



SWIFT HAULAGE BERHAD

200001030627 (533234-V)

INTERIM FINANCIAL REPORT

31 MARCH 2023

10 MAY 2023



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

Interim report on unaudited consolidated results for the financial period ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER/YEAR ENDED 31 MARCH 2023 ^(a)

	Quarter ended		Year to date	
	31.3.2023 Unaudited RM'000	31.3.2022 Unaudited RM'000	31.3.2023 Unaudited RM'000	31.3.2022 Unaudited RM'000
Revenue	169,375	160,300	169,375	160,300
Cost of sales and services	<u>(118,301)</u>	<u>(109,878)</u>	<u>(118,301)</u>	<u>(109,878)</u>
Gross profit	51,074	50,422	51,074	50,422
Other income	3,118	1,792	3,118	1,792
Net gain on impairment of financial instruments	161	13	161	13
Administrative and operating expenses	<u>(33,770)</u>	<u>(29,139)</u>	<u>(33,770)</u>	<u>(29,139)</u>
Profit from operations	20,583	23,088	20,583	23,088
Finance costs	(7,740)	(5,941)	(7,740)	(5,941)
Share of results of associates	(230)	(153)	(230)	(153)
Share of results of a joint venture	<u>180</u>	<u>98</u>	<u>180</u>	<u>98</u>
Profit before tax	12,793	17,092	12,793	17,092
Tax expense	<u>(2,561)</u>	<u>(2,586)</u>	<u>(2,561)</u>	<u>(2,586)</u>
Profit for the financial period	10,232	14,506	10,232	14,506
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translations	<u>34</u>	<u>(36)</u>	<u>34</u>	<u>(36)</u>
Total comprehensive income for the financial period	<u>10,266</u>	<u>14,470</u>	<u>10,266</u>	<u>14,470</u>
Profit attributable to:				
Owners of the Company	10,131	14,313	10,131	14,313
Non-controlling interests	<u>101</u>	<u>193</u>	<u>101</u>	<u>193</u>
	<u>10,232</u>	<u>14,506</u>	<u>10,232</u>	<u>14,506</u>
Total comprehensive income attributable to:				
Owners of the Company	10,165	14,277	10,165	14,277
Non-controlling interests	<u>101</u>	<u>193</u>	<u>101</u>	<u>193</u>
	<u>10,266</u>	<u>14,470</u>	<u>10,266</u>	<u>14,470</u>
Earnings per share attributable to owners of the Company (Sen)				
Basic	1.15	1.61	1.15	1.61
Diluted	<u>1.15</u>	<u>1.61</u>	<u>1.15</u>	<u>1.61</u>

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 2022.



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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023 ^(a)

	As at 31.3.2023	As at 31.12.2022
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	623,117	615,360
Investment properties	77,522	77,761
Right-of-use assets	366,118	361,990
Other investments	1,154	1,125
Investments in associates	33,287	30,000
Investment in a joint venture	11,512	11,332
Goodwill	71,271	69,291
Intangible assets	866	827
Deferred tax assets	8,184	7,772
	1,193,031	1,175,458
Current assets		
Inventories	9,615	10,299
Trade and other receivables	221,110	214,040
Current tax assets	7,530	8,083
Derivative financial asset	2,758	2,915
Short term fund	50,666	50,202
Cash and bank balances	48,111	51,188
	339,790	336,727
Non-current assets held for sale	43,716	43,716
TOTAL ASSETS	1,576,537	1,555,901
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	384,714	384,714
Treasury shares	(4,144)	(3,242)
Retained earnings	283,791	273,660
Exchange translation reserve	122	88
	664,483	655,220
Non-controlling interests	1,241	1,140
TOTAL EQUITY	665,724	656,360
LIABILITIES		
Non-current liabilities		
Borrowings	429,679	445,350
Lease liabilities	45,802	56,345
Deferred tax liabilities	53,191	54,406
	528,672	556,101



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023
(CONT'D)^(a)**

	<u>As at 31.3.2023</u>	<u>As at 31.12.2022</u>
	<u>Unaudited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>
LIABILITIES (continued)		
Current liabilities		
Trade and other payables	119,359	116,367
Borrowings	237,834	202,192
Lease liabilities	22,126	21,140
Current tax liabilities	2,822	3,741
	382,141	343,440
TOTAL LIABILITIES	<u>910,813</u>	<u>899,541</u>
TOTAL EQUITY AND LIABILITIES	<u>1,576,537</u>	<u>1,555,901</u>
NET ASSET PER SHARE (Sen)^(b)	<u>75.49</u>	<u>74.01</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 2022.
- (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 31 March 2023 of 881,860,935 (31 December 2022: 886,874,214 shares).



