets	398,597	436,764
Other investments	1,106	1,341
Investments in associates	26,267	24,450
Investment in a joint venture	11,231	10,954
Goodwill	68,813	68,813
Intangible assets	676	576
Deferred tax assets	9,968	10,033
	1,121,315	1,103,256
<b>Current assets</b>		
Inventories	12,116	15,808
Trade and other receivables	243,425	248,210
Current tax assets	9,919	8,010
Derivative financial asset	3,134	1,284
Short term fund	4,070	-
Cash and bank balances	40,243	64,731
	312,907	338,043
Non-current assets held for sale	35,796	17,194
<b>TOTAL ASSETS</b>	<b>1,470,018</b>	<b>1,458,493</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the company</b>		
Share capital	384,714	384,714
Treasury shares	(520)	-
Retained earnings	261,524	250,039
Exchange translation reserve	90	106
	645,808	634,859
Non-controlling interests	507	414
<b>TOTAL EQUITY</b>	<b>646,315</b>	<b>635,273</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Borrowings	382,256	396,771
Lease liabilities	67,008	56,589
Deferred tax liabilities	53,202	55,446
	502,466	508,806



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022  
(CONT'D)<sup>(a)</sup>**

	<u>As at 30.6.2022</u>	<u>As at 31.12.2021</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>
<b>LIABILITIES (continued)</b>		
<b>Current liabilities</b>		
Trade and other payables	105,885	102,059
Borrowings	190,710	178,976
Lease liabilities	17,963	32,090
Current tax liabilities	6,679	1,289
	321,237	314,414
<b>TOTAL LIABILITIES</b>	<u>823,703</u>	<u>823,220</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,470,018</u>	<u>1,458,493</u>
<b>NET ASSET PER SHARE (Sen)<sup>(b)</sup></b>	<u>72.73</u>	<u>71.39</u>

**Notes:**

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note 1 of the notes to this interim financial report and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021.
- (b) The net asset per share attributable to owners of the Company is calculated based on net asset divided by the number of shares as of 30 June 2022 of 888,704,502 (31 December 2021: 889,804,502 shares).



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022 <sup>(a)</sup>**

	-----Non-distributable-----				Distributable		Total attributable owners of company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Ordinary Share capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
<b>Balance as at 1 January 2022</b>	384,714	-	-	106	-	250,039	634,859	414	635,273
Profit for the financial period	-	-	-	-	-	27,501	27,501	93	27,594
Other comprehensive income, net of tax	-	-	-	(16)	-	-	(16)	-	(16)
<b>Total comprehensive income</b>	-	-	-	(16)	-	27,501	27,485	93	27,578
<b>Transactions with owners</b>									
Repurchase of treasury shares of the Company	-	-	-	-	(520)	-	(520)	-	(520)
Dividend paid	-	-	-	-	-	(16,016)	(16,016)	-	(16,016)
Total transactions with owners	-	-	-	-	(520)	(16,016)	(16,536)	-	(16,536)
<b>Balance as at 30 June 2022</b>	<u>384,714</u>	-	-	<u>90</u>	<u>(520)</u>	<u>261,524</u>	<u>645,808</u>	<u>507</u>	<u>646,315</u>

**Notes:**

(a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note 1 of the notes to this interim financial report and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2021 <sup>(a)</sup>**

	-----Non-distributable-----				Distributable		Total attributable owners of company RM'000	Non- controlling interests RM'000	Total equity RM'000
	Ordinary Share capital RM'000	Convertible redeemable loan stock RM'000	Preference shares RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000			
<b>Balance as at 1 January 2021</b>	102,785	106,863	18,395	(565)	-	202,920	430,398	(349)	430,049
Profit for the financial period	-	-	-	-	-	22,282	22,282	1,180	23,462
Other comprehensive income, net of tax	-	-	-	75	-	-	75	-	75
<b>Total comprehensive income</b>	-	-	-	75	-	22,282	22,357	1,180	23,537
<b>Transactions with owners</b>									
Dividend paid to non-controlling interest of a subsidiary	-	-	-	-	-	-	-	(289)	(289)
Conversion of shares	125,257	(106,863)	(18,394)	-	-	-	-	-	-
Redemption of shares	-	-	(1)	-	-	-	(1)	-	(1)
<b>Total transactions with owners</b>	<b>125,257</b>	<b>(106,863)</b>	<b>(18,395)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>(289)</b>	<b>(290)</b>
<b>Balance as at 30 June 2021</b>	<b>228,042</b>	<b>-</b>	<b>-</b>	<b>(490)</b>	<b>-</b>	<b>225,202</b>	<b>452,754</b>	<b>542</b>	<b>453,296</b>

