



SWIFT HAULAGE BERHAD
200001030627 (533234-V)

INTERIM FINANCIAL REPORT

31 DECEMBER 2023

23 FEBRUARY 2024



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

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

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

	Quarter ended		Year to date	
	31.12.2023 Unaudited RM'000	31.12.2022 Unaudited RM'000	31.12.2023 Unaudited RM'000	31.12.2022 Audited RM'000
Revenue	173,298	164,096	671,193	643,768
Cost of sales and services	<u>(122,449)</u>	<u>(116,170)</u>	<u>(473,249)</u>	<u>(446,330)</u>
Gross profit	50,849	47,926	197,944	197,438
Other income	1,531	(52)	33,706	8,449
Net gain on impairment of financial instruments	1,536	312	2,220	645
Administrative and operating expenses	<u>(31,192)</u>	<u>(27,220)</u>	<u>(130,748)</u>	<u>(116,827)</u>
Profit from operations	22,724	20,966	103,122	89,705
Finance costs	(9,156)	(7,629)	(34,124)	(26,883)
Share of results of associates	5	(268)	(501)	(923)
Share of results of a joint venture	<u>373</u>	<u>117</u>	<u>720</u>	<u>378</u>
Profit before tax	13,946	13,186	69,217	62,277
Tax expense	<u>2,673</u>	<u>(3,574)</u>	<u>(3,503)</u>	<u>(13,059)</u>
Profit for the financial period	16,619	9,612	65,714	49,218
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translations	<u>-</u>	<u>(39)</u>	<u>174</u>	<u>(18)</u>
Total comprehensive income for the financial period	<u>16,619</u>	<u>9,573</u>	<u>65,888</u>	<u>49,200</u>
Profit attributable to:				
Owners of the Company	15,981	9,275	64,227	48,492
Non-controlling interests	<u>638</u>	<u>337</u>	<u>1,487</u>	<u>726</u>
	<u>16,619</u>	<u>9,612</u>	<u>65,714</u>	<u>49,218</u>
Total comprehensive income attributable to:				
Owners of the Company	15,981	9,236	64,401	48,474
Non-controlling interests	<u>638</u>	<u>337</u>	<u>1,487</u>	<u>726</u>
	<u>16,619</u>	<u>9,573</u>	<u>65,888</u>	<u>49,200</u>
Earnings per share attributable to owners of the Company (Cents)				
Basic	1.81	1.05	7.29	5.47
Diluted	<u>1.81</u>	<u>1.05</u>	<u>7.29</u>	<u>5.47</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 DECEMBER 2023 ^(a)

	As at 31.12.2023	As at 31.12.2022
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	658,544	615,360
Investment properties	76,804	77,761
Right-of-use assets	355,974	361,990
Other investments	2,368	1,125
Investments in associates	87,468	30,000
Investment in a joint venture	12,052	11,332
Goodwill	71,226	69,291
Intangible assets	1,089	827
Deferred tax assets	16,337	7,772
	1,281,862	1,175,458
Current assets		
Inventories	18,993	10,299
Trade and other receivables	220,065	214,040
Current tax assets	9,480	8,083
Derivative financial asset	-	2,915
Short term fund	-	50,202
Cash and bank balances	159,186	51,188
	407,724	336,727
Non-current assets held for sale	30,829	43,716
TOTAL ASSETS	1,720,415	1,555,901
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	384,899	384,714
Treasury shares	(4,503)	(3,242)
Share option reserve	1,208	-
Retained earnings	322,028	273,660
Exchange translation reserve	262	88
	703,894	655,220
Non-controlling interests	2,627	1,140
TOTAL EQUITY	706,521	656,360
LIABILITIES		
Non-current liabilities		
Borrowings	503,825	445,350
Lease liabilities	35,565	56,345
Deferred tax liabilities	54,999	54,406
	594,389	556,101



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

	As at 31.12.2023	As at 31.12.2022
	Unaudited	Audited
	RM'000	RM'000
LIABILITIES (continued)		
Current liabilities		
Trade and other payables	138,455	116,367
Borrowings	263,003	202,192
Lease liabilities	15,804	21,140
Current tax liabilities	2,243	3,741
	419,505	343,440
TOTAL LIABILITIES	1,013,894	899,541
TOTAL EQUITY AND LIABILITIES	1,720,415	1,555,901
NET ASSET PER SHARE (Cents)^(b)	80.19	74.01

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 December 2023 of 881,009,265 (31 December 2022: 886,874,214 shares).



