



SWIFT HAULAGE BERHAD

200001030627 (533234-V)

INTERIM FINANCIAL REPORT

30 SEPTEMBER 2021

17 DECEMBER 2021



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

Interim report on unaudited consolidated results for the financial period ended 30 September 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2021 ^(a)

	Quarter ended		Period to date	
	30.09.2021 Unaudited RM'000	30.09.2020 ^(b) Unaudited RM'000	30.09.2021 Unaudited RM'000	30.09.2020 ^(b) Unaudited RM'000
Revenue	139,246	N/A	430,863	N/A
Cost of sales and services	(96,912)	N/A	(294,130)	N/A
Gross profit	42,334	N/A	136,733	N/A
Other income	3,375	N/A	13,569	N/A
Net loss on impairment of financial instruments	(230)	N/A	(507)	N/A
Administrative and operating expenses	(23,001)	N/A	(80,908)	N/A
Finance costs	(6,677)	N/A	(19,916)	N/A
	15,801	N/A	48,971	N/A
Share of results of associates	(241)	N/A	(1,343)	N/A
Share of results of a joint venture	156	N/A	186	N/A
Profit before tax	15,716	N/A	47,814	N/A
Tax expense	(3,028)	N/A	(10,664)	N/A
Profit for the financial period	12,688	N/A	37,150	N/A
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translations	315	N/A	390	N/A
Total comprehensive income for the financial period	13,003	N/A	37,540	N/A
Profit attributable to:				
Owners of the Company	12,118	N/A	35,400	N/A
Non-controlling interest	570	N/A	1,750	N/A
	12,688	N/A	37,150	N/A
Total comprehensive income attributable to:				
Owners of the Company	12,433	N/A	35,790	N/A
Non-controlling interest	570	N/A	1,750	N/A
	13,003	N/A	37,540	N/A
Earnings per share attributable to owners of the Company (Sen)^(c)				
Basic	9.92	N/A	35.85	N/A



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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2021 ^(a) (CONT'D)

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 Accountants' Report as disclosed in the Prospectus of the Company dated 30 November 2021 ("Prospectus") and the accompanying explanatory notes attached in this interim financial report.
- (b) This is the first interim financial report announced in compliance with the Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). There are no comparative figures for the preceding corresponding quarter and period as there is no interim financial report prepared for the comparative period concerned.
- (c) 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.

N/A – Not applicable



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 ^(a)

	As at 30.09.2021	As at 31.12.2020
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	465,117	383,955
Investment properties	15,917	1,693
Right-of-use assets	438,736	496,280
Other investments	1,342	309
Investments in associates	18,843	20,186
Investment in a joint venture	10,736	-
Goodwill	68,813	68,813
Deferred tax assets	1,024	2,513
	1,020,528	973,749
Current assets		
Inventories	12,826	10,959
Trade and other receivables	233,239	178,129
Current tax assets	7,574	4,605
Derivative financial asset	1,328	-
Short term fund	-	2,009
Cash and bank balances	25,461	32,891
	280,428	228,593
Non-current assets held for sale	17,194	10,000
TOTAL ASSETS	1,318,150	1,212,342
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	228,042	121,180
Convertible redeemable loan stock	-	106,863
Retained earnings	238,320	202,920
Exchange translation reserve	(175)	(565)
	466,187	430,398
Non-controlling interests	1,112	(349)
TOTAL EQUITY	467,299	430,049
LIABILITIES		
Non-current liabilities		
Borrowings	418,582	366,512
Lease liabilities	45,459	96,117
Deferred tax liabilities	54,190	52,708
	518,231	515,337



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021 ^(a)
(CONT'D)**

	As at 30.09.2021	As at 31.12.2020
	Unaudited	Audited
	RM'000	RM'000
LIABILITIES (continued)		
Current liabilities		
Trade and other payables	90,607	110,790
Borrowings	207,362	112,805
Lease liabilities	31,781	41,945
Derivative financial liability	-	734
Current tax liabilities	2,870	682
	332,620	266,956
TOTAL LIABILITIES	850,851	782,293
TOTAL EQUITY AND LIABILITIES	1,318,150	1,212,342
NET ASSET PER SHARE (Sen)^(b)	381.78	352.47

Notes:

- (a) The basis of preparation of the 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 Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached in this interim financial report.
- (b) The net asset per share attributable to owners of the Company is calculated based on net asset divided by the number of shares of 122,110,267 in issue before the completion of the Share Split and Public Issue.