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Interim report on unaudited consolidated results for the financial period ended 31 March 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023 ^(a)

	(-----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			
Balance as at 1 January 2023	384,714	-	-	88	(3,242)	273,660	655,220	1,140	656,360
Profit for the financial period	-	-	-	-	-	10,131	10,131	101	10,232
Other comprehensive income, net of tax	-	-	-	34	-	-	34	-	34
Total comprehensive income	-	-	-	34	-	10,131	10,165	101	10,266
Transactions with owners									
Repurchase of treasury shares of the Company	-	-	-	-	(902)	-	(902)	-	(902)
Dividend paid	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(902)	-	(902)	-	(902)
Balance as at 31 March 2023	<u>384,714</u>	<u>-</u>	<u>-</u>	<u>122</u>	<u>(4,144)</u>	<u>283,791</u>	<u>664,483</u>	<u>1,241</u>	<u>665,724</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 2022.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022 ^(a)

	<i>(-----Non-distributable-----)</i>				<i>Distributable</i>		Total	Non-	Total
	Ordinary	Convertible	Preference	Exchange	Treasury	Retained	attributable	controlling	Total
	Share	redeemable	shares	translation	shares	earnings	owners of	interests	equity
	capital	loan stock	RM'000	reserve	RM'000	RM'000	company	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2022	384,714	-	-	106	-	250,039	634,859	414	635,273
Profit for the financial period	-	-	-	-	-	14,313	14,313	193	14,506
Other comprehensive income, net of tax	-	-	-	(36)	-	-	(36)	-	(36)
Total comprehensive income	-	-	-	(36)	-	14,313	14,277	193	14,470
Transactions with owners									
Dividend paid	-	-	-	-	-	(16,016)	(16,016)	-	(16,016)
Total transactions with owners	-	-	-	-	-	(16,016)	(16,016)	-	(16,016)
Balance as at 31 March 2022	384,714	-	-	70	-	248,336	633,120	607	633,727

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 2022 .



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023^(a)

	Year to date	
	31.3.2023	31.3.2022
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	12,793	17,092
Adjustments for:		
Depreciation of:		
- property, plant and equipment	11,834	9,226
- right-of-use assets	5,273	5,470
- investment properties	239	239
Dividend from other investment	(11)	(14)
Fair value (gain)/loss on:		
- derivative	157	(313)
- short term fund	(439)	(34)
- other investments	(29)	48
Gain on disposal of property, plant and equipment	(406)	(388)
Gain on disposal of other investments	-	(47)
Gain on disposal of non-current assets held for sale	-	(680)
Income distribution from short term fund	(25)	(7)
Interest expense	7,740	5,941
Interest income	(314)	(105)
Inventories written off	6	-
Impairment loss on inventories	1	-
Net unrealised (gain)/loss on foreign exchange	(177)	50
Property, plant and equipment written off	-	1
Reversal of impairment loss on trade receivables	(161)	(13)
Share of results of associates	230	153
Share of results of a joint venture	(180)	(98)
Operating profit before changes in working capital	36,531	36,521
<u>Changes in working capital:</u>		
Inventories	677	4,650
Trade and other receivables	(1,147)	(26,605)
Trade and other payables	(5,828)	(926)
Net cash generated from operations	30,233	13,640
Net of tax paid	(3,099)	(473)
Net cash flows from operating activities	27,134	13,167



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023 ^(a) (CONT'D)

	Year to date	
	31.3.2023	31.3.2022
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from investing activities		
Acquisition of subsidiaries, net of cash acquired	(1,916)	-
Purchase of property, plant and equipment and right-of-use assets	(22,268)	(16,915)
Purchase of other investments	11	(196)
Withdrawal/(placement) of deposits with restricted cash	131	(5)
(Placement)/withdrawal of deposits with licensed banks	(1,509)	2,413
Placement of short term fund	-	(13,493)
Repurchase of treasury shares of the Company	(902)	-
Investment and advances to associates	(4,556)	(669)
Proceeds from:		
- disposal of property, plant and equipment	749	701
- disposal of non-current assets held for sale	-	18,200
- disposal of other investments	-	336
Interest received	314	105
Net cash flows used in investing activities	(29,946)	(9,523)
Cash flows from financing activities		
Dividend paid	-	(16,016)
Net drawdown of trade financing	48,767	2,623
Net repayment of term loans	(14,900)	(5,519)
Net repayment of lease liabilities	(14,095)	(5,484)
Interest paid	(7,740)	(5,941)
Net cash flows (used in)/ from financing activities	12,032	(30,337)
Net (decrease)/ increase in cash and cash equivalents	9,220	(26,693)
Effect of exchange rate changes on cash and cash equivalents	33	(36)
Cash and cash equivalents at the beginning of the financial period	34,627	61,302
Cash and cash equivalents at the end of the financial period	43,880	34,573
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	48,111	35,838
Bank overdrafts	-	(299)
Deposits with licensed banks with maturity of over 3 months	(4,181)	(208)
Restricted cash	(50)	(758)
Cash and cash equivalents included in the condensed consolidated statement of cash flows	43,880	34,573

