



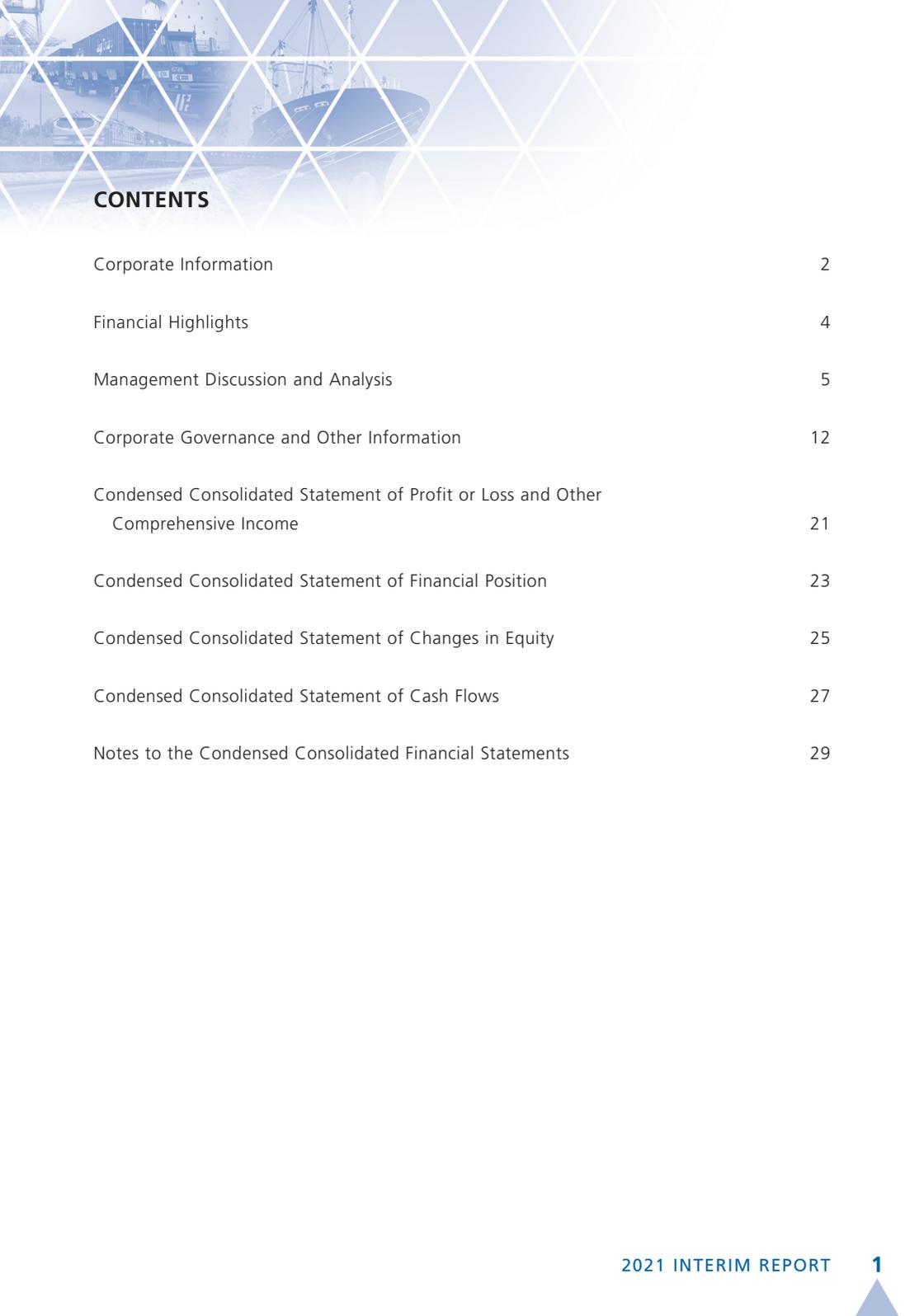
Infinity Logistics and Transport Ventures Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1442

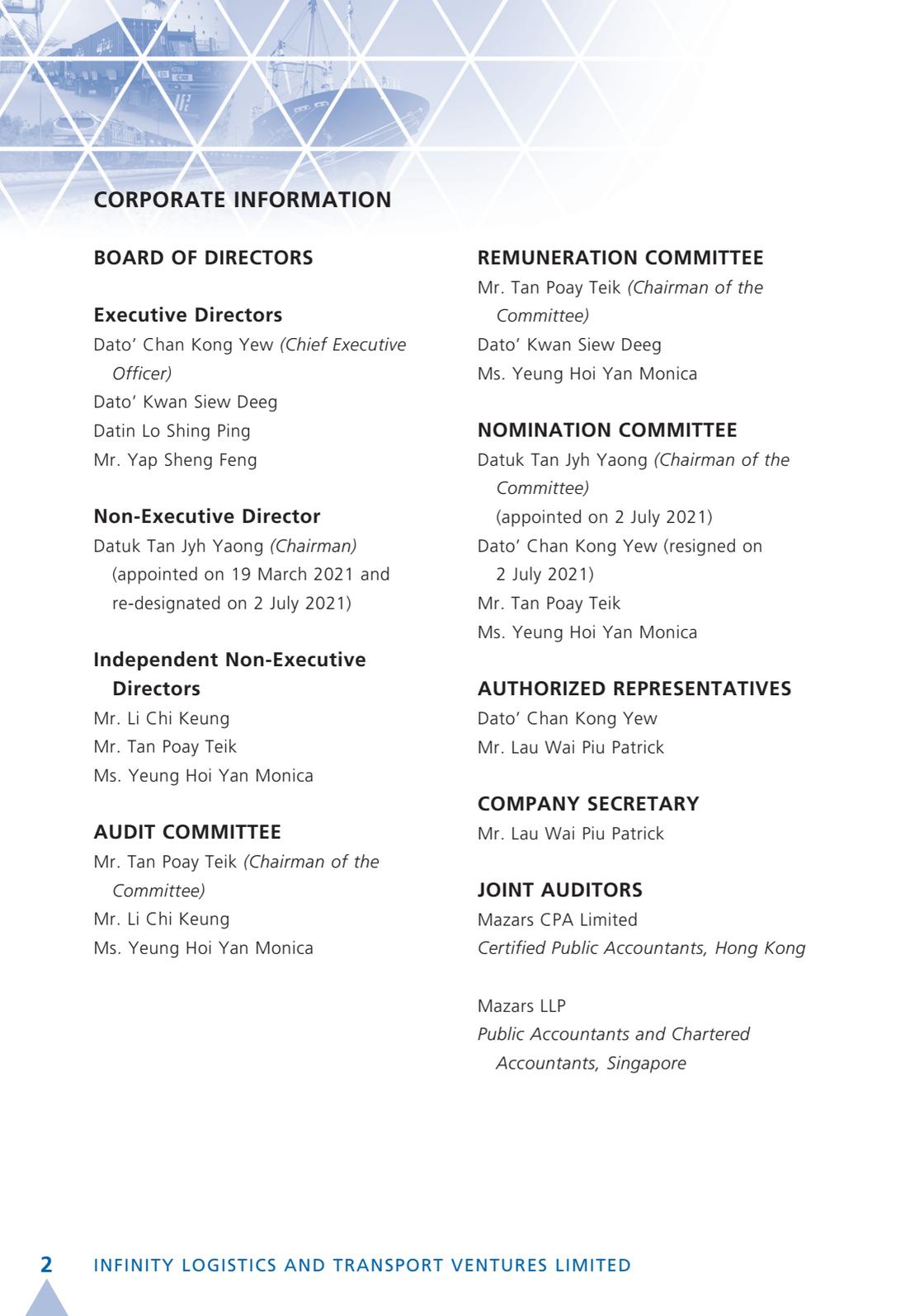


2021
INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dato' Chan Kong Yew (*Chief Executive Officer*)

Dato' Kwan Siew Deeg

Datin Lo Shing Ping

Mr. Yap Sheng Feng

Non-Executive Director

Datuk Tan Jyh Yaong (*Chairman*)
(appointed on 19 March 2021 and re-designated on 2 July 2021)

Independent Non-Executive Directors

Mr. Li Chi Keung

Mr. Tan Poay Teik

Ms. Yeung Hoi Yan Monica

AUDIT COMMITTEE

Mr. Tan Poay Teik (*Chairman of the Committee*)

Mr. Li Chi Keung

Ms. Yeung Hoi Yan Monica

REMUNERATION COMMITTEE

Mr. Tan Poay Teik (*Chairman of the Committee*)