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021 ^(a)

	<i>(-----Non-distributable-----)</i>			<i>Distributable</i>		Total profit attributable to owners of the parents	Non-controlling interests	Total equity
	Ordinary Share capital	Convertible redeemable loan stock	Preference shares	Exchange translation reserve	Retained earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	-	35,400	35,400	1,750	37,150
Other comprehensive income, net of tax	-	-	-	390	-	390	-	390
Total comprehensive income	-	-	-	390	35,400	35,790	1,750	37,540
Transactions with owners								
Dividend paid to non-controlling interest of subsidiary	-	-	-	-	-	-	(289)	(289)
Conversion of shares	125,257	(106,863)	(18,394)	-	-	-	-	-
Redemption of shares	-	-	(1)	-	-	(1)	-	(1)
Total transactions with owners	125,257	(106,863)	(18,395)	-	-	(1)	(289)	(290)
Balance as at 30 September 2021	228,042	-	-	(175)	238,320	466,187	1,112	467,299

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 Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (b) There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021 ^(a)

	Period to date	
	30.09.2021	30.09.2020 ^(b)
	Unaudited RM'000	Unaudited RM'000
Cash flows from operating activities		
Profit before tax	47,814	N/A
Adjustments for:		
Bad debts written off:		
- trade receivables	81	N/A
- other receivables	5	N/A
Depreciation of:		
- property, plant and equipment	24,767	N/A
- right-of-use assets	15,375	N/A
- investment properties	684	N/A
Dividend from other investment	(11)	N/A
Fair value gain on derivative	(2,062)	N/A
Fair value loss on other investments	68	N/A
Gain on disposal of property, plant and equipment	(3,127)	N/A
Gain on disposal of other investment	(278)	N/A
Gain on disposal of non-current assets held for sale	(2,436)	N/A
Impairment losses on:		
- other receivables	63	N/A
- trade receivables	2,389	N/A
Income distribution from short term fund	(18)	N/A
Interest expense	19,916	N/A
Interest income	(226)	N/A
Net unrealised loss on foreign exchange	1,283	N/A
Property, plant and equipment written off	19	N/A
Reversal of impairment losses on:		
- other receivables	(326)	N/A
- trade receivables	(1,619)	N/A
Share of results of associates	1,343	N/A
Share of results of a joint venture	(186)	N/A
Operating profit before changes in working capital	103,518	N/A
<u>Changes in working capital:</u>		
Inventories	(1,866)	N/A
Trade and other receivables	(41,808)	N/A
Trade and other payables	(20,183)	N/A
Net cash generated from operations	39,661	N/A
Income tax paid	(8,474)	N/A
Net cash flows from operating activities	31,187	N/A
Cash flows from investing activities		
Purchase of property, plant and equipment	(53,655)	N/A
Purchase of right-of-use assets	(8,522)	N/A
Purchase of other investments	(2,271)	N/A
Deposit paid on purchase of property, plant and equipment	(25,943)	N/A
Withdrawal of deposits with licensed banks and restricted cash	2,655	N/A
Withdrawal of short term fund	2,027	N/A
Acquisition of a joint venture	(10,550)	N/A



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2021 ^(a) (CONT'D)

