

9. RELATED PARTY TRANSACTIONS

9.1 RELATED PARTY TRANSACTIONS

9.1.1 Material related party transactions entered into by our Group

Save as disclosed below, there is no material related party transaction, existing or proposed, entered or to be entered into by our Group which involves the interests, direct or indirect, of our Directors, substantial shareholders and/or persons connected with them for the Financial Years Under Review and up to the LPD.

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	RM'000
1.	Kaypi Technologies and Container Connections	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar is a director of Kaypi Technologies.	Supply of office equipment rental to Container Connections by Kaypi Technologies	(1)1.6	(1)0.1	-	-
2.	Kaypi Technologies and Swift Consolidators	Kaypi Technologies is a wholly-owned subsidiary of Persada Bina.	Supply of office equipment rental to Swift Consolidators by Kaypi Technologies	5.4 (0.01% of our Group's PAT)	2.7 (0.01% of our Group's PAT)	(1)1.0	-
3.	Kaypi Technologies and Swift Haulage	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina.	Supply of office equipment rental to Swift Haulage by Kaypi Technologies	70.5 (0.17% of our Group's PAT)	23.9 (0.06% of our Group's PAT)	20.6 (0.05% of our Group's PAT)	1.2
4.	Kaypi Technologies and Swift Integrated Logistics	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Supply of office equipment rental to Swift Integrated Logistics by Kaypi Technologies	-	-	25.6 (0.06% of our Group's PAT)	2.4
5.	Kaypi Technologies and Swift Logistics TA		Supply of computers repairs and maintenance services, and office equipment rental to Swift Logistics TA by Kaypi Technologies	17.7 (0.04% of our Group's PAT)	24.6 (0.07% of our Group's PAT)	15.0 (0.04% of our Group's PAT)	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	RM'000
6.	Kaypi Technologies and Q-Team	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar is a director of Kaypi Technologies.	Supply of office equipment rental to Q-Team by Kaypi Technologies	-	22.6 (0.06% of our Group's PAT)	10.9 (0.03% of our Group's PAT)	2.4
7.	Kaypi Technologies and Swift Haulage	Kaypi Technologies is a wholly-owned subsidiary of Persada Bina.	Purchase of computers by Swift Haulage from Kaypi Technologies	-	(2)11.5	22.8 (0.01% of our Group's NA)	15.8
8.	Kaypi Technologies and Swift Integrated Logistics	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina.	Purchase of computers by Swift Integrated Logistics from Kaypi Technologies	549.7 (0.16% of our Group's NA)	529.9 (0.14% of our Group's NA)	49.8 (0.01% of our Group's NA)	11.7
9.	Kaypi Technologies and Swift Logistics TA	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Purchase of computers by Swift Logistics TA from Kaypi Technologies	-	-	45.8 (0.01% of our Group's NA)	7.9
10.	Kaypi Technologies and Tanjong Express		Purchase of computers by Tanjong Express from Kaypi Technologies	-	-	(2)18.9	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	
11.	Persada Bina and Container Connections	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina.	Supply of stackers rental to Container Connections by Persada Bina	53.7 (0.13% of our Group's PAT)	-	-	-
12.	Persada Bina and Swift Consolidators	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Management fees ⁽³⁾ chargeable by Persada Bina to Swift Consolidators for corporate and strategic advisory services provided by Persada Bina through Loo Hooi Keat	120.0 (0.29% of our Group's PAT)	120.0 (0.32% of our Group's PAT)	120.0 (0.28% of our Group's PAT)	50.0
13.	Persada Bina and Swift Haulage		Management fees ⁽³⁾ chargeable by Persada Bina to Swift Haulage for corporate and strategic advisory services provided by Persada Bina through Loo Hooi Keat	300.0 (0.73% of our Group's PAT)	300.0 (0.81% of our Group's PAT)	300.0 (0.71% of our Group's PAT)	125.0
14.	Persada Bina and Swift Haulage		Supply of stackers rental to Swift Haulage by Persada Bina	310.0 (0.76% of our Group's PAT)	-	-	-
15.	Persada Bina and Swift Haulage		Purchase of stacker by Swift Haulage from Persada Bina	-	1,500.0 (0.39% of our Group's NA)	-	-
16.	Persada Bina and Swift Logistics TA		Payment by Swift Logistics TA to Persada Bina for rental of office unit	501.0 (1.22% of our Group's PAT)	520.7 (1.41% of our Group's PAT)	477.4 (1.12% of our Group's PAT)	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	
17.	Persada Bina and Swift Logistics TA	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Yong Hui are the shareholders of Persada Bina. Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar and Loo Hooi Keat are directors of Persada Bina.	Purchase of office space located at Suite 8.02, Level 8, Intan Millennium Square 2 (IMS2) No. 88, Jalan Batai Laut 4, Taman Intan, 41300 Klang, Selangor by Swift Logistics TA from Persada Bina	-	-	4,950.0 (1.15% of our Group's NA)	-
18.	Pelikan Asia and Swift Consolidators	Loo Hooi Keat is a director and substantial shareholder of Pelikan International.	Purchase of furniture & fittings by Swift Logistics TA from Persada Bina	-	-	550.00 (0.13% of our Group's NA)	-
19.	Pelikan Asia and Swift Logistics TA	Pelikan Asia is an indirect subsidiary of Pelikan International held through Pelikan Holding AG which is incorporated in Switzerland.	Provision of freight forwarding services by Swift Consolidators to Pelikan Asia	2.5 (0.01% of our Group's PAT)	8.4 (0.02% of our Group's PAT)	3.9 (0.01% of our Group's PAT)	1.2
20.	Pelikan Asia and Swift Integrated Logistics		Provision of freight forwarding services by Swift Logistics TA to Pelikan Asia	11.9 (0.03% of our Group's PAT)	41.6 (0.11% of our Group's PAT)	12.9 (0.03% of our Group's PAT)	1.1
21.	Pelikan Asia and Delta Express		Provision of warehousing services by Swift Integrated Logistics	243.0 (0.59% of our Group's PAT)	273.6 (0.74% of our Group's PAT)	208.1 (0.49% of our Group's PAT)	81.7
22.	Pelikan Asia and Q-Team		Provision of freight forwarding services by Delta Express to Pelikan Asia	25.1 (0.06% of our Group's PAT)	-	-	-
			Provision of storage services by Q-Team to Pelikan Asia	(1)1.8	(1)1.8	(1)0.9	-