**Notes:**

(a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note 1 of the notes to this interim financial report and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022<sup>(a)</sup>**

	Period to date	
	30.6.2022	30.6.2021
	Unaudited	Unaudited
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	33,772	30,798
Adjustments for:		
Bad debts written off:		
- trade receivables	-	81
- other receivables	-	5
Depreciation of:		
- property, plant and equipment	18,248	15,376
- right-of-use assets	11,076	11,425
- investment properties	479	6
Dividend from other investment	(31)	-
Fair value gain on derivative	(1,850)	(1,428)
Fair value gain on short term fund	(62)	-
Fair value loss/(gain) on other investment	253	(8)
Gain on disposal of property, plant and equipment	(674)	(3,011)
Gain on disposal of other investment	(69)	(180)
Gain on disposal of non-current assets held for sale	(680)	-
Impairment losses on:		
- trade receivables	-	3,459
- other receivables	-	63
Income distribution from short term fund	(7)	(18)
Interest expense	12,568	13,239
Interest income	(185)	(153)
Net unrealised loss on foreign exchange	1,315	966
Property, plant and equipment written off	1	19
Reversal of impairment losses on:		
- trade receivables	(367)	(1,619)
- other receivables	-	(326)
Share of results of associates	373	1,102
Share of results of a joint venture	(277)	(30)
<b>Operating profit before changes in working capital</b>	<b>73,883</b>	<b>69,766</b>
<b>Changes in working capital:</b>		
Inventories	3,692	91
Trade and other receivables	5,920	(23,874)
Trade and other payables	3,826	(19,285)
<b>Net cash generated from operations</b>	<b>87,321</b>	<b>26,698</b>
Net of (tax paid)/tax refunded	(4,875)	(2,731)
<b>Net cash flows from operating activities</b>	<b>82,446</b>	<b>23,967</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(82,762)	(43,381)
Purchase of other investments	(367)	(1,107)
(Placement)/ Withdrawal of deposits with licensed banks and restricted cash	(309)	2,012
(Placement)/ Withdrawal of short term fund	(4,003)	2,027
Acquisition of joint ventures	-	(10,550)



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2022 <sup>(a)</sup> (CONT'D)**

	Period to date	
	30.6.2022	30.6.2021
	Unaudited RM'000	Unaudited RM'000
Repurchase of treasury shares of the Company	(520)	-
Advances to associate	(2,846)	-
Proceeds from:		
- disposal of property, plant and equipment	1,246	3,375
- disposal of non-current assets held for sale	18,200	-
- disposal of other investments	449	591
Interest received	185	153
<b>Net cash flows used in investing activities</b>	<b>(70,727)</b>	<b>(46,880)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(16,016)	-
Dividend paid to non-controlling interest of a subsidiary	-	(289)
Net drawdown of trade financing	5,267	123,454
Net repayment of term loans	(9,419)	(51,580)
Net repayment of lease liabilities	(3,709)	(29,536)
Redemption of redeemable preference shares	-	(1)
Interest paid	(12,568)	(13,239)
<b>Net cash flows (used in)/ from financing activities</b>	<b>(36,445)</b>	<b>28,809</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(24,726)</b>	<b>5,896</b>
Effect of exchange rate changes on cash and cash equivalents	(16)	75
Cash and cash equivalents at the beginning of the financial period	61,302	18,352
Cash and cash equivalents at the end of the financial period	36,560	24,323
<b>Cash and cash equivalents at the end of the financial period comprises:</b>		
Cash and bank balances	40,243	35,367
Bank overdrafts	-	(6,699)
Deposits with licensed banks with maturity of over 3 months	(2,925)	(2,604)
Restricted cash	(758)	(1,741)
Cash and cash equivalents included in the condensed consolidated statement of cash flows	36,560	24,323