	Period to date	
	30.09.2021 Unaudited RM'000	30.09.2020 ^(b) Unaudited RM'000
Cash flows from investing activities (cont'd)		
Advances to associates	(1,249)	N/A
Proceeds from:		
- disposal of property, plant and equipment	3,615	N/A
- disposal of other investments	1,460	N/A
Interest received	226	N/A
Net cash flows used in investing activities	(92,207)	N/A
Cash flows from financing activities		
Dividend paid to non-controlling interest of a subsidiary	(289)	N/A
Net drawdown of trade financing	122,008	N/A
Net drawdown of term loans	30,769	N/A
Repayment of lease liabilities	(69,851)	N/A
Redemption of redeemable preference shares	(1)	N/A
Interest paid	(19,312)	N/A
Net cash flows from financing activities	63,324	N/A
Net increase in cash and cash equivalents	2,304	N/A
Effect of exchange rate changes on cash and cash equivalents	390	N/A
Cash and cash equivalents at the beginning of the financial period	18,353	N/A
Cash and cash equivalents at the end of the financial period	21,047	N/A
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	25,461	N/A
Bank overdrafts	(712)	N/A
Deposits with licensed banks with maturity of over 3 months	(2,039)	N/A
Restricted cash	(1,663)	N/A
Cash and cash equivalents included in the consolidated statement of cash flows	21,047	N/A

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 Accountants' Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.
- (b) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

N/A – Not applicable



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Interim report on unaudited consolidated results for the financial period ended 30 September 2021

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.

This is the first interim financial report of unaudited condensed consolidated financial results for the third quarter ended 30 September 2021 being announced by the Group in compliance with the Listing Requirements of Bursa Securities. As such, there are no comparative figures for the preceding corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus and the accompanying explanatory notes attached to this interim financial report.

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 preparation of the Accountants’ Report as disclosed in the Prospectus except for the adoption of following Amendments to MFRSs:

Amendments to MFRSs effective for annual periods beginning on or after 1 January 2021

- Amendment to MFRS 9 *Financial Instruments*, MFRS 139 *Financial Instruments: Recognition and Measurement*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 4 *Insurance Contracts*, MFRS 16 *Leases* – Interest Rate Benchmark Reform – Phase 2
- Amendment to MFRS 16 *Leases: Covid-19-Related Rent Concessions beyond 30 June 2021*

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.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' combined financial statements of the Group for the financial statements for the financial year ended 31 December 2020, 2019 and 2018 were not subject to any qualification.

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. 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.



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Notes to the Interim Financial Report (Cont'd)

7. Debt and Equity Securities

Save as disclosed below, 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.

	Number of ordinary shares '000	Amount RM'000
Issued share capital as at 1 January 2021	72,861	102,785
Conversion of redeemable convertible preference shares	7,242	18,394
Conversion of convertible redeemable loan stock	42,007	106,863
Issued share capital as at 30 September 2021	122,110	228,042

On 15 November 2021, the Company carried out a subdivision of the entire issued share capital of RM228,042,131 comprising 122,110,267 ordinary shares into RM228,042,131 comprising 732,661,602 ordinary shares.

8. Dividend Paid

No dividend was paid in the financial quarter under review.



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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, freight forwarding and investment holding.

Analysis of the Group's revenue and results for the 9 months financial period ended 30 September 2021 is as follows:

	Container haulage RM'000	Land transportation RM'000	Warehousing and container depot RM'000	Freight forwarding RM'000	Others RM'000	Elimination RM'000	Group Results RM'000
Revenue							
External sales	203,157	127,989	55,579	43,623	515	-	430,863
Inter-segment sales	34,364	19,622	5,709	-	10,591	(70,286)	-
Total revenue	237,521	147,611	61,288	43,623	11,106	(70,286)	430,863
Interest income	63	16	12	68	67	-	226
Depreciation of property, plant and equipment	(13,901)	(7,415)	(2,308)	(736)	(407)	-	(24,767)
Depreciation of right-of-use assets	(4,406)	(2,325)	(7,693)	(348)	(603)	-	(15,375)
Depreciation of investment properties	-	-	(667)	-	(17)	-	(684)
Finance costs	(3,543)	(2,317)	(3,161)	(1,576)	(9,319)	-	(19,916)
Share of loss of associates	-	-	-	-	(1,343)	-	(1,343)
Share of profit of a joint venture	-	-	-	-	186	-	186
Profit /(loss) before tax	23,344	10,085	7,776	18,882	(12,097)	(176)	47,814
Tax expense							(10,664)
Segment assets	353,648	195,707	379,026	160,112	229,657	-	1,318,150
Segment liabilities	75,759	70,445	83,730	91,800	529,117	-	850,851



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Notes to the Interim Financial Report (Cont'd)

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

Save as disclosed below, there are no other significant events subsequent to the end of the interim financial period:

As disclosed in Note 21, the Company has undertaken an Initial Public Offering (“IPO”) to list its shares on the Main Market of Bursa Malaysia Securities Berhad (“Listing”). The Prospectus was launched on 30 November 2021 and the Listing is expected to take place on 21 December 2021.