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

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

	<i>(-----Non-distributable-----)</i>			<i>Distributable</i>		Total	Non-	Total
	Ordinary	Share	Exchange	Treasury	Retained	attributable	controlling	Total
	Share	option	translation	shares	earnings	owners of	interests	equity
	capital	reserve	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
Balance as at 1 January 2023	384,714	-	88	(3,242)	273,660	655,220	1,140	656,360
Profit for the financial period	-	-	-	-	64,227	64,227	1,487	65,714
Other comprehensive income, net of tax	-	-	174	-	-	174	-	174
Total comprehensive income	-	-	174	-	64,227	64,401	1,487	65,888
Transactions with owners								
Repurchase of treasury shares of the Company	-	-	-	(1,261)	-	(1,261)	-	(1,261)
Dividend paid	-	-	-	-	(15,859)	(15,859)	-	(15,859)
Share issuance arising from ESOS	185	-	-	-	-	185	-	185
Employee share options granted	-	1,208	-	-	-	1,208	-	1,208
Total transactions with owners	185	1,208	-	(1,261)	(15,859)	(15,727)	-	(15,727)
Balance as at 31 December 2023	384,899	1,208	262	(4,503)	322,028	703,894	2,627	706,521

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 YEAR ENDED 31 DECEMBER 2022 ^(a)

	<i>(-----Non-distributable-----)</i>			<i>Distributable</i>			
	Ordinary Share capital RM'000	Exchange translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total attributable owners of company RM'000	Non- controlling interests RM'000	Total equity RM'000
Balance as at 1 January 2022	384,714	106	-	250,039	634,859	414	635,273
Profit for the financial period	-	-	-	48,492	48,492	726	49,218
Other comprehensive income, net of tax	-	(18)	-	-	(18)	-	(18)
Total comprehensive income	-	(18)	-	48,492	48,474	726	49,200
Transactions with owners							
Repurchase of treasury shares of the Company	-	-	(3,242)	-	(3,242)	-	(3,242)
Dividend paid	-	-	-	(24,871)	(24,871)	-	(24,871)
Total transactions with owners	-	-	(3,242)	(24,871)	(28,113)	-	(28,113)
Balance as at 31 December 2022	384,714	88	(3,242)	273,660	655,220	1,140	656,360

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.



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

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023^(a)

	Year to date	
	31.12.2023	31.12.2022
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	69,217	62,277
Adjustments for:		
Bad debts written off:		
- trade receivables	6	142
- other receivables	23	-
Depreciation of:		
- property, plant and equipment	48,027	39,025
- right-of-use assets	20,392	20,972
- investment properties	957	958
Amortisation of intangible assets	155	-
Dividend from other investment	(42)	(45)
Fair value (gain)/loss on:		
- derivative	-	(1,631)
- short term fund	(1,358)	(243)
- other investments	(183)	285
Gain on disposal of property, plant and equipment	(1,814)	(1,700)
Loss/(Gain) on disposal of other investments	178	(69)
Gain on disposal of non-current assets held for sale	(1,740)	(680)
Income distribution from short term fund	(266)	(19)
Interest expense	34,124	26,883
Interest income	(574)	(544)
Inventories written off	8	-
Impairment loss on:		
- trade receivables	23	6,802
- other receivables	-	16
- goodwill	386	-
Reversal of impairment loss on:		
- trade receivables	(2,243)	(5,735)
- other receivables	-	(280)
- amount owing by associates	-	(1,448)
Gain from bargain purchase	(25,474)	-
Employee share options granted	1,208	-
Net unrealised (gain)/loss on foreign exchange	(197)	842
Property, plant and equipment written off	3	147
Share of results of associates	501	923
Share of results of a joint venture	(720)	(378)
Operating profit before changes in working capital	140,597	146,500
Changes in working capital:		
Inventories	(8,702)	5,583
Trade and other receivables	2,874	40,183
Trade and other payables	13,160	(15,691)
Net cash generated from operations	147,929	176,575
Net of tax paid	(12,916)	(12,706)
Net cash flows from operating activities	135,013	163,869