Notes:

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 2022.



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Interim report on unaudited consolidated results for the financial period ended 31 March 2023

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 2022.

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 2022 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 2023:

Amendments to MFRSs	Effective Date
Amendments to MFRS 17 <i>Insurance Contracts</i>	
<i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</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

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:

Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
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 2022.



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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

Save as disclosed below, there were no issuance, cancellations, repurchases, resale and repayment of debt or equity securities during the financial period.

During the financial quarter, the Company repurchased 1,895,000 of its issued ordinary shares from open market at an average price of RM0.48. The total transaction paid for the repurchase including transaction costs was RM901,687. Of the total 889,804,502 issued ordinary shares, 8,605,900 shares are held as treasury shares by the Company.

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, and freight forwarding.

Analysis of the Group's revenue and results for the 3 months financial period ended 31 March 2023 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
<u>Revenue</u>							
External sales	69,703	62,859	22,342	14,397	74	-	169,375
Inter-segment sales	13,329	10,077	1,915	-	3,248	(28,569)	-
Total revenue	83,032	72,936	24,257	14,397	3,322	(28,569)	169,375
Interest income	9	152	10	26	117		314
Depreciation of property, plant and equipment	(5,617)	(4,208)	(1,602)	(232)	(175)		(11,834)
Depreciation of right-of-use assets	(922)	(1,227)	(2,786)	(140)	(198)		(5,273)
Depreciation of investment properties			(231)		(8)		(239)
Finance costs	(921)	(1,276)	(1,830)	(314)	(3,399)		(7,740)
Share of loss of associates					(230)		(230)
Share of profit of a joint venture					180		180
Profit /(loss) before tax	4,896	5,045	3,122	6,691	(6,865)	(96)	12,793



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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 3 months financial period ended 31 March 2022 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
<u>Revenue</u>							
External sales	71,108	52,458	19,617	17,019	98	-	160,300
Inter-segment sales	14,564	8,456	1,555		5,746	(30,321)	-
Total revenue	85,672	60,914	21,172	17,019	5,844	(30,321)	160,300
Interest income	11	5	4	23	62		105
Depreciation of property, plant and equipment	(4,949)	(2,674)	(1,182)	(238)	(183)		(9,226)
Depreciation of right-of-use assets	(1,521)	(942)	(2,669)	(121)	(217)		(5,470)
Depreciation of investment properties	-	-	(231)	-	(8)		(239)
Finance costs	(955)	(677)	(1,001)	(326)	(2,982)		(5,941)
Share of loss of associates					(153)		(153)
Share of profit of a joint venture					98		98
Profit /(loss) before tax	6,843	4,904	2,207	8,400	(5,140)	(122)	17,092



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Notes to the Interim Financial Report (Cont'd)

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

On 2 May 2023, the Group acquired 100% equity interest comprising 50,000 ordinary shares in Standard Marine Agencies (Sarawak) Sdn. Bhd. for a purchase consideration of RM1.4 million.

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

	As at 31.3.2023 RM'000
Secured Guarantees	
Bank guarantees utilised ^(a)	<u>15,468</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: -

	As at 31.3.2023 RM'000	As at 31.12.2022 RM'000
Contracted but not provided for	<u>14,712</u>	<u>17,143</u>



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Notes to the Interim Financial Report (Cont'd)

14. Significant related party transactions

	Quarter ended		Year to date	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
With related party,				
Pelikan Asia Sdn. Bhd.				
Purchase of stationery	70	78	70	78
Forwarding income	-	5	-	5
Warehouse income	36	47	36	47
Transport income	2	4	2	4
With related party,				
SM Security (M) Sdn. Bhd.				
Security services	75	57	75	57
With associate,				
BLG Swift Logistics Sdn. Bhd.				
Rental income	12	18	12	18
Warehouse income	186	279	186	279
With associate,				
Swift Mega Carriers Sdn. Bhd.				
Rental income	10	15	10	15
Repair and maintenance	16	12	16	12
Truck management fee	1	1	1	1