11. Changes in the Composition of the Group

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.

12. Contingent liabilities

	As at 30.09.2021 RM'000
Secured Guarantees	
Bank guarantees utilised ^(a)	<u>15,420</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 quarter are as follows:-

	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
Approved but not contracted for	25,628	83,455
Contracted but not provided for	84,115	41,794
	<u>109,743</u>	<u>125,249</u>



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Notes to the Interim Financial Report (Cont'd)

14. Significant related party transactions

	Quarter ended		Period to date	
	30.09.2021	30.09.2020 ^(a)	30.09.2021	30.09.2020 ^(a)
	RM'000	RM'000	RM'000	RM'000
With holding company, Persada Bina Sdn. Bhd.				
Management fee paid/payable	-	N/A	175	N/A
With related party, Kaypi Technologies Sdn. Bhd.				
Purchase of office equipment	-	N/A	83	N/A
Rental of office equipment	-	N/A	7	N/A
With related party, Pelikan Asia Sdn. Bhd.				
Purchase of stationery	35	N/A	325	N/A
Forwarding income	33	N/A	55	N/A
Warehouse income	50	N/A	148	N/A
With related party, SM Security (M) Sdn. Bhd.				
Security services	57	N/A	172	N/A
With associate, BLG Swift Logistics Sdn. Bhd.				
Rental income	18	N/A	54	N/A
Warehouse income	250	N/A	924	N/A
With associate, Swift Mega Carriers Sdn. Bhd.				
Rental income	15	N/A	45	N/A
Repair and maintenance	14	N/A	76	N/A

Note:

- (a) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

N/A – Not applicable



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Notes to the Interim Financial Report (Cont'd)

15. Group Performance Review

For the financial period ended 30 September 2021, the Group recorded revenue of RM430.9 million, gross profit of RM136.7 million and profit before tax of RM47.8 million.

The Group's revenue for the current financial quarter and financial period to date is mainly contributed by container haulage of RM203.2 million and land transportation of RM128.0 million which represents 77.0% of our Group's total revenue.

Our warehousing and container depot and freight forwarding business contributed RM55.6 million and RM43.6 million respectively to the total Group's revenue.

The COVID-19 pandemic together with the introduction of Movement Control Order by the Government of Malaysia to curb the COVID-19 spread have significantly impacted many businesses including our customers. In view of the said factors, our Group encountered lower business activities in most of business segments, namely container haulage, land transportation and freight forwarding.

No comparative figures for the preceding corresponding quarter are available as this is the first interim financial report on the consolidated results for the third quarter ended 30 September 2021 announced by the Company in compliance with the Listing Requirements.

16. Comparison with Immediate Preceding Quarter's Results

There are no comparative figures for the immediate preceding corresponding quarter and period as this is the first interim financial report for the third quarter ended 30 September 2021 being announced by the Group in compliance with the Listing Requirements of Bursa Securities.

17. Prospects for the Group for the Financial Year Ending 31 December 2021

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 once herd immunity has been achieved. Nonetheless, the Group is cautiously optimistic that our integrated logistics services is poised to flourish as the domestic and global economic activities recovers. The Group continues its focus on expanding its customer base domestically and regionally with our expansion in warehouse capacity and at the same time improve cost management of its operations.

The latest quarterly report was impacted by the Movement Control Order which was implemented nationwide on 1 June 2021 comprising of four phases and although our Group businesses were deemed "essential services" as prescribed by the MITI, our customers who were "non-essential" had to ceased operations and those that were deemed "essential service" were only operating 60% of capacity. However, with most states entering phase 4 in the months from October 2021 onward, we expect the opening of our customers operation to 100% will improve our performance for the remaining quarter in 2021 across all our businesses.

