



SWIFT HAULAGE BERHAD
200001030627 (533234-V)

INTERIM FINANCIAL REPORT

30 JUNE 2024

9 AUGUST 2024



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

Interim report on unaudited consolidated results for the financial period ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD ENDED 30 JUNE 2024 ^(a)

	Quarter ended		Period to date	
	30.06.2024 Unaudited RM'000	30.06.2023 Unaudited RM'000	30.06.2024 Unaudited RM'000	30.06.2023 Unaudited RM'000
Revenue	172,870	165,102	352,222	329,854
Cost of sales and services	<u>(126,949)</u>	<u>(116,311)</u>	<u>(254,629)</u>	<u>(231,182)</u>
Gross profit	45,921	48,791	97,593	98,672
Other income	3,600	2,880	17,315	5,998
Net gain on impairment of financial instruments	(133)	(4)	265	157
Administrative and operating expenses	<u>(29,207)</u>	<u>(31,486)</u>	<u>(62,208)</u>	<u>(64,063)</u>
Profit from operations	20,181	20,181	52,965	40,764
Finance costs	(8,994)	(8,127)	(17,556)	(15,867)
Share of results of associates	(193)	(115)	(239)	(345)
Share of results of a joint venture	<u>99</u>	<u>79</u>	<u>149</u>	<u>259</u>
Profit before tax	11,093	12,018	35,319	24,811
Tax expense	<u>(2,143)</u>	<u>(1,944)</u>	<u>(4,966)</u>	<u>(4,505)</u>
Profit for the financial period	8,950	10,074	30,353	20,306
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss				
Foreign currency translations	<u>(3)</u>	<u>114</u>	<u>(129)</u>	<u>148</u>
Total comprehensive income for the financial period	<u>8,947</u>	<u>10,188</u>	<u>30,224</u>	<u>20,454</u>
Profit attributable to:				
Owners of the Company	8,334	9,723	29,477	19,854
Non-controlling interests	<u>616</u>	<u>351</u>	<u>876</u>	<u>452</u>
	<u>8,950</u>	<u>10,074</u>	<u>30,353</u>	<u>20,306</u>
Total comprehensive income attributable to:				
Owners of the Company	8,331	9,837	29,348	20,002
Non-controlling interests	<u>616</u>	<u>351</u>	<u>876</u>	<u>452</u>
	<u>8,947</u>	<u>10,188</u>	<u>30,224</u>	<u>20,454</u>
Earnings per share attributable to owners of the Company (Cents)				
Basic	0.95	1.48	3.35	2.25
Diluted	<u>0.95</u>	<u>1.48</u>	<u>3.35</u>	<u>2.25</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 2023.



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Interim report on unaudited consolidated results for the financial period ended 30 June 2024

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 ^(a)

	As at 30.06.2024 Unaudited RM'000	As at 31.12.2023 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	682,078	658,544
Investment properties	76,326	76,804
Right-of-use assets	349,716	355,975
Other investments	2,430	2,368
Investments in associates	87,334	87,574
Investment in a joint venture	12,172	12,022
Goodwill	71,226	71,226
Intangible assets	1,112	1,090
Deferred tax assets	19,606	17,019
	1,302,000	1,282,622
Current assets		
Inventories	13,241	18,993
Trade and other receivables	276,551	221,108
Current tax assets	8,374	7,782
Short term fund	710	-
Cash and bank balances	67,723	159,186
	366,599	407,069
Non-current assets held for sale	1,718	30,829
TOTAL ASSETS	1,670,317	1,720,520
EQUITY AND LIABILITIES		
Equity attributable to owners of the company		
Share capital	386,496	384,899
Treasury shares	(4,966)	(4,503)
Retained earnings	342,010	319,532
Reserves	1,504	1,684
	725,044	701,612
Non-controlling interests	3,045	2,554
TOTAL EQUITY	728,089	704,166
LIABILITIES		
Non-current liabilities		
Borrowings	486,470	503,825
Lease liabilities	33,091	34,386
Deferred tax liabilities	56,868	54,661
	576,429	592,872



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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024
(CONT'D)^(a)**