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

	Year to date	
	<u>31.12.2023</u>	<u>31.12.2022</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>
Cash flows from investing activities		
Acquisition of subsidiaries	(2,919)	(1,281)
Acquisition of other investment	(1,196)	-
Purchase of property, plant and equipment and right-of-use assets	(99,494)	(60,961)
Purchase of intangible assets	(418)	(251)
(Placement)/Withdrawal of deposits with licensed bank and restricted cash	(898)	519
Withdrawal/(Placement) of short-term fund	51,825	(49,940)
Repayment to related parties	-	(21)
Repurchase of treasury shares of the Company	(1,261)	-
Investment and advances to associates	(64,418)	(5,727)
Dividend from other investment	-	45
Proceeds from:		
- disposal of property, plant and equipment	2,887	2,767
- disposal of non-current assets held for sale	45,456	17,874
- disposal of other investments	-	390
Interest received	574	544
Net cash flows used in investing activities	<u>(69,862)</u>	<u>(96,042)</u>
Cash flows from financing activities		
Dividend paid	(15,859)	(24,871)
Net drawdown of trade financing	79,734	(31,818)
Net drawdown of revolving credits	-	4,214
Net repayment of term loans	50,042	26,501
Net repayment of lease liabilities	(30,653)	(39,884)
Proceeds from share issuance	185	-
Shares buyback	-	(3,242)
Interest paid	(34,124)	(25,458)
Net cash flows (used in)/ from financing activities	<u>49,325</u>	<u>(94,558)</u>
Net (decrease)/ increase in cash and cash equivalents	114,476	(26,731)
Effect of exchange rate changes on cash and cash equivalents	174	56
Cash and cash equivalents at the beginning of the financial period	<u>34,627</u>	<u>61,302</u>
Cash and cash equivalents at the end of the financial period	<u>149,277</u>	<u>34,627</u>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	159,186	51,188
Less: Bank overdraft included in borrowings	(6,157)	(13,707)
Deposits with licensed banks with maturity of over 3 months	(3,702)	(2,673)
Restricted cash	(50)	(181)
Cash and cash equivalents included in the condensed consolidated statement of cash flows	<u>149,277</u>	<u>34,627</u>

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 December 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
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	
<i>Initial Application of MFRS 17 and MFRS 9 – Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</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

During the financial year, the Company repurchased 2,670,000 of its issued ordinary shares from open market at an average price of RM0.48. The total transaction paid for the repurchase was RM1,271,943. Of the total 890,094,002 issued ordinary shares, 9,380,900 shares are held as treasury shares by the Company.

There were no issuance, cancellations, resale and repayment of debt or equity securities during the financial period.

8. Dividend Paid

- a) A single-tier dividend of 1.0 cent per ordinary shares amounting to RM8.81 million in respect of the financial year ended 31 December 2022 was paid on 6 April 2023.
- b) A single-tier dividend of 0.8 cent per ordinary shares amounting to RM7.05 million in respect of the 6 months financial period ended 30 June 2023 was paid on 10 October 2023.



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

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 12 months financial year ended 31 December 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
Revenue							
External sales	267,322	244,598	100,722	58,317	234	-	671,193
Inter-segment sales	64,413	47,006	10,923	-	9,452	(131,794)	-
Total revenue	<u>331,735</u>	<u>291,604</u>	<u>111,645</u>	<u>58,317</u>	<u>9,686</u>	<u>(131,794)</u>	<u>671,193</u>
Interest income	38	27	22	101	386	-	574
Depreciation of property, plant and equipment	(23,608)	(16,175)	(6,511)	(997)	(736)	-	(48,027)
Depreciation of right-of-use assets	(2,779)	(6,511)	(9,573)	(756)	(773)	-	(20,392)
Depreciation of investment properties	-	-	(923)	-	(34)	-	(957)
Amortisation of intangible assets	(24)	(131)	-	-	-	-	(155)
Finance costs	(3,841)	(6,781)	(8,280)	(1,492)	(13,730)	-	(34,124)
Share of loss of associates	-	-	-	-	(501)	-	(501)
Share of profit of a joint venture	-	-	-	-	720	-	720
Profit /(loss) before tax	24,449	12,032	14,399	28,066	(9,402)	(327)	69,217