9. RELATED PARTY TRANSACTIONS (Cont'd)

No.	Transacting parties	Nature of relationship	Nature of transaction	Transaction value			Financial period from 1 Jan 2021 up to LPD
				FYE 2018	FYE 2019	FYE 2020	
				RM'000	RM'000	RM'000	
23.	Pelikan Asia and Fleet Engineering	Loo Hooi Keat is a director and substantial shareholder of Pelikan International.	Provision of storage services by Fleet Engineering to Pelikan Asia	-	-	(1)2.1	0.6
24.	Pelikan Asia and certain companies within Swift Group	Pelikan Asia is an indirect subsidiary of Pelikan International held through Pelikan Holding AG which is incorporated in Switzerland.	Pelikan Asia supplies stationery to certain companies within Swift Group, namely Swift Haulage, Swift Consolidators, Swift Logistics TA, Q-Team, Container Connections, Swift Integrated Logistics, Swift Commerce, Tanjung Express, Tanjung Express Logistic and Agenda Wira	397.9 (0.97% of our Group's PAT)	353.5 (0.96% of our Group's PAT)	364.0 (0.86% of our Group's PAT)	265.6
25.	SM Security (M) Sdn Bhd and Swift Haulage	Dato' Haji Md Yusoff @ Mohd Yusoff Bin Jaafar is a director and shareholder (direct 30% interest) of SM Security (M) Sd Bhd.	Provision of security services to Swift Haulage	225.8 (0.55% of our Group's PAT)	229.2 (0.62% of our Group's PAT)	229.1 (0.54% of our Group's PAT)	95.4

Notes:

- (1) Less than 0.01% of our Group's PAT.
- (2) Less than 0.01% of our Group's NA.
- (3) With the termination of management services agreements entered into between Persada Bina and Swift Consolidators and Swift Haulage respectively pursuant to notice dated 29 April 2021 issued by Swift Consolidators and Swift Haulage respectively, Persada Bina is no longer entitled to the management fees under the management services agreements with effect on 1 June 2021 and such transactions will not recur in the future.

9. RELATED PARTY TRANSACTIONS (Cont'd)

Save for the management services agreements entered by Swift Consolidators and Swift Haulage respectively, for corporate and strategic advisory services provided by Persada Bina which was conducted on terms no less favourable to us than those generally available to the public, our Directors confirm that the above related party transactions were conducted at market value and on an arm's length basis and are based on terms and conditions which are not detrimental to us nor our minority shareholders. In addition, there is no management services fee transacted between Persada Bina and Swift Consolidators and Swift Haulage respectively with effect from 1 June 2021 subsequent to the notice of termination by way of a letter dated 29 April 2021 given to Persada Bina by Swift Consolidators and Swift Haulage respectively.