	As at 30.06.2024	As at 31.12.2023
	Unaudited	Audited
	RM'000	RM'000
LIABILITIES (continued)		
Current liabilities		
Trade and other payables	101,928	141,913
Borrowings	248,260	263,004
Lease liabilities	11,699	16,983
Current tax liabilities	3,912	1,582
	365,799	423,482
TOTAL LIABILITIES	942,228	1,016,354
TOTAL EQUITY AND LIABILITIES	1,670,317	1,720,520
NET ASSET PER SHARE (Cents)^(b)	82.65	79.93

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 2023.
- (b) The net asset per share attributable to owners of the Company is calculated based on net asset divided by the number of shares as of 30 June 2024 of 880,932,116 (31 December 2023: 881,009,265 shares).



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER/PERIOD ENDED 30 JUNE 2024 ^(a)

	<i>(-----Non-distributable-----)</i>				<i>Distributable</i>			
	Ordinary Share capital RM'000	Share option reserve 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 2024	384,899	1,208	476	(4,503)	319,532	701,612	2,554	704,166
Profit for the financial year	-	-	-	-	29,477	29,477	876	30,353
Other comprehensive loss, net of tax	-	-	(129)	-	-	(129)	-	(129)
Total comprehensive (loss) / income	-	-	(129)	-	29,477	29,348	876	30,224
Transactions with owners								
Dividend paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	(385)	(385)
Repurchase of treasury shares of the Company	-	-	-	(463)	-	(463)	-	(463)
Dividend paid	-	-	-	-	(6,999)	(6,999)	-	(6,999)
Share issuance arising from ESOS	191	(51)	-	-	-	140	-	140
Share issuance arising from Share Grant	1,406	-	-	-	-	1,406	-	1,406
Total transactions with owners	1,597	(51)	-	(463)	(6,999)	(5,916)	(385)	(6,301)
Balance as at 30 June 2024	386,496	1,157	347	(4,966)	342,010	725,044	3,045	728,089

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 2023.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER/PERIOD ENDED 30 JUNE 2023 ^(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 2023	384,714	88	(3,242)	273,660	655,220	1,140	656,360
Profit for the financial year	-	-	-	19,854	19,854	452	20,306
Other comprehensive loss, net of tax	-	148	-	-	148	-	148
Total comprehensive income	-	148	-	19,854	20,002	452	20,454
Transactions with owners							
Repurchase of treasury shares of the Company	-	-	(1,076)	-	(1,076)	-	(1,076)
Dividend paid	-	-	-	(8,813)	(8,813)	-	(8,813)
Total transactions with owners	-	-	(1,076)	(8,813)	(9,889)	-	(9,889)
Balance as at 30 June 2023	<u>384,714</u>	<u>236</u>	<u>(4,318)</u>	<u>284,701</u>	<u>665,333</u>	<u>1,592</u>	<u>666,925</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 2023.



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER/PERIOD ENDED 30 JUNE 2024^(a)

	Period to date	
	30.6.2024	30.6.2023
	Unaudited	Unaudited
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	35,319	24,811
Adjustments for:		
Depreciation of:		
- property, plant and equipment	25,800	23,957
- right-of-use assets	7,529	9,869
- investment properties	479	479
Amortisation of intangible assets	77	64
Dividend from other investment	(11)	(21)
Fair value (gain)/loss on:		
- short term fund	(306)	(853)
- other investments	(146)	55
Gain on disposal of property, plant and equipment	(135)	(935)
Gain on disposal of non-current assets held for sale	(12,933)	(1,740)
Loss on disposal of other investment	71	-
Income distribution from short term fund	(103)	(101)
Interest expense	17,556	15,867
Interest income	(545)	(403)
Inventories written off	-	8
Net reversal of impairment loss on trade receivables	(265)	(157)
Share granted to employees under Share Grant	1,406	-
Net unrealised gain on foreign exchange	(41)	(42)
Share of results of associates	239	345
Share of results of a joint venture	(149)	(259)
Operating profit before changes in working capital	73,842	70,944
<u>Changes in working capital:</u>		
Inventories	5,753	1,207
Trade and other receivables	(43,107)	(22,393)
Trade and other payables	(18,574)	(21,208)
Net cash generated from operations	17,914	28,550
Net of tax paid	(3,608)	(5,756)
Net cash flows from operating activities	14,306	22,794