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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 12 months financial year ended 31 December 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
Revenue							
External sales	276,812	214,234	83,457	68,189	1,076	-	643,768
Inter-segment sales	74,180	38,502	6,393	-	26,012	(145,087)	-
Total revenue	<u>350,992</u>	<u>252,736</u>	<u>89,850</u>	<u>68,189</u>	<u>27,088</u>	<u>(145,087)</u>	<u>643,768</u>
Interest income	46	25	16	86	371	-	544
Depreciation of property, plant and equipment	(21,019)	(11,311)	(5,057)	(988)	(650)	-	(39,025)
Depreciation of right-of-use assets	(4,470)	(3,860)	(11,227)	(555)	(860)	-	(20,972)
Depreciation of investment properties	-	-	(924)	-	(34)	-	(958)
Finance costs	(3,638)	(3,192)	(5,941)	(940)	(13,172)	-	(26,883)
Share of loss of associates	-	-	-	-	(923)	-	(923)
Share of profit of a joint venture	-	-	-	-	378	-	378
Profit /(loss) before tax	25,741	15,406	9,463	36,531	(24,044)	(820)	62,277



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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 12 January 2024, the Company entered into a SPA with a third party for the disposal of 12.5% stake in Global Vision Logistics Sdn. Bhd. ("GVL") for a total consideration of RM44,362,639. Subsequent to the disposal, the equity interest in GVL reduced from 42.5% to 30%. The transaction has been completed on 17 January 2024.

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. Guarantees

	As at 31.12.2023 RM'000
Secured Guarantees	
Bank guarantees utilised	<u>15,560</u>

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 31.12.2023 RM'000	As at 31.12.2022 RM'000
Contracted but not provided for	<u>130,862</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	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
With related party,				
Kaypi Technologies Sdn. Bhd.				
Purchase of office equipment	-	8	-	8
Rental of office equipment	-	-	-	5
With related party,				
Pelikan Asia Sdn. Bhd.				
Purchase of stationery	35	191	163	386
Forwarding income	6	-	9	5
Warehouse income	46	47	155	183
Transport income	-	-	4	0
With related party,				
SM Security (M) Sdn. Bhd.				
Security services	76	57	302	229
With associate,				
Swift Autologistics Sdn. Bhd.				
Rental income	-	18	12	72
Warehouse income	-	279	186	1,117
With associate,				
Swift Mega Carriers Sdn. Bhd.				
Rental income	-	15	10	60
Repair and maintenance	-	18	16	46
Truck management fee	-	1	1	5



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Notes to the Interim Financial Report (Cont'd)

15. Group Performance Review

	Current quarter	Preceding year corresponding quarter	Variance	
	31.12.2023	31.12.2022		
	("4Q2023")	("4Q2022")	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	173,298	164,096	9,202	5.6
Gross profit	50,849	47,926	2,923	6.1
Profit before interest and tax	23,102	20,815	2,287	11.0
Profit before tax	13,946	13,186	760	5.8

The Group recorded revenue of RM173.3 million, gross profit of RM50.8 million, profit before interest and tax of RM23.1 million and profit before tax of RM13.9 million for the current financial quarter ended 31 December 2023 ("4Q2023"). The 4Q2023 revenue is primarily contributed by container haulage of RM66.9 million and land transportation of RM65.2 million which represent 76.2% of our Group's revenue for 4Q2023. Other business segments namely warehousing and container depot and freight forwarding business contributed RM26.8 million and RM14.4 million respectively for 4Q2023.