In this regard, despite the uncertain economic scenario due to the COVID-19 pandemic, the Board of Directors expect the Group to achieve satisfactory financial performance for this financial year ending 31 December 2021.

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.



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19. Note to the Profit Before Tax

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

	Quarter ended		Period to date	
	30.09.2021	30.09.2020 ^(a)	30.09.2021	30.09.2020 ^(a)
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- property, plant and equipment	9,391	N/A	24,767	N/A
- right-of-use assets	3,950	N/A	15,375	N/A
- investment properties	678	N/A	684	N/A
Bad debts written off:				
- trade receivables	-	N/A	81	N/A
- other receivables	-	N/A	5	N/A
Fair value loss on other investment	76	N/A	68	N/A
Loss on disposal of property, plant and equipment	-	N/A	36	N/A
Loss on foreign exchange:				
- realised	-	N/A	128	N/A
- unrealised	317	N/A	1,302	N/A
Impairment losses on:				
- trade receivables	230	N/A	2,389	N/A
- other receivables	-	N/A	63	N/A
Interest expense	6,677	N/A	19,916	N/A
Dividend from other investment	(11)	N/A	(11)	N/A
Gain on foreign exchange:				
- realised	(2)	N/A	(10)	N/A
- unrealised	-	N/A	(19)	N/A
Gain on disposal of property, plant and equipment	(116)	N/A	(3,163)	N/A
Gain on disposal of non-current assets held for sale	(2,436)	N/A	(2,436)	N/A
Gain on disposal of other investment	(98)	N/A	(278)	N/A
Interest income	(73)	N/A	(226)	N/A
Income distribution from short term fund	-	N/A	(18)	N/A
Fair value gain on derivative	(634)	N/A	(2,062)	N/A
Reversal of impairment loss on:				
- trade receivables	-	N/A	(1,619)	N/A
- other receivables	-	N/A	(326)	N/A
Claimed received	-	N/A	(4,445)	N/A
Property, plant and equipment written off	-	N/A	19	N/A

Note:

(a) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

N/A – Not applicable



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Notes to the Interim Financial Report (Cont'd)

20. Taxation

	Quarter ended		Period to date	
	30.09.2021	30.09.2020 ^(a)	30.09.2021	30.09.2020 ^(a)
	RM'000	RM'000	RM'000	RM'000
Income tax current period	2,263	N/A	7,477	N/A
Deferred taxation	549	N/A	2,971	N/A
Real property gains tax	216	N/A	216	N/A
Total income tax expense	<u>3,028</u>	<u>N/A</u>	<u>10,664</u>	<u>N/A</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.

Note:

- (a) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

N/A – Not applicable

21. Status of Corporate Proposals

The Company launched its IPO and issued its prospectus in relation to the IPO on 30 November 2021. The IPO involves the offering of 314,142,900 ordinary shares in Swift Haulage Berhad (“IPO Shares”) in conjunction with the listing of and quotation for the entire 889,804,502 shares on the Main Market of Bursa Securities comprising a public issue of 157,142,900 new shares (“Issue Shares”) and an offer for sale of 157,000,000 existing shares (“Offer Shares”) involving:

- i) Institutional offering of 275,209,400 IPO shares to institutional and selected investors, including Bumiputera investors approved by the Ministry of International Trade and Industry at the institutional price to be determined by way of book building; and
- ii) Retail offering of 38,933,500 Issue Shares to the eligible Directors, employees and person who have contributed to the success of the Group and the Malaysian public, at the retail price of RM1.03 per IPO Share (“Retail Price”), payable in full upon application and subject to refund of the difference between the Retail Price and the final retail price.