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Notes to the Interim Financial Report (Cont'd)

15. Group Performance Review

	Current quarter 31.3.2023 ("1Q2023") RM'000	Preceding year corresponding quarter 31.3.2022 ("1Q2022") RM'000	Variance	
			RM'000	%
Revenue	169,375	160,300	9,075	5.7
Gross profit	51,074	50,422	652	1.3
Profit before interest and tax	20,533	23,033	(2,500)	(10.9)
Profit before tax	<u>12,793</u>	<u>17,092</u>	(4,299)	(25.2)

The Group recorded revenue of RM169.4 million, gross profit of RM51.1 million, profit before interest and tax of RM20.5 million and profit before tax of RM12.8 million for the current financial quarter ended 31 March 2023 ("1Q2023"). The 1Q2023 revenue is primarily contributed by container haulage of RM69.7 million and land transportation of RM62.9 million which represents 78.3% of our Group's revenue for 1Q2023. Other business segments namely warehousing and container depot and freight forwarding business contributed RM22.3 million and RM14.4 million respectively for 1Q2023.

In comparison to the preceding year corresponding quarter i.e., 31 March 2022 ("1Q2022"), the Group's revenue increased by RM9.1 million from RM160.3 million in 1Q2022 to RM169.4 million in 1Q2023. The improved revenue was mainly driven by the additional revenue contributed from increase in fleet capacity for Land Transportation and higher revenue from our warehousing business segment as three new warehouses were completed in FY2022.

The Group recorded a profit before tax of RM12.8 million in 1Q2023 as compared to RM17.1 million in the 1Q2022, which was lower by RM4.3 million mainly due to higher finance cost and overhead expenses.

16. Comparison with Immediate Preceding Quarter's Results

	Current quarter 31.3.2023 ("1Q2023") RM'000	Immediate preceding quarter 31.12.2022 ("4Q2022") RM'000	Variance	
			RM'000	%
Revenue	169,375	164,096	5,279	3.2
Gross profit	51,074	47,926	3,148	6.6
Profit before interest and tax	20,533	20,815	(282)	(1.4)
Profit before tax	<u>12,793</u>	<u>13,186</u>	(393)	(3.0)

The Group's revenue for the current quarter ("1Q2023") recorded at RM169.4 million is RM5.3 million or 3.2% higher than immediate preceding quarter 31 December 2022 ("4Q2022") revenue. The increase in revenue is mainly contributed by land transportation from fleet expansion and warehousing and container depot segments from increase in warehouse capacity. This is offset by lower container haulage and freight forwarding revenue.

The Group's recorded profit before tax of RM12.8 million in the 1Q2023 has shown a slight decrease of RM0.4 million or 3.0% from RM13.2 million in 4Q2022. The slight decrease in profit before tax is mainly due to higher interest and overhead expenses.



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Notes to the Interim Financial Report (Cont'd)

17. Prospects for the Group for the next financial year

The growth of the logistics sector in Malaysia is correlated with the growth in Malaysia economic activities as well as international trade. The Group expects the business environment in which it operates to remain challenging. In ensuring the Group is well positioned to navigate through this challenging period, we will continue to strategize, adapt, and will take timely appropriate measures in order to minimize operating risks and optimize our resources for the core business to remain resilient and stable.

In 2023, the Group plans to expand the warehouse capacity further by constructing 2 more warehouses in Northern and Westport Land with 150,000 sq ft and 250,000 sq ft respectively with target to be operational in 1H2024. This will ultimately 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 through mergers and acquisitions to enhance shareholders' value.

As we move forward, we are dedicated to accelerating our ESG objectives, with clear plans in place. This includes reducing our carbon emissions directly by investing in green technology assets amongst other by installing solar panel and LED light in some of our warehouses and purchase of electric prime movers which is part of our journey in our sustainability road map towards 2030.

In this regard, barring any unforeseen surprises, we are cautiously confident of our financial performance for the financial year. We aim to continue seizing all possible opportunities to achieve 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.