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE QUARTER/PERIOD ENDED 30 JUNE 2024^(a)(CONT'D)

	Period to date	
	<u>30.6.2024</u>	<u>30.6.2023</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)
Purchase of property, plant and equipment and right-of-use assets	(74,034)	(18,762)
Purchase of other investments	(213)	-
Purchase of intangible assets	(100)	(119)
Deposit on purchase of PPE	(12,031)	(11,495)
Placement of deposits with licensed bank and restricted cash	(213)	(904)
Placement of short-term fund	(301)	(10,000)
Repurchase of treasury shares of the Company	(463)	(1,076)
Investment and advances to associates	-	(34,874)
Proceeds from:		
- disposal of property, plant and equipment	433	749
- disposal of non-current assets held for sale	43,763	45,456
- disposal of other investment	237	-
Interest received	545	403
Net cash flows used in investing activities	<u>(42,377)</u>	<u>(33,541)</u>
Cash flows from financing activities		
Dividend paid to non-controlling interest of a subsidiary	(385)	-
Dividend paid	(6,999)	(8,813)
Net (repayment)/drawdown of trade financing	(17,145)	82,762
Net repayment of term loans	(14,446)	(22,748)
Net repayment of lease liabilities	(6,579)	(23,234)
Proceeds from share issuance arising from ESOS	140	-
Interest paid	(17,556)	(15,867)
Net cash flows (used in)/from financing activities	<u>(62,970)</u>	<u>12,100</u>
Net (decrease)/increase in cash and cash equivalents	(91,041)	1,353
Effect of exchange rate changes on cash and cash equivalents	(128)	148
Cash and cash equivalents at the beginning of the financial period	<u>149,277</u>	<u>34,627</u>
Cash and cash equivalents at the end of the financial period	<u>58,108</u>	<u>36,128</u>
Cash and cash equivalents at the end of the financial period comprises:		
Cash and bank balances	67,723	39,886
Less: Bank overdraft included in borrowings	(5,650)	-
Deposits with licensed banks with maturity of over 3 months	(3,915)	(3,708)
Restricted cash	(50)	(50)
Cash and cash equivalents included in the condensed consolidated statement of cash flows	<u>58,108</u>	<u>36,128</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 2023.



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Interim report on unaudited consolidated results for the financial period ended 30 June 2024

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 2023.

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 2023 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 2024:

Amendments to MFRSs	Effective Date
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 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024

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 121 <i>Lack of Exchangeability</i>	1 January 2025
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 2023.



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Interim report on unaudited consolidated results for the financial period ended 30 June 2024

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 was no unusual item or incident which might or had substantially affected 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 was no material change in estimates that may have material effect in the current quarter under review.

7. Debt and Equity Securities

During the financial period, the Company repurchased 900,000 of its issued ordinary shares from the open market at an average price of RM0.52. The total transaction paid for the repurchase was RM462,850. Of the total 893,177,502 issued ordinary shares, 10,280,900 shares are held as treasury shares by the Company.

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

8. Dividend Paid

A single-tier dividend of 0.8 cent per ordinary share amounting to RM7.05 million in respect of the financial period ended 31 December 2023 was paid on 8 April 2024.



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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 6 months financial period ended 30 June 2024 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	137,160	129,702	55,233	29,981	146	-	352,222
Inter-segment sales	30,239	30,374	7,129	-	16,155	(83,897)	-
Total revenue	<u>167,399</u>	<u>160,076</u>	<u>62,362</u>	<u>29,981</u>	<u>16,301</u>	<u>(83,897)</u>	<u>352,222</u>
Interest income	18	33	25	91	378	-	545
Depreciation of property, plant and equipment	(12,260)	(8,635)	(3,994)	(520)	(391)	-	(25,800)
Depreciation of right-of-use assets	(1,158)	(2,724)	(2,889)	(399)	(359)	-	(7,529)
Depreciation of investment properties	-	-	(462)	-	(17)	-	(479)
Amortisation of intangible assets	(12)	(65)	-	-	-	-	(77)
Finance costs	(1,768)	(2,651)	(4,569)	(780)	(7,788)	-	(17,556)
Share of loss of associates	-	-	-	-	(239)	-	(239)
Share of profit of a joint venture	-	-	-	-	149	-	149
Profit /(loss) before tax	10,193	6,368	5,609	11,731	1,418	-	35,319