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22. Utilisation of proceeds from the Public Issue

As at the date of this interim report, the Company's IPO and Listing are pending completion. Upon completion of the IPO and Listing, the Group expects to raise and use the gross proceeds of approximately RM161.9 million in the following manner:

	Proposed utilisation RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated time frame for utilisation upon Listing
Capital expenditure:				
- Construction of a new warehouse	28,565	-	28,565	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	10,000	-	10,000	Within 3 months
	<u>161,857</u>	<u>-</u>	<u>161,857</u>	

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

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:

	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
Current		
Term loan (secured)	28,044	79,676
Unrated Islamic medium term notes (secured)	37,650	6,000
Trade financing (secured)	130,256	18,948
Bank overdrafts (secured)	712	8,181
Revolving credits (secured)	10,700	-
	<u>207,362</u>	<u>112,805</u>
Non-current		
Term loan (secured)	96,232	72,512
Unrated Islamic medium term notes (secured)	322,350	294,000
	<u>418,582</u>	<u>366,512</u>



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23. Group's Borrowings (Cont'd)

	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
Total borrowings		
Term loan (secured)	124,276	152,188
Unrated Islamic medium term notes (secured)	360,000	300,000
Trade financing (secured)	130,256	18,948
Bank overdrafts (secured)	712	8,181
Revolving credits (secured)	10,700	-
	<u>625,944</u>	<u>479,317</u>

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

	As at 30.09.2021 RM'000	As at 31.12.2020 RM'000
United States Dollar	35,471	39,777
Ringgit Malaysia	583,241	438,194
Thai Baht	7,232	1,346
	<u>625,944</u>	<u>479,317</u>

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 September 2021 RM'000	As at 31 December 2020 RM'000	As at 30 September 2021 RM'000	As at 31 December 2020 RM'000
Cross-currency interest rate swap contract				
- 1 year to 3 years	33,250	38,875	1,328	(734)

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.



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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
As at 30 September 2021				
Financial assets				
Fair value through profit or loss				
- Derivative financial asset	-	1,328	-	1,328
- Club memberships	-	43	-	43
- Equity securities	1,299	-	-	1,299

As at 31 December 2020

Financial assets

Fair value through profit or loss

- Short term fund	2,009	-	-	2,009
- Club memberships	-	43	-	43
- Equity securities	266	-	-	266

Financial liabilities

Fair value through profit or loss

- Derivative financial liability	-	734	-	734
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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.



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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 does not recommend any dividend in respect of the reporting quarter and financial period to date.

28. Earnings Per Share ^(a)

	Quarter ended		Period to date	
	30.09.2021 RM'000	30.09.2020 ^(b) RM'000	30.09.2021 RM'000	30.09.2020 ^(b) RM'000
<u>Basic</u>				
Profit attributable to owners of the Company (RM'000)	12,118	N/A	35,400	N/A
Weighted average number of ordinary shares in issue ('000)	122,110	N/A	98,738	N/A
Basic earnings per ordinary share (Sen)	<u>9.92</u>	<u>N/A</u>	<u>35.85</u>	<u>N/A</u>
<u>Diluted</u>				
Profit attributable to owners of the Company (RM'000)	<u>12,118</u>	<u>N/A</u>	<u>35,400</u>	<u>N/A</u>
Weighted average number of ordinary shares in issue ('000)	122,110	N/A	98,738	N/A
Effect of dilution of RCPS and CRLS ('000)	-	N/A	23,372	N/A
Effect of dilution of share split ('000)	<u>610,552</u>	<u>N/A</u>	<u>610,552</u>	<u>N/A</u>
Adjusted weighted average number of ordinary shares ('000)	<u>732,662</u>	<u>N/A</u>	<u>732,662</u>	<u>N/A</u>
Diluted earnings per ordinary share (Sen)	<u>1.65</u>	<u>N/A</u>	<u>4.83</u>	<u>N/A</u>



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28. Earnings Per Share (cont'd)^(a)

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. Diluted earnings per ordinary share for the financial period is calculated by dividing the profit for the financial period attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period adjusted for the effects of dilutive potential ordinary shares.
- (b) This is the first interim financial report announced in compliance with the Listing Requirements of Bursa Securities. There are no comparative figures for the preceding corresponding period as there is no interim financial report prepared for the comparative period concerned.

N/A – Not applicable

By Order of the Board of Directors
Company Secretary
17 December 2021