Dato' Kwan Siew Deeg

Ms. Yeung Hoi Yan Monica

NOMINATION COMMITTEE

Datuk Tan Jyh Yaong (*Chairman of the Committee*)

(appointed on 2 July 2021)

Dato' Chan Kong Yew (resigned on 2 July 2021)

Mr. Tan Poay Teik

Ms. Yeung Hoi Yan Monica

AUTHORIZED REPRESENTATIVES

Dato' Chan Kong Yew

Mr. Lau Wai Piu Patrick

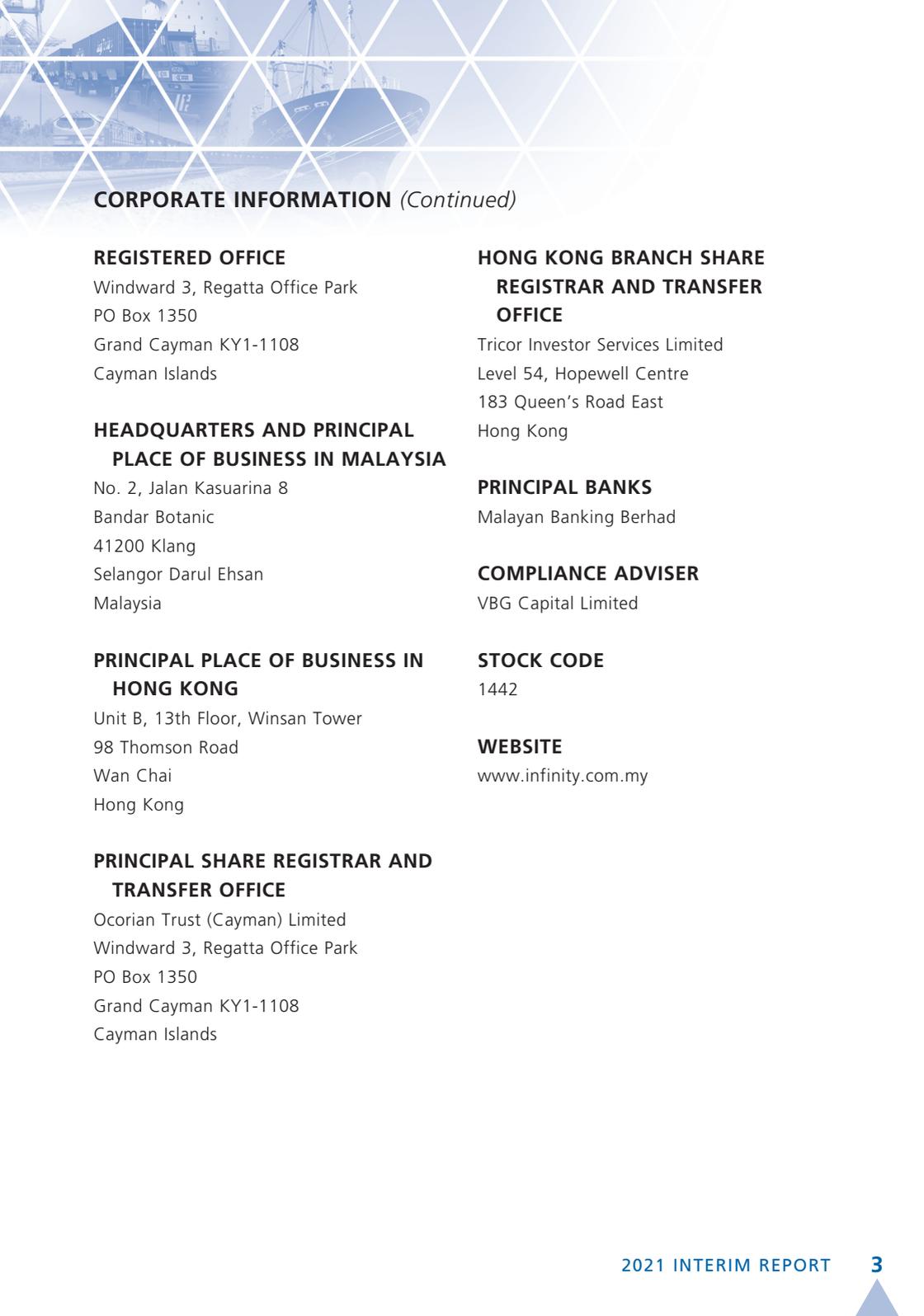
COMPANY SECRETARY

Mr. Lau Wai Piu Patrick

JOINT AUDITORS

Mazars CPA Limited
Certified Public Accountants, Hong Kong

Mazars LLP
Public Accountants and Chartered Accountants, Singapore



CORPORATE INFORMATION *(Continued)*

REGISTERED OFFICE

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

No. 2, Jalan Kasuarina 8
Bandar Botanic
41200 Klang
Selangor Darul Ehsan
Malaysia

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 13th Floor, Winsan Tower
98 Thomson Road
Wan Chai
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited
Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

PRINCIPAL BANKS

Malayan Banking Berhad

COMPLIANCE ADVISER

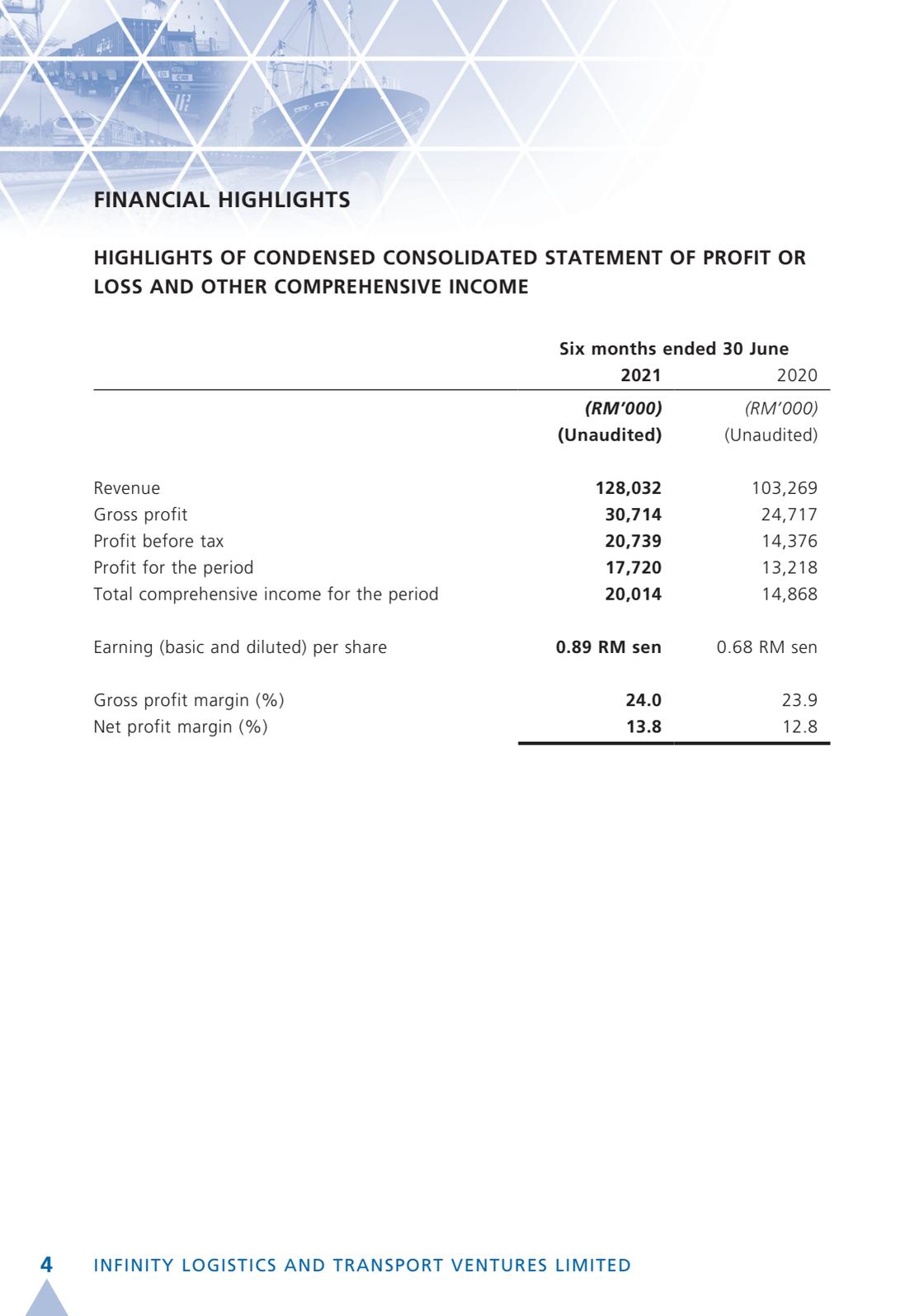
VBG Capital Limited

STOCK CODE

1442

WEBSITE

www.infinity.com.my



FINANCIAL HIGHLIGHTS

HIGHLIGHTS OF CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2021	2020
	(RM'000)	(RM'000)
	(Unaudited)	(Unaudited)
Revenue	128,032	103,269
Gross profit	30,714	24,717
Profit before tax	20,739	14,376
Profit for the period	17,720	13,218
Total comprehensive income for the period	20,014	14,868
Earning (basic and diluted) per share	0.89 RM sen	0.68 RM sen
Gross profit margin (%)	24.0	23.9
Net profit margin (%)	13.8	12.8