In comparison to the preceding year corresponding quarter i.e., 31 December 2022 ("4Q2022"), the Group's revenue has increased by RM9.2 million from RM164.1 million in 4Q2022 to RM173.3 million in 4Q2023, mainly contributed by additional revenue generated from increase in fleet capacity for Land Transportation and higher revenue from our warehousing business segment as three new warehouses were completed in FY2022 which contribute full year in FY2023. The Group's gross profit has increased by RM2.9 million from RM47.9 million in 4Q2022 to RM50.8 million in 4Q2023 which is in line with the growth in revenue.

The Group recorded a profit before tax of RM13.9 million in 4Q2023 as compared to RM13.2 million in 4Q2022, which is RM0.8 million higher in line with the growth in revenue.

16. Comparison with Immediate Preceding Quarter's Result

	Current quarter	Immediate preceding quarter	Variance	
	31.12.2023	30.9.2023		
	("4Q2023")	("3Q2023")	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	173,298	168,041	5,257	3.1
Gross profit	50,849	48,423	2,426	5.0
Profit before interest and tax	23,102	39,561	(16,459)	(41.6)
Profit before tax & gain from bargain purchase	13,946	4,986	8,960	179.7
Add: Gain from bargain purchase	-	25,474	25,474	100.0
Profit before tax	13,946	30,460		

The Group's revenue for the current quarter ("4Q2023") recorded at RM173.3 million is RM5.3 million higher than the immediate preceding quarter 30 September 2023 ("3Q2023") revenue. This is mainly contributed from the increase in land transportation revenue by RM5.2 million.

The Group's recorded profit before tax of RM13.9 million is RM9.0 million higher than 3Q2023 (excluding gain from bargain purchase) mainly due to increase in gross profit by RM2.4 million and decrease in administrative and operating expenses by RM4.3 million.



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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. Throughout 2023, Malaysia witnessed a decline in trade performance, as indicated by an 8% contraction in exports and a 6.4% weakening in imports.

The Group continues to see an uptick in demand for warehousing service, despite the decline in global trade. Our first green certified warehouse in Westport will commence operations in the first quarter of 2024. In addition to that, Swift is expected to complete acquisition of a land and warehouse with 118,000 sq ft capacity in 2Q2024 in Penang which will increase our capacity in the northern region. Furthermore, our associate, Global Vision Logistics Sdn Bhd, is on track to complete Phase 1 of the Shah Alam International Logistics Hub by 4Q 2025.

In line with our commitment to environmental sustainability, the Group continues to prioritize its carbon reduction initiatives with commitment to build only eco-friendly and green certified warehouses for all new built warehouses. The successful deployment of two electric prime movers marks a significant milestone in our transition towards eco-friendly transportation solutions. Looking ahead, we are actively exploring opportunities to expand our electric vehicle fleet throughout 2024, demonstrating our dedication to minimizing our carbon footprint and embracing sustainable practices.

Barring any unforeseen circumstances, we are cautiously confident of our financial performance for the next financial year. Despite the foreseeable hurdles, we aim to continue seizing all possible opportunities to achieve another year of 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 year 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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- property, plant and equipment	12,271	10,849	48,027	39,025
- right-of-use assets	5,344	4,868	20,392	20,972
- investment properties	239	241	957	958
Amortisation of intangible assets	(232)	-	155	-
Bad debts written off:				
- trade receivables	6	142	6	142
- other receivables	23	-	23	-
Fair value loss on other investments	(14)	(60)	-	285
Loss on disposal of property, plant and equipment	-	26	92	26
Loss on foreign exchange:				
- realised	111	80	356	292
- unrealised	-	(1,466)	1	987
Loss on disposal of other investment	178	-	178	-
Interest expense	9,156	7,629	34,124	26,883
Property, plant and equipment written off	3	146	3	147
Impairment loss on:				
- trade receivables	(77)	5,668	23	6,802
- other receivables	-	16	-	16
- goodwill	-	-	386	-
- inventories	-	(3)	-	-
Inventories written off	-	(13)	8	-
Dividend from other investment	(5)	(4)	(42)	(45)
Gain on bargain purchase	-	-	(25,474)	-
Gain on foreign exchange:				
- realised	-	(91)	-	(91)
- unrealised	(154)	(145)	(198)	(145)
Gain on disposal of property, plant and equipment	(661)	(331)	(1,906)	(1,726)
Gain on disposal of non-current assets held for sale	-	-	(1,740)	(680)
Gain on disposal of other investments	-	-	-	(69)
Fair value gain on other investment	(183)	-	(183)	-
Fair value gain on derivative	-	1,450	-	(1,631)
Fair value gain on short term fund	(132)	(181)	(1,358)	(243)
Interest income	(154)	(275)	(574)	(544)
Income distribution from short term fund	(39)	(12)	(266)	(19)
Reversal of impairment loss on:				
- trade receivables	(1,459)	(4,268)	(2,243)	(5,735)
- other receivables	-	(280)	-	(280)
- amount owing by associates	-	(1,448)	-	(1,448)