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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 6 months financial period ended 30 June 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	133,314	119,436	47,240	29,705	159	-	329,854
Inter-segment sales	33,418	24,198	5,143	-	5,901	(68,660)	-
Total revenue	<u>166,732</u>	<u>143,634</u>	<u>52,383</u>	<u>29,705</u>	<u>6,060</u>	<u>(68,660)</u>	<u>329,854</u>
Interest income	22	106	12	49	214	-	403
Depreciation of property, plant and equipment	(11,440)	(8,597)	(3,108)	(472)	(340)	-	(23,957)
Depreciation of right-of-use assets	(1,539)	(2,474)	(5,178)	(280)	(398)	-	(9,869)
Depreciation of investment properties	-	-	(462)	-	(17)	-	(479)
Amortisation of intangible assets	(12)	(52)	-	-	-	-	(64)
Finance costs	(1,928)	(2,688)	(3,818)	(660)	(6,773)	-	(15,867)
Share of loss of associates	-	-	-	-	(345)	-	(345)
Share of profit of a joint venture	-	-	-	-	259	-	259
Profit /(loss) before tax	10,764	7,949	6,825	12,334	(12,863)	(198)	24,811



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Notes to the Interim Financial Report (Cont'd)

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

There is no material event subsequent to the end of current quarter that has not been reflected in the interim financial report.

11. Changes in the Composition of the Group

There was no change in the composition of the Group that has not been reflected in the interim financial report.

12. Contingent liabilities

	As at 30.06.2024 RM'000
Secured Guarantees	
Bank guarantees utilised ^(a)	<u>18,606</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 30.06.2024 RM'000	As at 31.12.2023 RM'000
Contracted but not provided for	<u>75,303</u>	<u>130,862</u>



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Notes to the Interim Financial Report (Cont'd)

14. Significant related party transactions

	Quarter ended		Period to date	
	30.6.2024 RM'000	30.6.2023 RM'000	30.6.2024 RM'000	30.6.2023 RM'000
With related party, Pelikan Asia Sdn. Bhd.				
Purchase of stationery	12	30	79	100
Forwarding income	-	3	-	3
Warehouse income	37	37	73	73
Transport income	-	1	3	3
With related party, SM Security (M) Sdn. Bhd.				
Security services	41	76	98	151
With associate, Swift Autologistics Sdn. Bhd.				
Rental income	-	-	-	12
Warehouse income	-	-	-	186
With associate, Swift Mega Carriers Sdn. Bhd.				
Rental income	-	-	-	10
Repair and maintenance	-	-	-	16
Truck management fee	-	-	-	1



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Notes to the Interim Financial Report (Cont'd)

15. Group Performance Review

	Current quarter	Preceding year	Variance	
	30.6.2024	30.6.2023	RM'000	%
	("2Q2024")	("2Q2023")		
	RM'000	RM'000		
Revenue	172,870	165,102	7,768	4.7
Gross profit	45,921	48,791	(2,870)	(5.9)
Profit before interest and tax	20,087	20,145	(58)	(0.3)
Profit before tax	11,093	12,018	(925)	(7.7)

The Group recorded revenue of RM172.9 million, gross profit of RM45.9 million, profit before interest and tax of RM20.1 million and profit before tax of RM11.1 million for the current financial quarter ended 30 June 2024 ("2Q2024"). The 2Q2024 revenue is primarily contributed by container haulage of RM67.6 million and land transportation of RM62.6 million which represent 75.3% of our Group's revenue for 2Q2024. Other business segments namely warehousing and container depot and freight forwarding business contributed RM28.0 million and RM14.7 million respectively for 2Q2024.