FINANCIAL HIGHLIGHTS *(Continued)*

HIGHLIGHTS OF CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

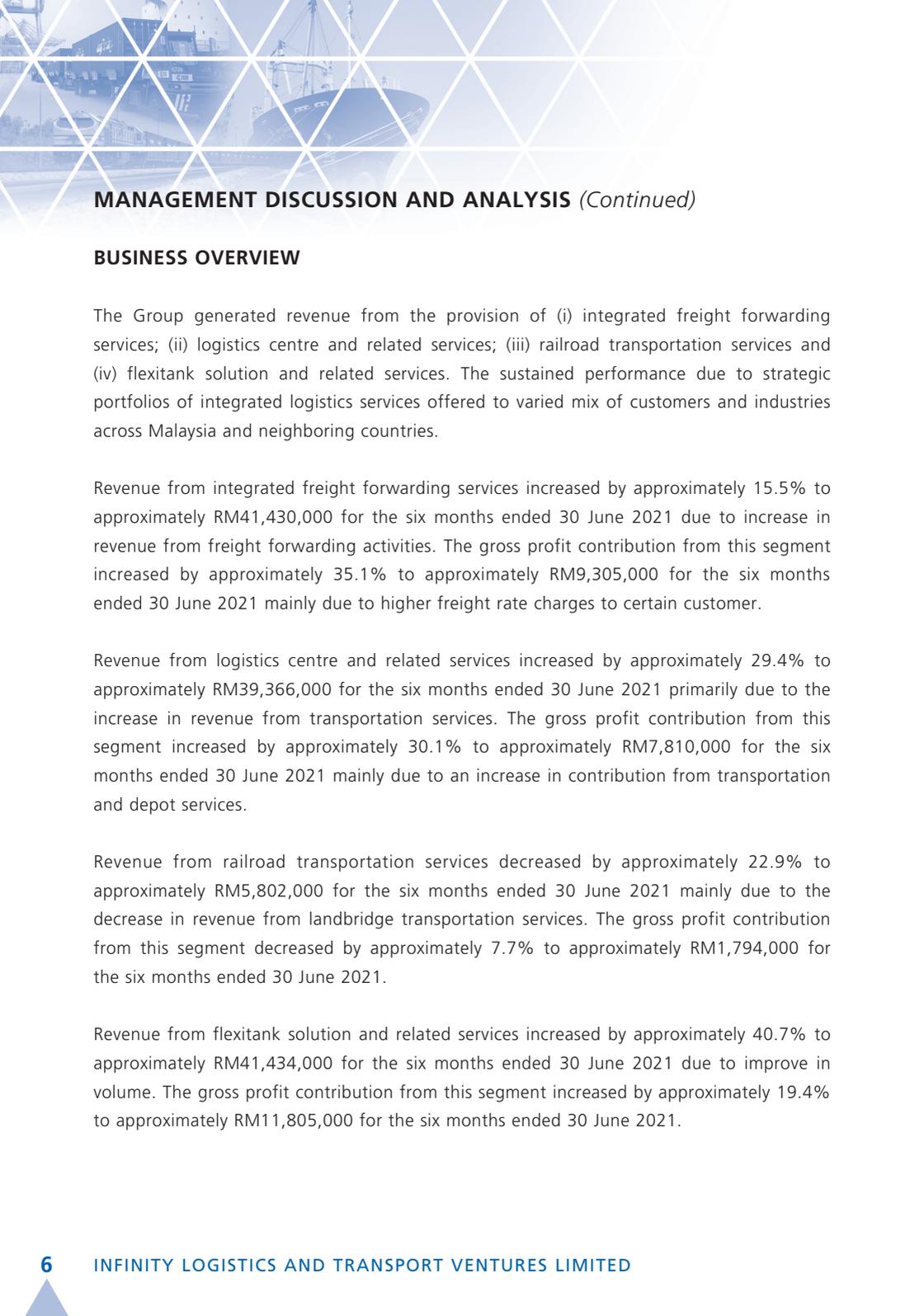
	As at 30 June 2021	As at 31 December 2020
	(RM'000) (Unaudited)	(RM'000) (Audited)
Total non-current assets	168,073	158,392
Total current assets	134,660	138,471
Total non-current liabilities	67,615	70,389
Total current liabilities	41,220	52,590
Net current assets	93,440	85,881
Net assets	193,898	173,884

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The Group is pleased to report the results for the six months ended 30 June 2021.

During the six months ended 30 June 2021, the Group recorded a revenue of approximately RM128,032,000 (six months ended 30 June 2020: approximately RM103,269,000), representing an increase of approximately 24.0% over the same period last year. The Group recorded a gross profit of approximately RM30,714,000 for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately RM24,717,000), representing an increase of approximately 24.3% over the same period last year. The gross profit margin of the Group increase marginally to approximately 24.0% for the six months ended 30 June 2021 as compared to six months ended 30 June 2020. The Group recorded a net profit of approximately RM17,720,000 for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately RM13,218,000).



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS OVERVIEW

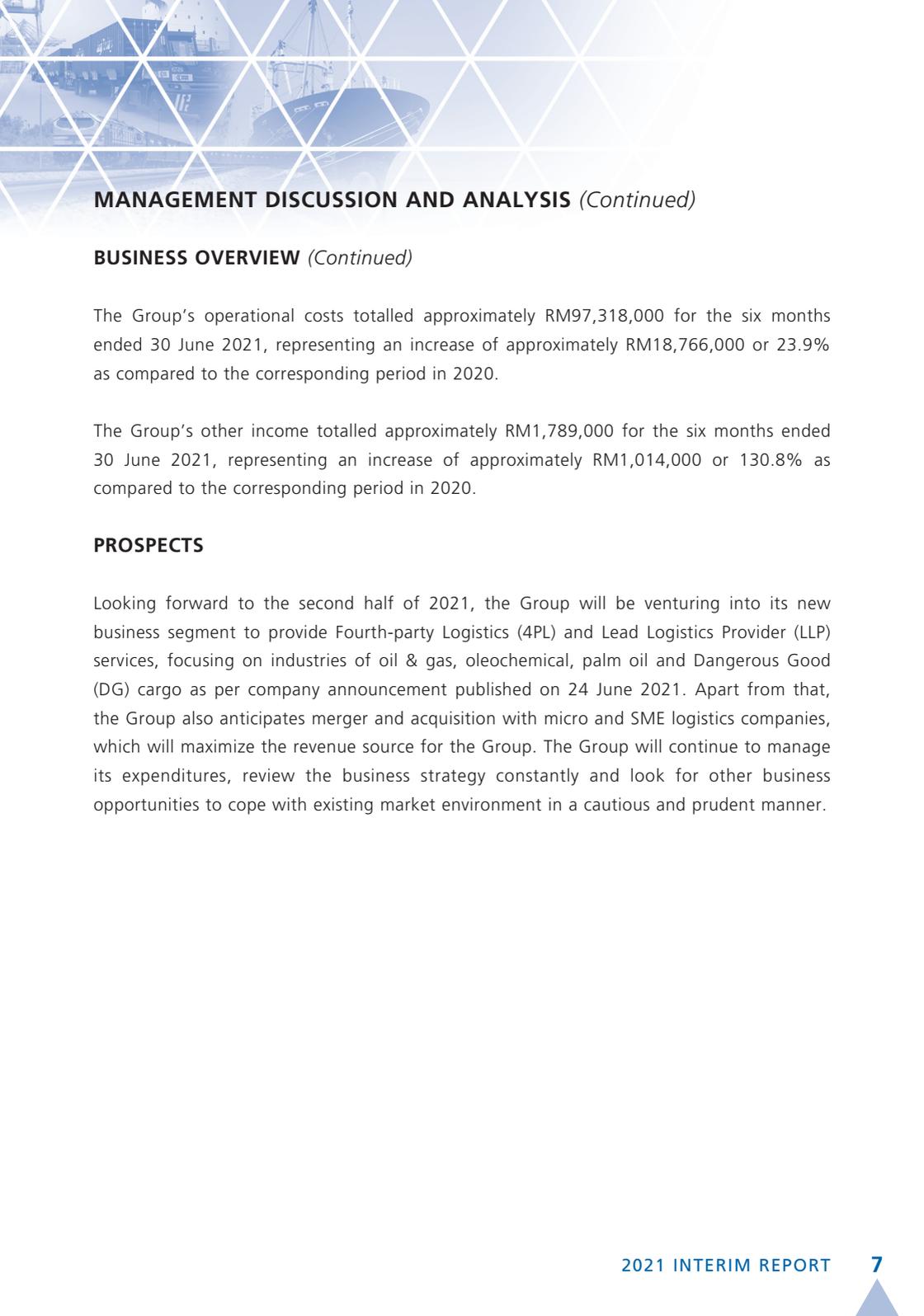
The Group generated revenue from the provision of (i) integrated freight forwarding services; (ii) logistics centre and related services; (iii) railroad transportation services and (iv) flexitank solution and related services. The sustained performance due to strategic portfolios of integrated logistics services offered to varied mix of customers and industries across Malaysia and neighboring countries.