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20. Taxation

	Quarter ended		Year to date	
	31.12.2023 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	31.12.2022 RM'000
Income tax current period	2,008	6,683	9,967	13,752
Deferred taxation	(4,681)	(3,640)	(7,685)	(3,140)
Real property gains tax	-	(939)	1,221	977
Total income tax expense	<u>(2,673)</u>	<u>2,104</u>	<u>3,503</u>	<u>11,589</u>
(Over)/Under provision in prior year				
Income tax	-	357	-	357
Deferred tax	-	1,113	-	1,113
Total income tax expense	<u>(2,673)</u>	<u>3,574</u>	<u>3,503</u>	<u>13,059</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 quarter and period to date were lower than the statutory tax rate of the respective periods mainly due to the non-taxable other income, 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 31.12.2023 RM'000	As at 31.12.2022 RM'000
Current		
Term loan (secured)	36,436	55,694
Unrated Islamic medium term notes (secured)	59,220	48,420
Trade financing (secured)	115,972	62,823
Bank overdrafts (secured)	6,157	13,707
Revolving credits (secured)	45,218	21,548
	263,003	202,192
Non-current		
Term loan (secured)	85,265	86,070
Unrated Islamic medium term notes (secured)	418,560	359,280
	503,825	445,350



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22. Group's Borrowings (Cont'd)

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Total borrowings		
Term loan (secured)	121,701	141,764
Unrated Islamic medium term notes (secured)	477,780	407,700
Trade financing (secured)	115,972	62,823
Bank overdrafts (secured)	6,157	13,707
Revolving credits (secured)	45,218	21,548
	<u>766,828</u>	<u>647,542</u>

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

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Ringgit Malaysia	741,795	582,398
United States Dollar	-	33,335
Singapore Dollar	22,376	26,192
Thai Baht	2,657	5,617
	<u>766,828</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 December 2023 RM'000	As at 31 December 2022 RM'000	As at 31 December 2023 RM'000	As at 31 December 2022 RM'000
Cross-currency interest rate swap contract				
- 1 year to 3 years	-	23,875	-	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.

The derivatives have been fully settled on April 2023.



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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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31 December 2023				
Financial assets				
Fair value through profit or loss				
- Club memberships	-	43	-	43
- Unquoted investments	-	-	1,376	1,376
- Equity securities	949	-	-	949
	<u>949</u>	<u>-</u>	<u>-</u>	<u>949</u>

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total 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
	<u>1,082</u>	<u>-</u>	<u>-</u>	<u>1,082</u>

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

The Board of Directors has declared a second interim single tier dividend of 0.8 cents per ordinary share, in respect of the financial year ending 31 December 2023. The dividend will be paid on 8 April 2024 to the Depositors who are registered in the Record of Depositors of the Company on 25 March 2024.

27. Earnings Per Share ^(a)

	Quarter ended		Year to date	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company (RM'000)	15,981	9,275	64,227	48,492
Weighted average number of ordinary shares in issue ('000)	881,010	886,875	881,010	886,875
Basic earnings per ordinary share (Cents)	<u>1.81</u>	<u>1.05</u>	<u>7.29</u>	<u>5.47</u>

The Company does not have any dilutive potential ordinary shares outstanding as at 31 December 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
23 February 2024