In comparison to the preceding year corresponding quarter i.e., 30 June 2023 ("2Q2023"), the Group's revenue has increased by RM7.8 million from RM165.1 million in 2Q2023 to RM172.9 million in 2Q2024, mainly contributed by increase in container haulage and land transportation revenue and higher revenue from warehousing and depot business segment due to expansion of warehouse and increase in depot business. The Group's gross profit has decreased by RM2.9 million from RM48.8 million in 2Q2023 to RM45.9 million in 2Q2024 mainly due to a decrease in gross profit in container haulage, land transportation and freight forwarding. Warehousing and container depot recorded an increase in gross profit in 2Q2024.

The Group profit before tax decreased by RM0.9 million mainly due to lower gross profit earned, being offset with lower overhead costs incurred and higher other income earned.

16. Comparison with Immediate Preceding Quarter's Result

	Current	Immediate	Variance	
	quarter	preceding quarter		
	30.06.2024	31.03.2024	RM'000	%
	("2Q2024")	("1Q2024")		
	RM'000	RM'000		
Revenue	172,870	179,352	(6,482)	(3.6)
Gross profit	45,921	51,672	(5,751)	(11.1)
Profit before interest and tax	20,087	32,788	(12,701)	(38.7)
Profit before tax	11,093	24,226	(13,133)	(54.2)
Less: Gain from disposal of Global Vision Logistics Sdn Bhd ("GVL") share	-	(12,933)	(12,933)	(100.0)
Profit before tax	11,093	11,293	(200)	(1.8)

The Group's revenue for the current quarter ("2Q2024") recorded at RM172.9 million is RM6.5 million lower than the immediate preceding quarter 31 March 2024 ("1Q2024") revenue. This is mainly contributed by the decrease in land transportation revenue of RM4.5 million and container haulage revenue of RM2.0 million.

The Group's recorded profit before tax of RM11.1 million is RM0.2 million lower than 1Q2024 (excluding gain from disposal of GVL shares) mainly due to lower revenue earned, being offset with lower overhead costs incurred and higher other income earned.



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Notes to the Interim Financial Report (Cont'd)

17. Prospects for the Group for the next financial year

Malaysia's trade performance for 1H 2024 continued to improve, with an 8.4% growth compared to 1H 2023 which is expected to sustain for the remainder of the year. We anticipate 2H 2024 to continue in the same trend. Swift is poised to capitalize on the overall growth, which sets a strong foundation for our future endeavors.

In alignment with the growth, Swift continues to experience growing demand for our warehousing services. Our acquisition of 118,000 sq. ft. warehouse in Penang has been completed in August 2024 which provide us an opportunity to expand our warehousing presence in the northern region of Malaysia. Additionally, our associate company, GVL, is on track to finalize Phase I of the Shah Alam International Logistics Hub by Q4 2025, further strengthening our warehousing capacity.

Swift's commitment to sustainability remains at the core of our operations. We continue to prioritize the reduction of carbon emissions via new constructions of environmentally friendly warehouses, the operations of Electric Vehicle trucks and installation of solar panels at our facilities. Our 2 Electric Vehicle trucks, which went into operation in January this year, are currently fully utilized and have successfully reduced carbon emissions by 120 metric tonnes since their adoption. We are actively exploring the expansion of our electric vehicle fleet, reinforcing our dedication to reduce our carbon footprint.

Despite potential challenges, we maintain a cautiously optimistic outlook for the next fiscal year. Our strategy focuses on leveraging growth opportunities while advancing our Environmental, Social, and Governance (ESG) agenda. By doing so, we aim to contribute significantly to Malaysia's sustainable advancement and ensure long-term value for our shareholders.