Revenue from integrated freight forwarding services increased by approximately 15.5% to approximately RM41,430,000 for the six months ended 30 June 2021 due to increase in revenue from freight forwarding activities. The gross profit contribution from this segment increased by approximately 35.1% to approximately RM9,305,000 for the six months ended 30 June 2021 mainly due to higher freight rate charges to certain customer.

Revenue from logistics centre and related services increased by approximately 29.4% to approximately RM39,366,000 for the six months ended 30 June 2021 primarily due to the increase in revenue from transportation services. The gross profit contribution from this segment increased by approximately 30.1% to approximately RM7,810,000 for the six months ended 30 June 2021 mainly due to an increase in contribution from transportation and depot services.

Revenue from railroad transportation services decreased by approximately 22.9% to approximately RM5,802,000 for the six months ended 30 June 2021 mainly due to the decrease in revenue from landbridge transportation services. The gross profit contribution from this segment decreased by approximately 7.7% to approximately RM1,794,000 for the six months ended 30 June 2021.

Revenue from flexitank solution and related services increased by approximately 40.7% to approximately RM41,434,000 for the six months ended 30 June 2021 due to improve in volume. The gross profit contribution from this segment increased by approximately 19.4% to approximately RM11,805,000 for the six months ended 30 June 2021.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

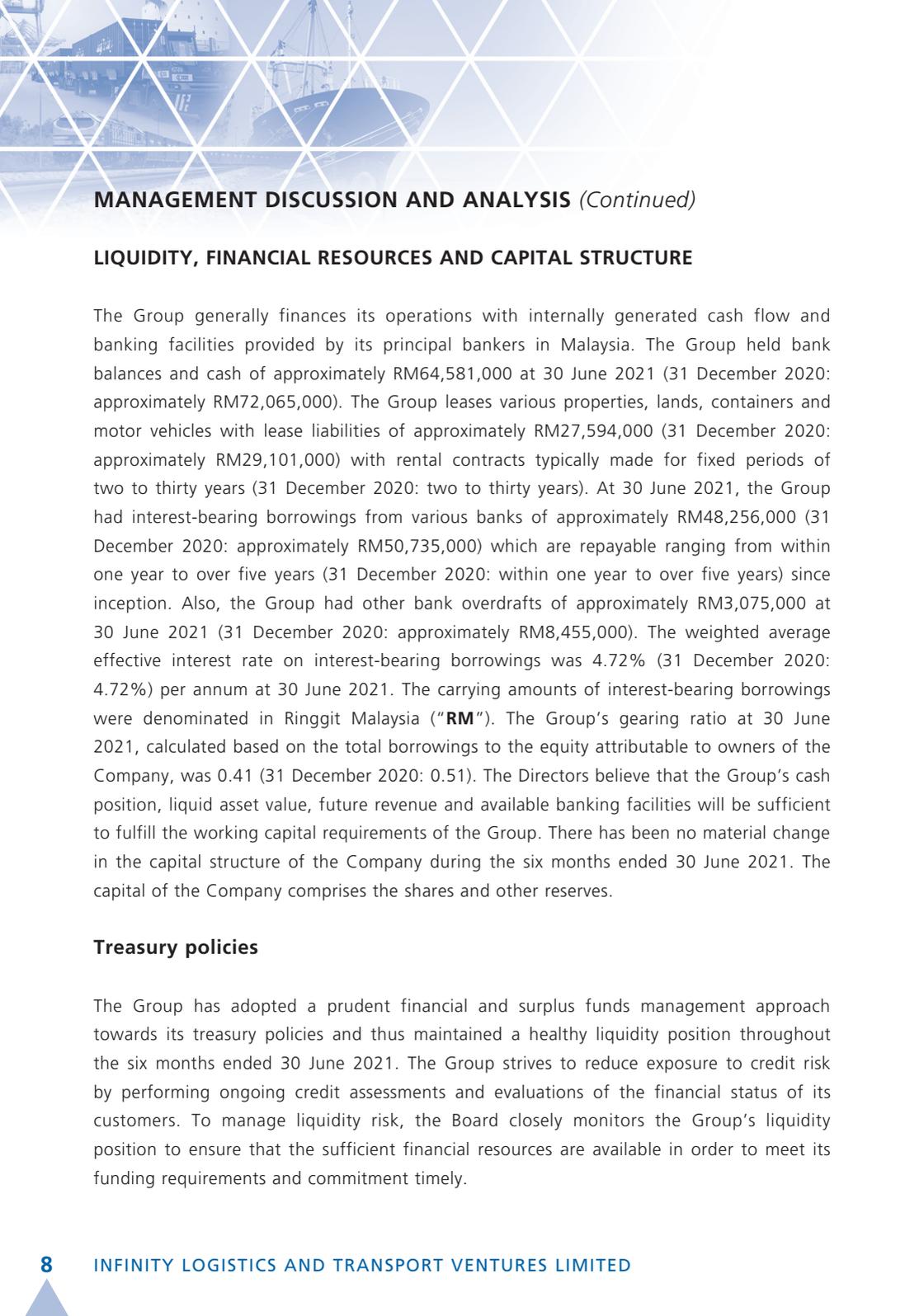
BUSINESS OVERVIEW *(Continued)*

The Group's operational costs totalled approximately RM97,318,000 for the six months ended 30 June 2021, representing an increase of approximately RM18,766,000 or 23.9% as compared to the corresponding period in 2020.

The Group's other income totalled approximately RM1,789,000 for the six months ended 30 June 2021, representing an increase of approximately RM1,014,000 or 130.8% as compared to the corresponding period in 2020.

PROSPECTS

Looking forward to the second half of 2021, the Group will be venturing into its new business segment to provide Fourth-party Logistics (4PL) and Lead Logistics Provider (LLP) services, focusing on industries of oil & gas, oleochemical, palm oil and Dangerous Good (DG) cargo as per company announcement published on 24 June 2021. Apart from that, the Group also anticipates merger and acquisition with micro and SME logistics companies, which will maximize the revenue source for the Group. The Group will continue to manage its expenditures, review the business strategy constantly and look for other business opportunities to cope with existing market environment in a cautious and prudent manner.