**Notes:**

- (a) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note 1 of the notes to this interim financial report and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2021.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report**

**1. Basis of Preparation**

The interim financial report of Swift Haulage Berhad (“the Company”) and its subsidiaries (collectively, the “Group”) is unaudited and has been prepared in accordance with the requirements of MFRS 134: *Interim Financial Reporting* and paragraph 9.22 as well as Appendix 9B of the Main Market Listing Requirements of Bursa Securities.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

**2. Significant Accounting Policies**

The significant accounting policies and presentations adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements of the Group for the financial year ended 31 December 2021 except for the newly-issued Malaysian Financial Reporting Standards (“MFRS”) and amendments to the standards to be applied by all Entities Other Than Private Entities for the financial period beginning on or after 1 January 2022:

<b>Amendments to MFRSs</b>	<b>Effective Date</b>
Annual improvements to MFRS Standards 2018 -2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2022

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and did not result in significant changes to the Group’s existing accounting policies.

At the date of authorization of these interim financial statements, the following MFRS were issued but not yet effective and have not been applied by the Group:

MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendment to MFRS 17 Insurance Contracts)</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture</i>	Deferred

**3. Auditors' Report**

There was no qualification on the audited financial statements of the Group for the financial year ended 31 December 2021.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**4. Seasonal or Cyclical Factors**

The business operations of the Group during the current quarter under review have not been materially affected by any seasonal or cyclical factors.

**5. Material Unusual Items**

There were no unusual items or incidence which may or has substantially affect the value of assets, liabilities, equity, net income or cash flows of the Group for the current quarter under review.

**6. Material Changes in Estimates**

There were no material changes in estimates that may have material effect in the current quarter under review.

**7. Debt and Equity Securities**

There were no issuance, cancellations, repurchases, resale and repayment of debt or equity securities, share buy backs, share cancellations, share held as treasury shares and resale of treasury shares during the financial period under review except for the following:

(a) Treasury Shares

During the financial quarter and financial period to date, the Company repurchase its own shares as follows:

	<b>Number of shares repurchase</b>	<b>Highest</b>	<b>Price per share Lowest</b>	<b>Average</b>	<b>Consideration paid</b>
		<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<i>Shares repurchase</i>					
June 2022	<u>1,100,000</u>	0.50	0.46	0.47	<u>520,000</u>

As at 30 June 2022, the Company hold 1,100,000 Treasury Shares at a cost of RM520,000.

**8. Dividend Paid**

A first single-tier dividend of 1.8 sen per ordinary shares amounting to RM16.02 million in respect of the financial year ended 31 December 2021 was paid on 24 March 2022.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**9. Segmental Information**

The Group is mainly involved in provision of integrated logistics services comprising container haulage, land transportation, warehousing and container depot, and freight forwarding.

Analysis of the Group's revenue and results for the 6 months financial period ended 30 June 2022 is as follows:

	<b>Container haulage RM'000</b>	<b>Land transportation RM'000</b>	<b>Warehousing and container depot RM'000</b>	<b>Freight forwarding RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group Results RM'000</b>
<b><u>Revenue</u></b>							
External sales	140,584	106,095	39,425	34,202	112	-	320,418
Inter-segment sales	29,348	19,462	3,214	-	10,181	(62,205)	-
<b>Total revenue</b>	<b>169,932</b>	<b>125,557</b>	<b>42,639</b>	<b>34,202</b>	<b>10,293</b>	<b>(62,205)</b>	<b>320,418</b>
Interest income	24	12	8	45	96	-	185
Depreciation of property, plant and equipment	(9,663)	(5,371)	(2,376)	(517)	(321)	-	(18,248)
Depreciation of right-of-use assets	(2,978)	(1,798)	(5,586)	(244)	(470)	-	(11,076)
Depreciation of investment properties	-	-	(462)	-	(17)	-	(479)
Finance costs	(1,860)	(1,481)	(2,440)	(597)	(6,190)	-	(12,568)
Share of loss of associates	-	-	-	-	(373)	-	(373)
Share of profit of a joint venture	-	-	-	-	277	-	277
<b>Profit /(loss) before tax</b>	<b>13,411</b>	<b>8,925</b>	<b>4,451</b>	<b>17,774</b>	<b>(10,564)</b>	<b>(225)</b>	<b>33,772</b>



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**9. Segmental Information (Cont'd)**

The Group is mainly involved in provision of integrated logistics services comprising container haulage, land transportation, warehousing and container depot and freight forwarding.