After our Listing, we will be required to seek our shareholders' approval each time we enter into material related party transactions in accordance with the Listing Requirements. However, if the related party transactions can be deemed as recurrent related party transactions, we may seek a general mandate from our shareholders to enter into these transactions without having to seek separate shareholders' approval each time we wish to enter into such related party transactions during the validity period of the mandate. In the event there are any proposed related party transactions that require prior approval of our shareholders, our Directors, major shareholders and / or persons connected with them who have any direct or indirect interest in the proposed related party transactions shall abstain from deliberation and voting on resolution(s) pertaining to the respective transactions. Under the Listing Requirements, related party transactions may be aggregated to determine its materiality if the transactions occurred within a 12 month period, are entered into with the same party or with parties related to one another or if the transactions involved the acquisition or disposal of securities of interests in one corporation / asset or of various parcels of land contiguous to each other.

Upon our Listing, the Audit and Risk Management Committee will review the terms of any related party transactions and ensure that any related party transactions (including any recurrent related party transactions) are carried out on terms not more favourable to the related party than those generally available to the third parties dealing at arm's length basis with our Group and are not to the detriment to our minority shareholders. Our Group will seek such relevant shareholders' approval where required. We will make disclosures in our annual report of the aggregate value of the recurrent related party transactions entered into by us based on the nature of the transactions made, names of the related parties involved and their relationship with our Group during the financial year and in the annual reports for the subsequent financial years.

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9. RELATED PARTY TRANSACTIONS (Cont'd)

9.1.2 Related party transactions that are unusual in nature or condition

Our Directors have confirmed that there are no transactions that were unusual in its nature or condition, involving goods, services, tangible or intangible assets, to which we were a party in respect of the Financial Years Under Review and up to the LPD.

9.1.3 Loans and/or financial assistance made to or for the benefit of related parties

Our Directors have confirmed that there is no material loan (including guarantees of any kind) and / or financial assistance made by our Group to or for the benefit of related parties for the Financial Years Under Review and up to the LPD.

9.1.4 Loans and/or financial assistance from related parties to our Group

[There is no outstanding loan (including guarantees of any kind) and/or financial assistance from related parties to our Group as at the LPD.]

9.2 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

9.2.1 Audit and Risk Management Committee review

Our Audit and Risk Management Committee assesses the financial risk and matters relating to related party transactions and conflict of interests situation that may arise within our Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity. Our Audit and Risk Management Committee maintains and periodically reviews the adequacy of the procedures and processes set by our Company to monitor related party transactions and conflicts of interest. It also sets the procedures and processes to ensure that transactions are carried out in the best interest of our Company on normal commercial terms that are industry norms and not more favourable to the related party than those generally available to third parties dealing at arm's length, and are not to the detriment of the interest of our Company's minority shareholders. Amongst others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberations on the transactions.

All reviews by our Audit and Risk Management Committee are reported to our Board for its further action.

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9. RELATED PARTY TRANSACTIONS (Cont'd)

9.2.2 Our Group's policy on related party transactions and conflicts of interest

Some of our Directors and / or substantial shareholders are also directors and / or shareholders of a related party to our Group, as disclosed in Section 4.1.1(a) of this Prospectus and / or directors of companies that are in similar business to our Group, as disclosed in Section 10.1 of this Prospectus. It is the policy of our Group that all related party transactions and conflicts of interest must be immediately and fully disclosed by our interested or conflicted Directors or substantial shareholders to the management for reporting to our Audit and Risk Management Committee. Any related party transactions must be reviewed by our Audit and Risk Management Committee to ensure that they are negotiated and agreed upon in the best interest of our Company on an arm's length basis, and are based on normal commercial terms not more favourable to the related party than those generally available to third parties, and are not to the detriment of the interest of our Company's minority shareholders. In respect of our Directors' interest in companies carrying on similar business, our Directors will also be required to abstain from deliberations and voting on resolutions pertaining to matters and/or transactions where a conflict of interest may arise.

In addition, in line with the MCGG and the Corporate Governance Guide, our Directors are required to make an annual disclosure of any related party transactions and conflicts of interest with our Group and our Audit and Risk Management Committee must carry out an annual assessment of our Directors which include an assessment of such related party transactions and / or conflict of interest. Our Audit and Risk Management Committee will in turn report to our Board after their evaluation and assessment and make the appropriate recommendations to our Board.

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