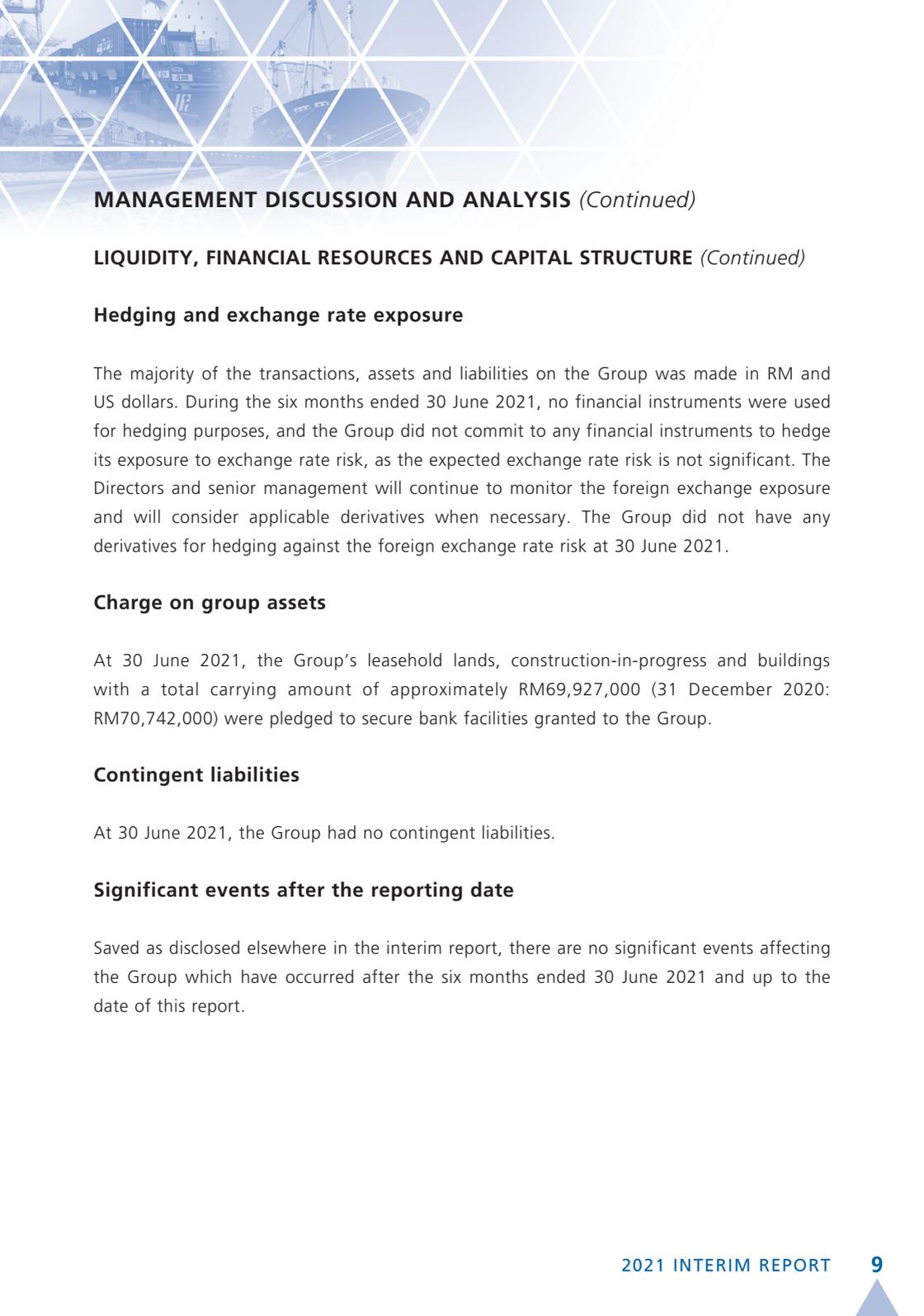
MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Malaysia. The Group held bank balances and cash of approximately RM64,581,000 at 30 June 2021 (31 December 2020: approximately RM72,065,000). The Group leases various properties, lands, containers and motor vehicles with lease liabilities of approximately RM27,594,000 (31 December 2020: approximately RM29,101,000) with rental contracts typically made for fixed periods of two to thirty years (31 December 2020: two to thirty years). At 30 June 2021, the Group had interest-bearing borrowings from various banks of approximately RM48,256,000 (31 December 2020: approximately RM50,735,000) which are repayable ranging from within one year to over five years (31 December 2020: within one year to over five years) since inception. Also, the Group had other bank overdrafts of approximately RM3,075,000 at 30 June 2021 (31 December 2020: approximately RM8,455,000). The weighted average effective interest rate on interest-bearing borrowings was 4.72% (31 December 2020: 4.72%) per annum at 30 June 2021. The carrying amounts of interest-bearing borrowings were denominated in Ringgit Malaysia (“**RM**”). The Group’s gearing ratio at 30 June 2021, calculated based on the total borrowings to the equity attributable to owners of the Company, was 0.41 (31 December 2020: 0.51). The Directors believe that the Group’s cash position, liquid asset value, future revenue and available banking facilities will be sufficient to fulfill the working capital requirements of the Group. There has been no material change in the capital structure of the Company during the six months ended 30 June 2021. The capital of the Company comprises the shares and other reserves.

Treasury policies

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 June 2021. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group’s liquidity position to ensure that the sufficient financial resources are available in order to meet its funding requirements and commitment timely.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE *(Continued)*

Hedging and exchange rate exposure

The majority of the transactions, assets and liabilities on the Group was made in RM and US dollars. During the six months ended 30 June 2021, no financial instruments were used for hedging purposes, and the Group did not commit to any financial instruments to hedge its exposure to exchange rate risk, as the expected exchange rate risk is not significant. The Directors and senior management will continue to monitor the foreign exchange exposure and will consider applicable derivatives when necessary. The Group did not have any derivatives for hedging against the foreign exchange rate risk at 30 June 2021.

Charge on group assets

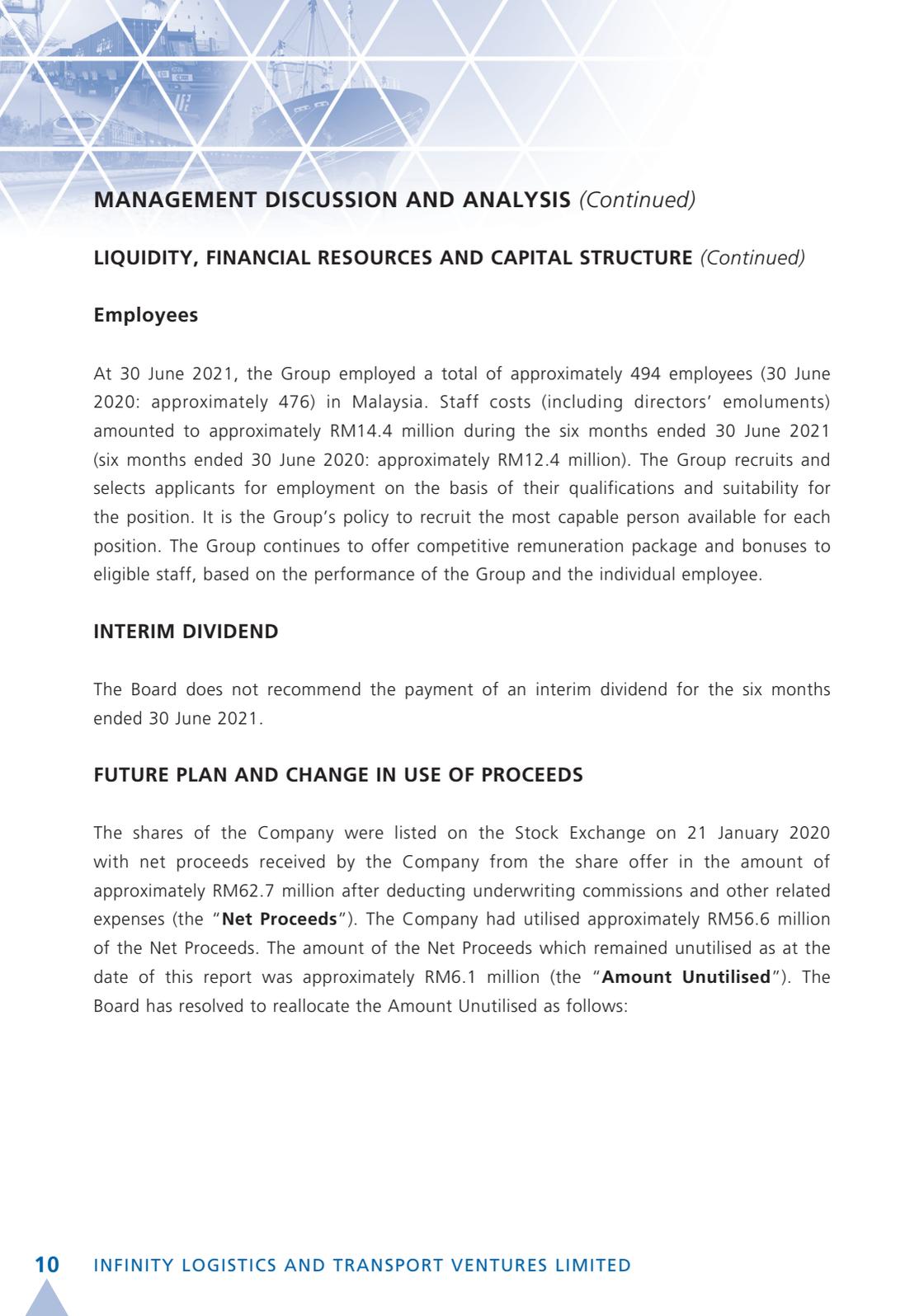
At 30 June 2021, the Group's leasehold lands, construction-in-progress and buildings with a total carrying amount of approximately RM69,927,000 (31 December 2020: RM70,742,000) were pledged to secure bank facilities granted to the Group.