Analysis of the Group's revenue and results for the 6 months financial period ended 30 June 2021 is as follows:

	<b>Container haulage RM'000</b>	<b>Land transportation RM'000</b>	<b>Warehousing and container depot RM'000</b>	<b>Freight forwarding RM'000</b>	<b>Others RM'000</b>	<b>Elimination RM'000</b>	<b>Group Results RM'000</b>
<b>Revenue</b>							
External sales	141,458	88,946	38,433	27,997	485	-	297,319
Inter-segment sales	24,043	14,568	3,776	-	6,977	(49,364)	-
<b>Total revenue</b>	<b>165,501</b>	<b>103,514</b>	<b>42,209</b>	<b>27,997</b>	<b>7,462</b>	<b>(49,364)</b>	<b>297,319</b>
Interest income	49	12	7	47	38	-	153
Depreciation of property, plant and equipment	(7,348)	(4,945)	(2,334)	(487)	(262)	-	(15,376)
Depreciation of right-of-use assets	(4,665)	(1,402)	(4,412)	(266)	(680)	-	(11,425)
Depreciation of investment properties	-	-	-	-	(6)	-	(6)
Finance costs	(2,404)	(1,693)	(2,228)	(921)	(5,993)	-	(13,239)
Share of loss of associates	-	-	-	-	(1,102)	-	(1,102)
Share of profit of joint ventures	-	-	-	-	30	-	30
<b>Profit /(loss) before tax</b>	<b>17,005</b>	<b>7,246</b>	<b>5,158</b>	<b>10,835</b>	<b>(9,275)</b>	<b>(171)</b>	<b>30,798</b>



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**10. Significant Events Subsequent to the End of the Interim Financial Period**

There were no material events subsequent to the end of current quarter that have not been reflected in the interim financial report.

**11. Changes in the Composition of the Group**

There were no changes in the composition of the Group that have not been reflected in the interim financial report.

**12. Contingent liabilities**

	<b>As at 30.6.2022 RM'000</b>
<b>Secured Guarantees</b>	
Bank guarantees utilised <sup>(a)</sup>	<u>15,000</u>

**Note:**

(a) Arrangement between our Group and our customers and suppliers (inclusive of port authorities and Customs).

As part of the contractual obligation with our customers mainly from oil, gas and petrochemical industry and government agencies, we are required to provide performance guarantee to our customers to ensure that we fulfil the contractual obligation.

Bank guarantee is provided to our suppliers to ensure that our Group will fulfil the obligation of paying for services rendered by our suppliers.

**13. Capital Commitments**

Capital commitments for the purchase of property, plant and equipment not provided for at the end of the reporting period are as follows: -

	<b>As at 30.6.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
Approved but not contracted for	-	4,155
Contracted but not provided for	<u>53,291</u>	<u>41,276</u>
	<u>53,291</u>	<u>45,431</u>



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**14. Significant related party transactions**

	Quarter ended		Period to date	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
With holding company, Persada Bina Sdn. Bhd.				
Management fee paid/payable	-	70	-	175
With related party, Kaypi Technologies Sdn. Bhd.				
Purchase of office equipment	-	65	-	83
Rental of office equipment	4	1	4	7
With related party, Pelikan Asia Sdn. Bhd.				
Purchase of stationery	78	175	156	290
Forwarding income	-	21	5	22
Warehouse income	45	49	92	98
Transport income	2	-	6	-
With related party, SM Security (M) Sdn. Bhd.				
Security services	57	58	115	115
With associate, BLG Swift Logistics Sdn. Bhd.				
Rental income	18	18	36	36
Warehouse income	279	311	558	674
With associate, Swift Mega Carriers Sdn. Bhd.				
Rental income	15	15	30	30
Repair and maintenance	11	22	23	62
Truck management fee	1	-	3	-



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**15. Group Performance Review**

The Group recorded revenue of RM160.1 million, gross profit of RM50.4 million and profit before tax of RM16.7 million for the current financial quarter ended 30 June 2022 (“**2Q2022**”). The 2Q2022 revenue is primarily contributed by container haulage of RM69.5 million and land transportation of RM53.6 million which represents 76.9% of our Group’s revenue for 2Q2022. Other business segments namely warehousing and container depot and freight forwarding business contributed RM19.8 million and RM17.2 million respectively for 2Q2022.