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19. Note to the Profit Before Tax

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

	Quarter ended		Year to date	
	31.3.2023 RM'000	31.3.2022 RM'000	31.3.2023 RM'000	31.3.2022 RM'000
Depreciation of:				
- property, plant and equipment	11,834	9,226	11,834	9,226
- right-of-use assets	5,273	5,470	5,273	5,470
- investment properties	239	239	239	239
Fair value loss on derivative	157	-	157	-
Fair value loss on other investments	-	48	-	48
Loss on disposal of property, plant and equipment	4	-	4	-
Loss on foreign exchange:				
- realised	15	153	15	153
- unrealised	12	50	12	50
Interest expense	7,740	5,941	7,740	5,941
Property, plant and equipment written off	-	1	-	1
Impairment loss on inventories	1	-	1	-
Inventories written off	6	-	6	-
Dividend from other investment	(11)	(14)	(11)	(14)
Gain on foreign exchange:				
- realised	(132)	-	(132)	-
- unrealised	(189)	-	(189)	-
Gain on disposal of property, plant and equipment	(410)	(388)	(410)	(388)
Gain on disposal of non-current assets held for sale	-	(680)	-	(680)
Gain on disposal of other investments	-	(47)	-	(47)
Fair value gain on derivative	-	(313)	-	(313)
Fair value gain on short term fund	(439)	(34)	(439)	(34)
Fair value gain on other investment	(29)	-	(29)	-
Interest income	(314)	(105)	(314)	(105)
Income distribution from short term fund	(25)	(7)	(25)	(7)
Reversal of impairment loss on trade receivables	(161)	(13)	(161)	(13)



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Notes to the Interim Financial Report (Cont'd)

20. Taxation

	Quarter ended		Year to date	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Income tax current period	1,842	2,461	1,842	2,461
Deferred taxation	719	(833)	719	(833)
Real property gains tax	-	958	-	958
Total income tax expense	<u>2,561</u>	<u>2,586</u>	<u>2,561</u>	<u>2,586</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 and reversal of deferred tax liability.

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. 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 31.3.2023 RM'000	As at 31.12.2022 RM'000
Current		
Term loan (secured)	52,945	55,694
Unrated Islamic medium term notes (secured)	51,750	48,420
Trade financing (secured)	103,156	62,823
Bank overdrafts (secured)	-	13,707
Revolving credits (secured)	29,983	21,548
	237,834	202,192
Non-current		
Term loan (secured)	85,204	86,070
Unrated Islamic medium term notes (secured)	344,475	359,280
	429,679	445,350



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22. Group's Borrowings (Cont'd)

	As at 31.3.2023 RM'000	As at 31.12.2022 RM'000
Total borrowings		
Term loan (secured)	138,149	141,764
Unrated Islamic medium term notes (secured)	396,225	407,700
Trade financing (secured)	103,156	62,823
Bank overdrafts (secured)	-	13,707
Revolving credits (secured)	29,983	21,548
	<u>667,513</u>	<u>647,542</u>

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

	As at 31.3.2023 RM'000	As at 31.12.2022 RM'000
Ringgit Malaysia	614,174	582,398
United States Dollar	24,940	33,335
Singapore Dollar	24,054	26,192
Thai Baht	4,345	5,617
	<u>667,513</u>	<u>647,542</u>

23. Derivatives

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

	Notional/Contract Value		Fair value	
	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000	As at 31 March 2023 RM'000	As at 31 December 2022 RM'000
Cross-currency interest rate swap contract				
- 1 year to 3 years	22,000	23,875	2,751	2,940

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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Notes to the Interim Financial Report (Cont'd)

24. 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	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 31 March 2023				
Financial assets				
Fair value through profit or loss				
- Derivative financial asset	-	2,758	-	2,758
- Short term fund	-	50,666	-	50,666
- Club memberships	-	43	-	43
- Equity securities	1,111	-	-	1,111

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 31 December 2022				
Financial assets				
Fair value through profit or loss				
- Derivative financial asset	-	2,915	-	2,915
- Short term fund	-	50,202	-	50,202
- Club memberships	-	43	-	43
- Equity securities	1,082	-	-	1,082

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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25. 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.

26. Dividend

No interim dividend has been recommended for current quarter under review.

27. Earnings Per Share ^(a)

	Quarter ended		Year to date	
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company (RM'000)	10,131	14,313	10,131	14,313
Weighted average number of ordinary shares in issue ('000)	881,861	889,805	881,861	889,805
Basic earnings per ordinary share (Sen)	<u>1.15</u>	<u>1.61</u>	<u>1.15</u>	<u>1.61</u>

The Company does not have any dilutive potential ordinary shares outstanding as at 31 March 2023. 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.

By Order of the Board of Directors
Company Secretary
10 May 2023