Contingent liabilities

At 30 June 2021, the Group had no contingent liabilities.

Significant events after the reporting date

Saved as disclosed elsewhere in the interim report, there are no significant events affecting the Group which have occurred after the six months ended 30 June 2021 and up to the date of this report.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE *(Continued)*

Employees

At 30 June 2021, the Group employed a total of approximately 494 employees (30 June 2020: approximately 476) in Malaysia. Staff costs (including directors' emoluments) amounted to approximately RM14.4 million during the six months ended 30 June 2021 (six months ended 30 June 2020: approximately RM12.4 million). The Group recruits and selects applicants for employment on the basis of their qualifications and suitability for the position. It is the Group's policy to recruit the most capable person available for each position. The Group continues to offer competitive remuneration package and bonuses to eligible staff, based on the performance of the Group and the individual employee.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2021.

FUTURE PLAN AND CHANGE IN USE OF PROCEEDS

The shares of the Company were listed on the Stock Exchange on 21 January 2020 with net proceeds received by the Company from the share offer in the amount of approximately RM62.7 million after deducting underwriting commissions and other related expenses (the "**Net Proceeds**"). The Company had utilised approximately RM56.6 million of the Net Proceeds. The amount of the Net Proceeds which remained unutilised as at the date of this report was approximately RM6.1 million (the "**Amount Unutilised**"). The Board has resolved to reallocate the Amount Unutilised as follows:

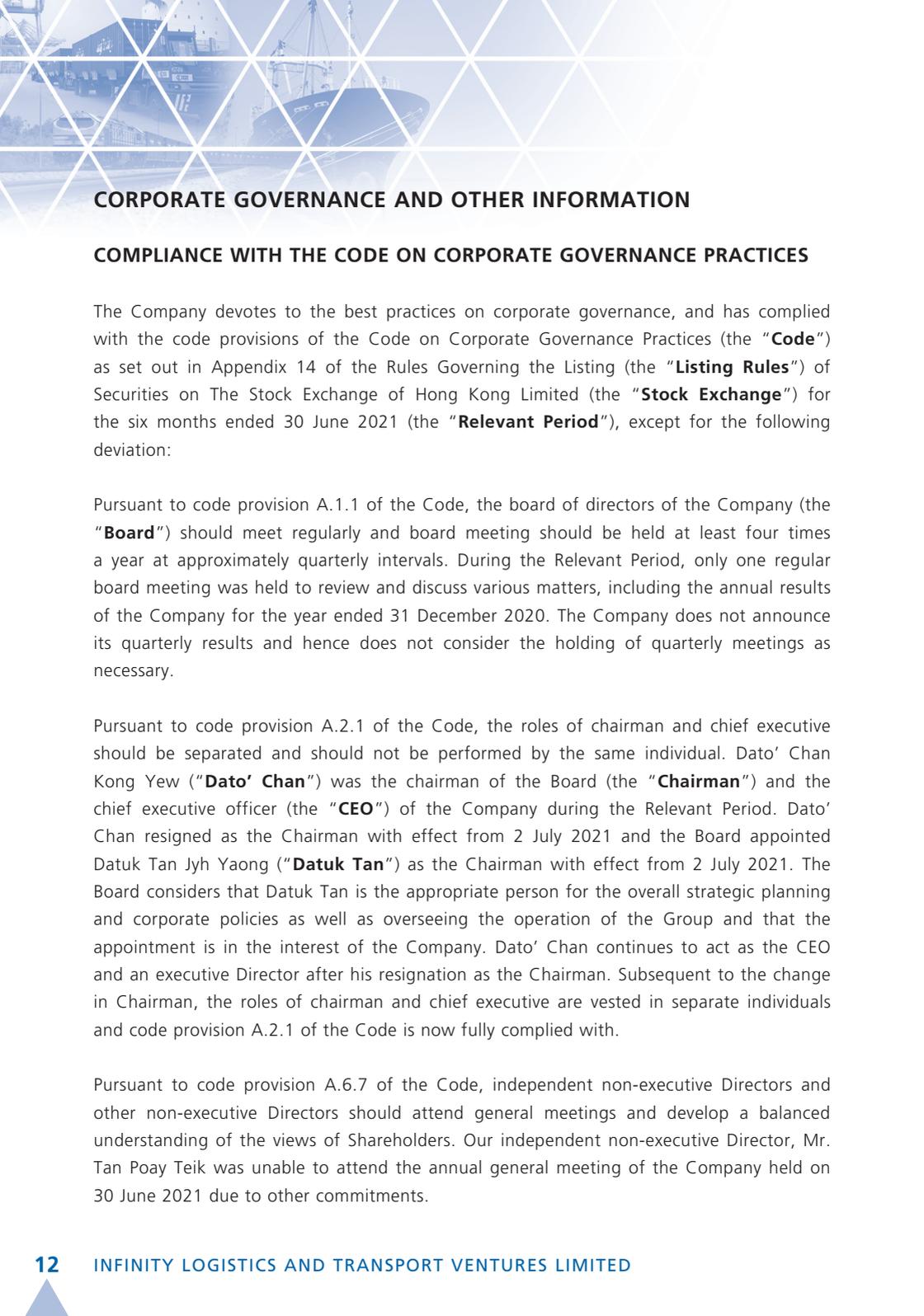
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FUTURE PLAN AND CHANGE IN USE OF PROCEEDS (Continued)

	Net Proceeds	Amount Utilised	Amount Unutilised	Reallocation	Revised Amount Unutilised	Expected timeline for utilising the unutilised Net Proceeds
	RM' million	RM' million	RM' million	RM' million	RM' million	
Construction of warehouse in Westport Free Zone in Port Klang	46.0	43.3	2.7	—	2.7	Before the end of 31 December 2022 (Note 1)
Purchase of haulage prime movers & trailers	5.0	5.0	—	3.0	3.0	Before the end of 31 December 2021 (Note 2)
Replaced aged and acquire additional forklifts	3.0	3.0	—	—	—	Fully utilised
Purchase of containers for NVOCC segment	3.0	—	3.0	(3.0)	—	Fully utilised (Note 2)
Upgrade of IT System	2.0	1.6	0.4	—	0.4	Before the end of 31 December 2021
General working capital purpose	3.7	3.7	—	—	—	Fully utilised
	62.7	56.6	6.1	—	6.1	

Notes:

- The expected timeline for construction of warehouse in Westport Free Zone in Post Klang is further extended to 31 December 2022. Due to the COVID-19 pandemic, the construction work is estimated to be completed by the end of year 2021. Apart from this, retention fee representing 5% of the contract value was held back under a construction contract for the purpose of rectifying any defects in work after contract was completed. Typically, half of this fee is released on completion of the construction work and the other half at the end of the maintenance period which can be over a year after the construction work was carried out. Therefore, the Amount Unutilised is estimated to be fully utilised by the end of year 2022.
- Due to container price is still at high side, it is not worth to acquire. Apart from that, the Group will be venturing into fifth business segment to provide 4PL and LLP services to its customers. Therefore, the Company needs to increase the number of fleets of haulage vehicles to provide haulage services between customers' premises, ports, warehouses and railroad stations. Based on the aforesaid reasons, on 18 August 2021, the Board resolved to change the use of the Net Proceeds of RM3.0 million originally designated for purchase of containers for NVOCC segment to purchase of haulage prime movers and trailers. The Board considers that such change in use of the Net Proceeds is in line with the current business needs of the Group and therefore is in the best interests of the Company and its shareholders as a whole.