The Group’s revenue for the financial period-to-date ended 30 June 2022 (“**1H2022**”) of RM320.4 million, gross profit of RM100.9 million and profit before tax of RM33.8 million is mainly contributed by container haulage of RM140.6 million and land transportation of RM106.1 million which represents 77.0% of our Group’s total revenue. Whilst our warehousing and container depot and freight forwarding business contributed RM39.4 million and RM34.2 million respectively to the total Group’s revenue for 1H2022.

In comparison to the preceding year corresponding period-to-date i.e 30 June 2021 (“**1H2021**”), the Group’s revenue increased by RM23.1 million from RM297.3 million in 1H2021 to RM320.4 million in 1H2022, the improved revenue was mainly driven by easing of Covid-19 restrictions and recovery of business activities. In line with the higher revenue recorded in 1H2022 as compared to 1H2021, it was translated into higher gross profit by RM6.5 million and profit before tax by RM3.0 million from RM94.4 million and RM30.8 million to RM100.9 million and RM33.8 million respectively.

**16. Comparison with Immediate Preceding Quarter's Results**

	<b>Current quarter 30.6.2022 ("2Q2022") RM'000</b>	<b>Immediate preceding quarter 31.3.2022 ("1Q2022") RM'000</b>	<b>Variance</b>	
			<b>RM</b>	<b>%</b>
Revenue	160,118	160,300	(182)	(0.1)
Profit before tax	16,680	17,092	(412)	(2.4)

The Group’s revenue for the current quarter (“**2Q2022**”) recorded at RM160.1 million in comparison to 1Q2022 revenue is slightly lower by RM0.2 million or 0.1% from the immediate preceding quarter 31 March 2022 (“**1Q2022**”). The slight decrease in revenue is mainly contributed by the container haulage segment. However, this was offset with higher revenue from land transportation, warehousing and container depot and freight forwarding business segments.

The Group’s recorded profit before tax of RM16.7 million in the 2Q2022 which shown slight decrease of RM0.4 million or 2.4% from RM17.1 million in 1Q2022. The slight decrease in profit before tax is in tandem with slightly lower revenue recorded during 2Q2022.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**17. Prospects for the Group for the financial year ending 31 December 2022**

The second quarter of the year saw robust domestic economic growth largely driven by rising demand as economic activities normalised with the easing of containment measures have positive impact to our business. As one of the largest logistics companies in Malaysia, we remain focused and committed to meet the needs of all our customers.

The World Bank maintained Malaysia's economic growth projection for 2022 at 5.5%, driven mainly by a strong rebound in consumption demand. In May 2022, Bank Negara Malaysia reported that the Malaysian economy grew by 5.0% in 1Q2022 as domestic activities improved while external trade remained strong. The growth outlook is expected to improve further as Bank Negara Malaysia ("BNM") has, in its Economics and Monetary Review 2021 released on 30 March 2022, projected Malaysia Economy to grow by between 5.3% and 6.3% in 2022, subject to significant downside risks such as weaker-than-expected global growth, further escalation of geopolitical conflicts, worsening supply chain disruptions, adverse developments surrounding the COVID-19 pandemic and heightened financial market volatility.

Notwithstanding the impact caused by geopolitical circumstances and the pandemic, the Group will continue to focus on expanding its customer base domestically and regionally. With the expansion of our warehouse capacity with the completion of the extension of our warehouse with 200,000 sq ft in Tebrau, Johor and 109,000 sq ft extension of warehouse in Seberang Perai, Penang during the first half of 2022, and 178,000 sq ft new warehouse in Port Klang Free Zone, Selangor scheduled to be completed in third quarter of FY2022 ("3Q2022") to contribute to 2022 financial year topline and bottom-line. Overall, our warehouse capacity will increase by approximately 46.0% in FY2022 and ultimately will improve our financial performance as we continue our growth journey. We will continue to maintain our strategy to focus on servicing our customers with innovative logistics solutions and expand our logistics capacity which includes merger and acquisition when it is beneficial to enhance shareholders' value.