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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Notes to the Interim Financial Report (Cont'd)

19. Note to the Profit Before Tax

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

	Quarter ended		Period to date	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- property, plant and equipment	12,934	12,123	25,800	23,957
- right-of-use assets	3,800	4,596	7,529	9,869
- investment properties	240	240	479	479
Amortisation of intangible assets	38	64	77	64
Fair value loss on other investment	-	55	-	55
Loss on disposal of property, plant and equipment	-	21	123	25
Loss on disposal of other investment	71	-	71	-
Loss on foreign exchange:				
- realised	4	118	101	133
- unrealised	-	(11)	-	1
Interest expense	8,994	8,127	17,556	15,867
Impairment loss on trade receivables	-	177	-	177
Inventories written off	-	2	-	8
Dividend from other investment	(9)	(10)	(11)	(21)
Gain on unrealised foreign exchange	(5)	(11)	(41)	(43)
Gain on disposal of property, plant and equipment	(235)	(550)	(258)	(960)
Gain on disposal of non-current assets held for sale	-	(1,740)	(12,933)	(1,740)
Fair value gain on other investment	(139)	-	(146)	-
Fair value gain on short term fund	(51)	(414)	(306)	(853)
Interest income	(316)	(89)	(545)	(403)
Income distribution from short term fund	(28)	(76)	(103)	(101)
Reversal of impairment loss on trade receivables	133	(173)	(265)	(334)



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20. Taxation

	Quarter ended		Period to date	
	30.06.2024 RM'000	30.06.2023 RM'000	30.06.2024 RM'000	30.06.2023 RM'000
Income tax current period	1,597	1,731	5,086	3,573
Deferred taxation	546	(1,008)	(120)	(289)
Real property gains tax	-	1,221	-	1,221
Total income tax expense	<u>2,143</u>	<u>1,944</u>	<u>4,966</u>	<u>4,505</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 30.6.2024 RM'000	As at 31.12.2023 RM'000
Current		
Term loan (secured)	32,757	36,437
Unrated Islamic medium-term notes (secured)	65,808	59,220
Trade financing (secured)	107,958	115,972
Bank overdrafts (secured)	5,650	6,157
Revolving credits (secured)	36,087	45,218
	<u>248,260</u>	<u>263,004</u>
Non-current		
Term loan (secured)	104,108	85,265
Unrated Islamic medium-term notes (secured)	382,362	418,560
	<u>486,470</u>	<u>503,825</u>



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22. Group's Borrowings (Cont'd)

	As at 30.6.2024 RM'000	As at 31.12.2023 RM'000
Total borrowings		
Term loan (secured)	136,865	121,702
Unrated Islamic medium-term notes (secured)	448,170	477,780
Trade financing (secured)	107,958	115,972
Bank overdrafts (secured)	5,650	6,157
Revolving credits (secured)	36,087	45,218
	<u>734,730</u>	<u>766,829</u>

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

	As at 30.6.2024 RM'000	As at 31.12.2023 RM'000
Ringgit Malaysia	711,316	741,796
Singapore Dollar	21,313	22,376
Thai Baht	2,101	2,657
	<u>734,730</u>	<u>766,829</u>



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Notes to the Interim Financial Report (Cont'd)

23. 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 June 2024				
Financial assets				
Fair value through profit or loss				
- Club memberships	-	43	-	43
- Unquoted investments	-	-	1,376	1,376
- Short term fund	-	710	-	710
- Equity securities	1,011	-	-	1,011
	<u>1,011</u>	<u>-</u>	<u>-</u>	<u>1,011</u>

	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>

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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Notes to the Interim Financial Report (Cont'd)

24. 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.

25. Dividend

The Board of Directors has declared a first interim single tier dividend of 0.8 cents per ordinary share, in respect of the financial period ending 30 June 2024. The dividend will be paid on 3 October 2024 to the Depositors who are registered in the Record of Depositors of the Company on 19 September 2024.

26. Earnings Per Share ^(a)

	Quarter ended		Period to date	
	30.6.2024	30.6.2023	30.6.2024	30.6.2023
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company (RM'000)	8,334	9,723	29,477	19,854
Weighted average number of ordinary shares in issue ('000)	880,932	881,360	880,932	881,360
Basic earnings per ordinary share (Cents)	<u>0.95</u>	<u>1.10</u>	<u>3.35</u>	<u>2.25</u>

The Company does not have any dilutive potential ordinary shares outstanding as at 30 June 2024. 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
 9 August 2024