CORPORATE GOVERNANCE AND OTHER INFORMATION

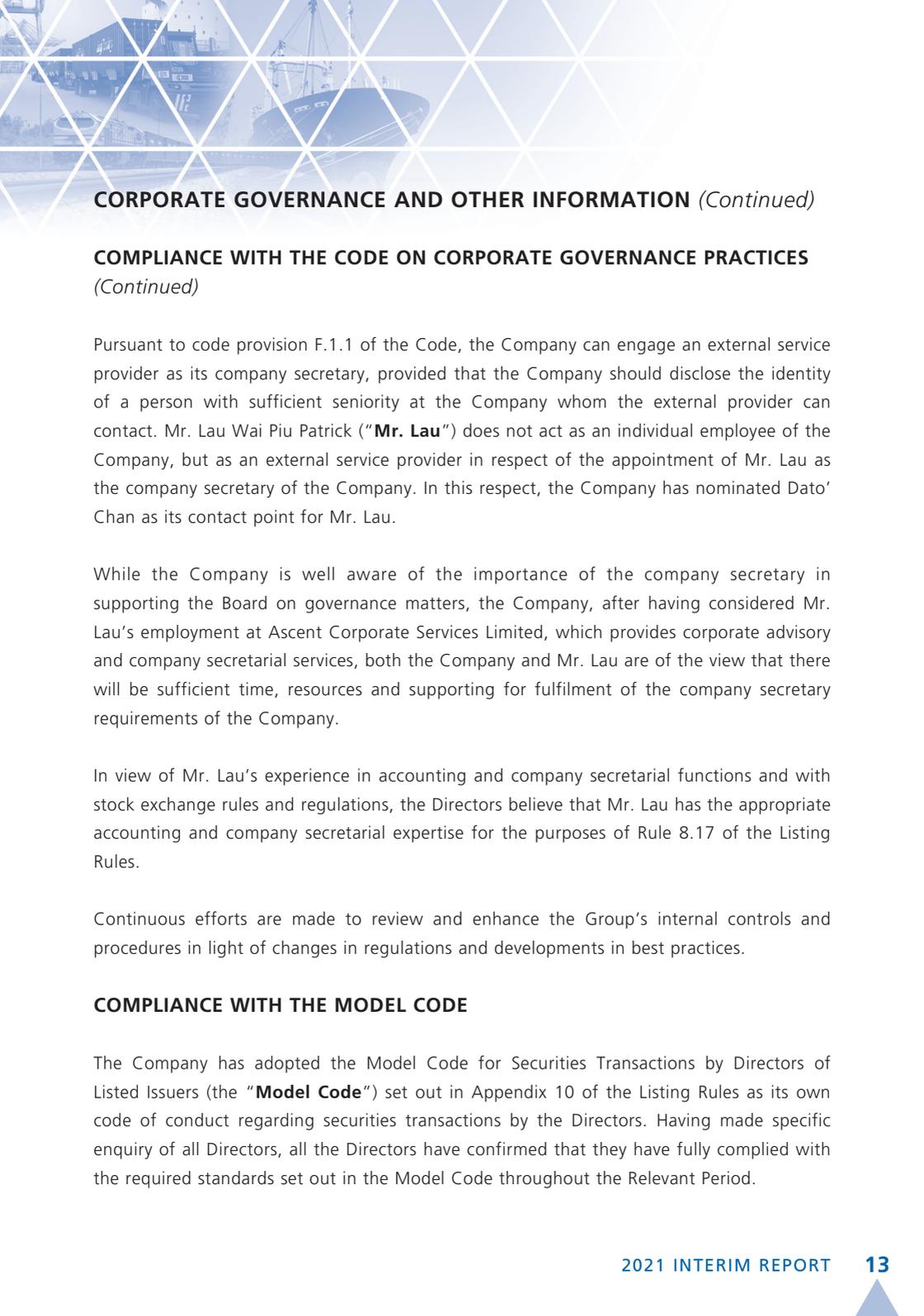
COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company devotes to the best practices on corporate governance, and has complied with the code provisions of the Code on Corporate Governance Practices (the “**Code**”) as set out in Appendix 14 of the Rules Governing the Listing (the “**Listing Rules**”) of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the six months ended 30 June 2021 (the “**Relevant Period**”), except for the following deviation:

Pursuant to code provision A.1.1 of the Code, the board of directors of the Company (the “**Board**”) should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the Relevant Period, only one regular board meeting was held to review and discuss various matters, including the annual results of the Company for the year ended 31 December 2020. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary.

Pursuant to code provision A.2.1 of the Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Dato’ Chan Kong Yew (“**Dato’ Chan**”) was the chairman of the Board (the “**Chairman**”) and the chief executive officer (the “**CEO**”) of the Company during the Relevant Period. Dato’ Chan resigned as the Chairman with effect from 2 July 2021 and the Board appointed Datuk Tan Jyh Yaong (“**Datuk Tan**”) as the Chairman with effect from 2 July 2021. The Board considers that Datuk Tan is the appropriate person for the overall strategic planning and corporate policies as well as overseeing the operation of the Group and that the appointment is in the interest of the Company. Dato’ Chan continues to act as the CEO and an executive Director after his resignation as the Chairman. Subsequent to the change in Chairman, the roles of chairman and chief executive are vested in separate individuals and code provision A.2.1 of the Code is now fully complied with.

Pursuant to code provision A.6.7 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of Shareholders. Our independent non-executive Director, Mr. Tan Poay Teik was unable to attend the annual general meeting of the Company held on 30 June 2021 due to other commitments.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES *(Continued)*

Pursuant to code provision F.1.1 of the Code, the Company can engage an external service provider as its company secretary, provided that the Company should disclose the identity of a person with sufficient seniority at the Company whom the external provider can contact. Mr. Lau Wai Piu Patrick (“**Mr. Lau**”) does not act as an individual employee of the Company, but as an external service provider in respect of the appointment of Mr. Lau as the company secretary of the Company. In this respect, the Company has nominated Dato’ Chan as its contact point for Mr. Lau.

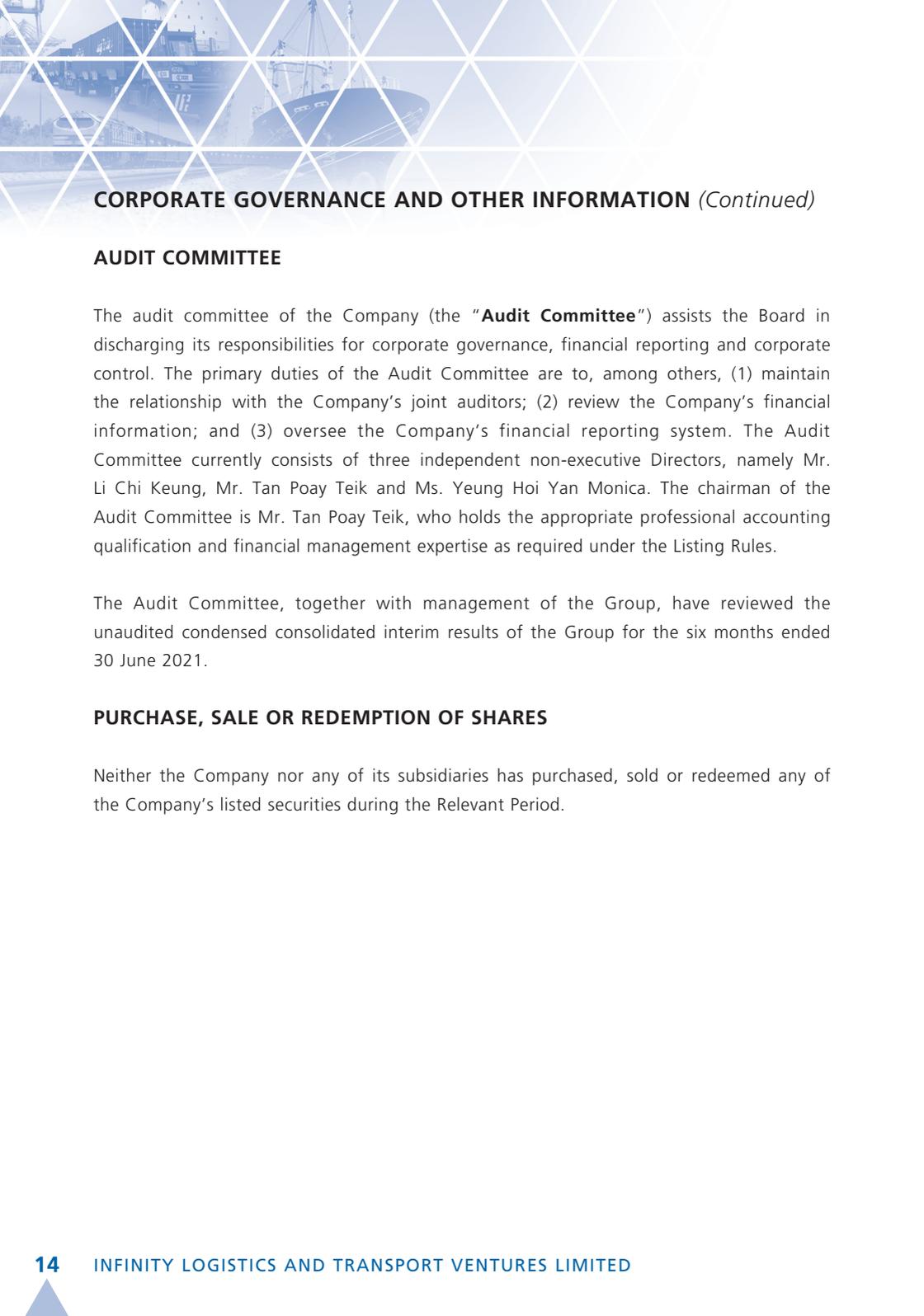
While the Company is well aware of the importance of the company secretary in supporting the Board on governance matters, the Company, after having considered Mr. Lau’s employment at Ascent Corporate Services Limited, which provides corporate advisory and company secretarial services, both the Company and Mr. Lau are of the view that there will be sufficient time, resources and supporting for fulfilment of the company secretary requirements of the Company.