In this regard, barring any unforeseen surprises, we are cautiously confident of our financial performance for the next financial year. Despite the foreseeable hurdles, we aim to continue leveraging on all possible opportunities to drive another year of solid and resilient results, whilst making meaningful progress in our ESG agenda to contribute to Malaysia's sustainable progress.

**18. Profit Forecast**

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement in relation to the financial quarter under review and the financial period to date.

**19. Note to the Profit Before Tax**

Profit before tax is arrived after charging/(crediting):

	Quarter ended		Period to date	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- property, plant and equipment	9,022	7,527	18,248	15,376
- right-of-use assets	5,606	5,945	11,076	11,425
- investment properties	240	6	479	6
Bad debts written off:				
- trade receivables	-	81	-	81
- other receivables	-	5	-	5
Fair value loss on other investment	205	-	253	-
Loss on disposal of property, plant and equipment	-	-	-	36



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**19. Note to the Profit Before Tax (Cont'd)**

Profit before tax is arrived after charging/(crediting): (cont'd)

	Quarter ended		Period to date	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Loss on foreign exchange:				
- realised	77	(54)	230	128
- unrealised	1,265	985	1,315	985
Interest expense	6,627	6,733	12,568	13,239
Property, plant and equipment written off	-	14	1	19
Impairment losses on:				
- trade receivables	-	3,459	-	3,459
- other receivables	-	63	-	63
Dividend from other investment	(17)	-	(31)	-
Gain on foreign exchange :				
- realised	-	-	-	(8)
- unrealised	-	(19)	-	(19)
Gain on disposal of property, plant and equipment	(286)	(1,740)	(674)	(3,047)
Gain on disposal of non-current assets held for sale	-	-	(680)	-
Gain on disposal of other investment	(22)	(106)	(69)	(180)
Fair value gain on short term fund	(28)	-	(62)	-
Fair value gain on derivative	(1,537)	(1,428)	(1,850)	(1,428)
Fair value gain on other investment	-	(8)	-	(8)
Interest income	(80)	(80)	(185)	(153)
Income distribution from short term fund	-	(9)	(7)	(18)
Reversal of impairment losses on:				
- trade receivables	(354)	(1,599)	(367)	(1,619)
- other receivables	-	(326)	-	(326)

**20. Taxation**

	Quarter ended		Period to date	
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	RM'000	RM'000	RM'000	RM'000
Income tax current period	2,402	2,351	4,863	4,435
Deferred taxation	232	1,622	(601)	2,901
Real property gains tax	958	-	1,916	-
Total income tax expense	<u>3,592</u>	<u>3,973</u>	<u>6,178</u>	<u>7,336</u>

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the financial period. The effective tax rate of the Group for the current and previous corresponding periods were lower than the statutory tax rate of the respective periods mainly due to the qualifying capital expenditure claimed under the Investment Tax Allowance claimed during the financial period and reversal of deferred tax liability due to disposal of property.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**21. Status of Corporate Proposals**

There were no corporate proposals announced but not completed in the interval from the date of last report and the date of this announcement.

**22. Utilisation of proceeds from the Public Issue**

As at the date of this interim report, the utilisation of proceeds from IPO is as follows:

	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Balance unutilised RM'000</b>	<b>Estimated time frame for utilisation upon Listing</b>
Capital expenditure:				
- Construction of a new warehouse	28,565	26,787	1,778	Within 18 months
- Purchase of land	41,560	41,560	-	Within 18 months
- Purchase of prime movers	12,000	12,000	-	Within 18 months
Repayment of bank borrowings	69,732	69,732	-	Within 6 months
Estimated listing expenses	<u>10,000</u>	<u>10,000</u>	<u>-</u>	Within 3 months
	<u>161,857</u>	<u>160,079</u>	<u>1,778</u>	

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



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**23. Group's Borrowings**

The tenure of Group's borrowings, classified as short and long term as well as secured and unsecured, are as follows:

	<b>As at 30.6.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
<b>Current</b>		
Term loan (secured)	28,393	26,820
Unrated Islamic medium term notes (secured)	45,075	40,125
Trade financing (secured)	117,242	94,641
Bank overdrafts (secured)	-	56
Revolving credits (secured)	-	17,334
	<u>190,710</u>	<u>178,976</u>
<b>Non-current</b>		
Term loan (secured)	88,331	79,896
Unrated Islamic medium term notes (secured)	293,925	316,875
	<u>382,256</u>	<u>396,771</u>
<b>Total borrowings</b>		
Term loan (secured)	116,724	106,716
Unrated Islamic medium term notes (secured)	339,000	357,000
Trade financing (secured)	117,242	94,641
Bank overdrafts (secured)	-	56
Revolving credits (secured)	-	17,334
	<u>572,966</u>	<u>575,747</u>

The Group's borrowings in Ringgit Malaysia ("RM") equivalent analysed by currency are as follows:

	<b>As at 30.6.2022 RM'000</b>	<b>As at 31.12.2021 RM'000</b>
Ringgit Malaysia	536,488	536,054
United States Dollar	31,013	33,335
Thai Baht	5,465	6,358
	<u>572,966</u>	<u>575,747</u>



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**24. Derivatives**

Outstanding derivatives as at the date of the consolidated statement of financial position are as follows:

	Notional/Contract Value		Fair value	
	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000	As at 30 June 2022 RM'000	As at 31 December 2021 RM'000
Cross-currency interest rate swap contract				
- 1 year to 3 years	27,625	31,375	3,134	1,284

During the financial year ended 31 December 2018, the Group entered into cross-currency interest rate swap contract to manage exposure to foreign currency and interest rate risks of a term loan of USD15,000,000. There were no changes in the overall risks and policies relating to the outstanding derivatives as disclosed in the Accountants' Report as disclosed in the Prospectus.

**25. Fair value information**

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 fair value measurement 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); and

Level 3 fair value measurement are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at the reporting date, the Group held the following financial assets and liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As at 30 June 2022</b>				
<b>Financial assets</b>				
<b>Fair value through profit or loss</b>				
- Derivative financial assets	-	3,134	-	3,134
- Short term fund	4,070	-	-	4,070
- Club memberships	-	43	-	43
- Equity securities	1,063	-	-	1,063



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

**Notes to the Interim Financial Report (Cont'd)**

**25. Fair value information (Cont'd)**

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>As at 31 December 2021</b>				
<b>Financial assets</b>				
<b>Fair value through profit or loss</b>				
- Derivative financial asset	-	1,284	-	1,284
- Club memberships	-	43	-	43
- Equity securities	1,261	-	37	1,298

No transfers between any levels of the fair value hierarchy took place during the current period and the comparative period. There were also no changes in the purpose of any financial instruments that subsequently caused a change in classification of those instruments.

**26. Material litigations**

There are no material litigation or arbitration which have a material effect on the financial position of the Group. The Board of Directors is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this interim financial report.

**27. Dividend**

The Board of Directors has declared a first interim single tier dividend of 1.0 sen per ordinary share, in respect of the six months financial period ending 30 June 2022. The dividend will be paid on 21 October 2022 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 7 October 2022.

**28. Earnings Per Share <sup>(a)</sup>**

	Quarter ended		Period to date	
	30.6.2022 RM'000	30.6.2021 RM'000	30.6.2022 RM'000	30.6.2021 RM'000
Profit attributable to owners of the Company (RM'000)	13,188	11,598	27,501	22,282
Weighted average number of ordinary shares in issue ('000)	888,705	521,147	888,705	521,147
Basic earnings per ordinary share (Sen)	1.48	2.23	3.09	4.28

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2022. Accordingly, no diluted earnings per share is presented.

**Notes:**

- (a) The basic earnings per share ("EPS") is computed based on the profit attributable to owners of the Company for the period divided by the weighted average number of ordinary shares in issue during the financial period under review.



**SWIFT HAULAGE BERHAD (Registration No. 200001030627 (533234-V))**

Interim report on unaudited consolidated results for the financial period ended 30 June 2022

By Order of the Board of Directors  
Company Secretary  
17 August 2022