In view of Mr. Lau’s experience in accounting and company secretarial functions and with stock exchange rules and regulations, the Directors believe that Mr. Lau has the appropriate accounting and company secretarial expertise for the purposes of Rule 8.17 of the Listing Rules.

Continuous efforts are made to review and enhance the Group’s internal controls and procedures in light of changes in regulations and developments in best practices.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all the Directors have confirmed that they have fully complied with the required standards set out in the Model Code throughout the Relevant Period.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) assists the Board in discharging its responsibilities for corporate governance, financial reporting and corporate control. The primary duties of the Audit Committee are to, among others, (1) maintain the relationship with the Company’s joint auditors; (2) review the Company’s financial information; and (3) oversee the Company’s financial reporting system. The Audit Committee currently consists of three independent non-executive Directors, namely Mr. Li Chi Keung, Mr. Tan Poay Teik and Ms. Yeung Hoi Yan Monica. The chairman of the Audit Committee is Mr. Tan Poay Teik, who holds the appropriate professional accounting qualification and financial management expertise as required under the Listing Rules.

The Audit Committee, together with management of the Group, have reviewed the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2021.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Relevant Period.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2021, the interests and short positions of each director and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO") as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(1) Interest in the shares of the Company

Name of Director	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares
Dato' Chan	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000	70.88%
Dato' Kwan Siew Deeg ("Dato' Kwan")	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000	70.88%
Datin Lo Shing Ping ("Datin Lo")	Interest of spouse	1,417,500,000	70.88%
Datuk Tan	Beneficial interest and Interest in a controlled corporation;	146,310,000	7.32%
Mr. Yap Sheng Feng	Beneficial interest and interest of spouse	42,340,000	2.12%

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

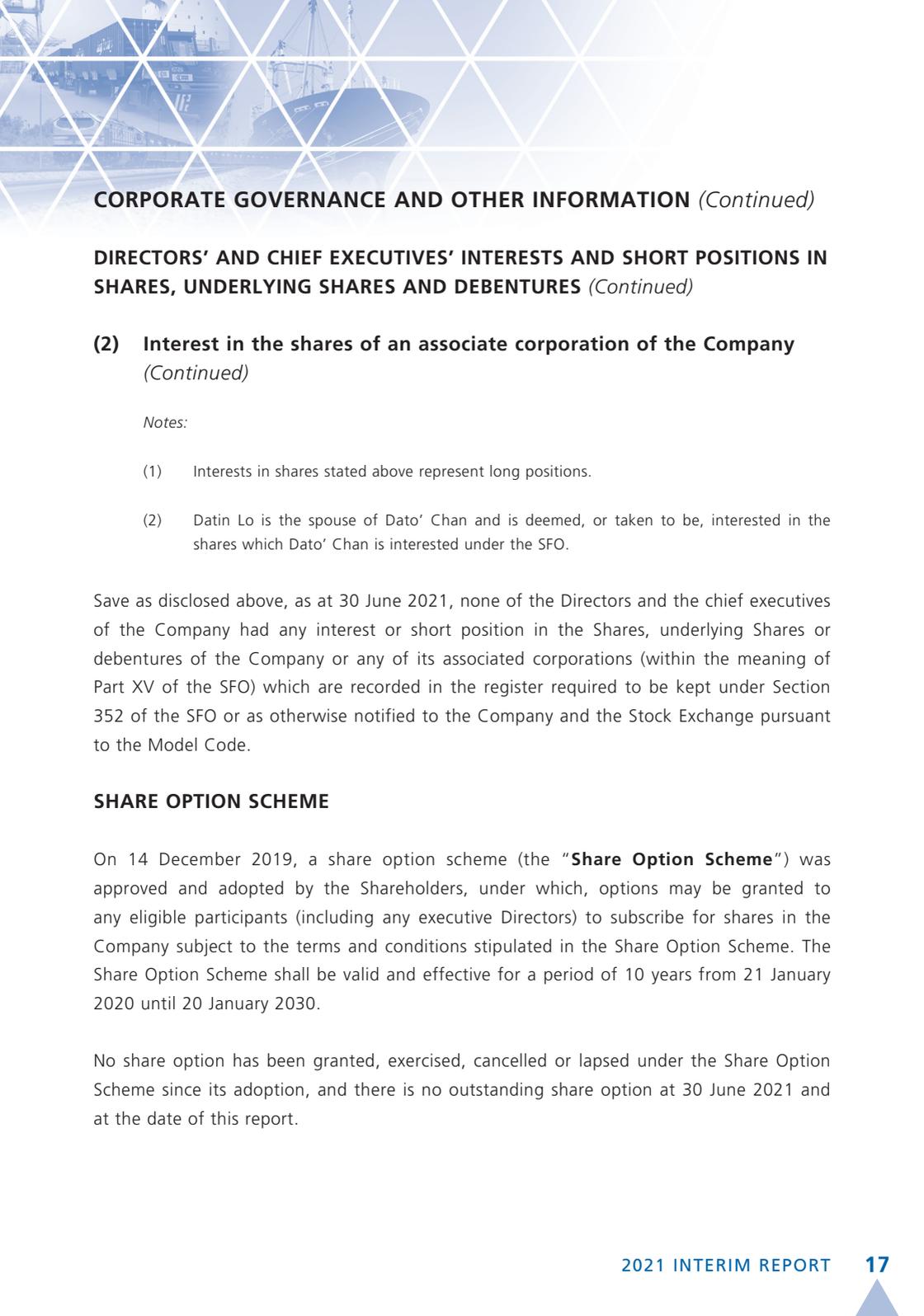
(1) Interest in the shares of the Company (Continued)

Notes:

- (1) Interests in shares stated above represent long positions.
- (2) 2926 Holdings Limited ("**2926 Holdings**") is the registered and beneficial owner holding approximately 70.88% of the issued shares of the Company (the "**Shares**"). The issued share capital of 2926 Holdings is owned as to approximately 63.9% by Dato' Chan and approximately 36.1% by Dato' Kwan. On 29 May 2019, Dato' Chan and Dato' Kwan entered into the concert parties confirmatory deed (the "**Concert Parties Confirmatory Deed**") to acknowledge and confirm, among other things, that they are parties acting in concert (having the meaning ascribed to it under the Hong Kong Codes on Takeovers and Mergers (the "**Takeover Codes**"). By virtue of the Concert Parties Confirmatory Deed, each of Dato' Chan and Dato' Kwan is deemed to be interested in the Shares held by 2926 Holdings under the SFO.
- (3) Datin Lo is the spouse of Dato' Chan and is deemed, or taken to be, interested in the Shares which Dato' Chan is interested under SFO.
- (4) 55,940,000 shares were held by Multiway Trading Limited ("**Multiway**") which is wholly owned by Datuk Tan. By virtue of the SFO, Datuk Tan is deemed to be interested in all the shares held by Multiway. Together with 90,370,000 shares held beneficially, Datuk Tan is deemed to be interested in 146,310,000 shares in the Company.

(2) Interest in the shares of an associate corporation of the Company

Name of Director	Name of associated company	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares
Dato' Chan	2926 Holdings	Beneficial interest	604	63.9%
Dato' Kwan	2926 Holdings	Beneficial interest	341	36.1%
Datin Lo	2926 Holdings	Interest of spouse	604	63.9%



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

(2) Interest in the shares of an associate corporation of the Company *(Continued)*

Notes:

- (1) Interests in shares stated above represent long positions.
- (2) Datin Lo is the spouse of Dato' Chan and is deemed, or taken to be, interested in the shares which Dato' Chan is interested under the SFO.

Save as disclosed above, as at 30 June 2021, none of the Directors and the chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

On 14 December 2019, a share option scheme (the “**Share Option Scheme**”) was approved and adopted by the Shareholders, under which, options may be granted to any eligible participants (including any executive Directors) to subscribe for shares in the Company subject to the terms and conditions stipulated in the Share Option Scheme. The Share Option Scheme shall be valid and effective for a period of 10 years from 21 January 2020 until 20 January 2030.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption, and there is no outstanding share option at 30 June 2021 and at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS

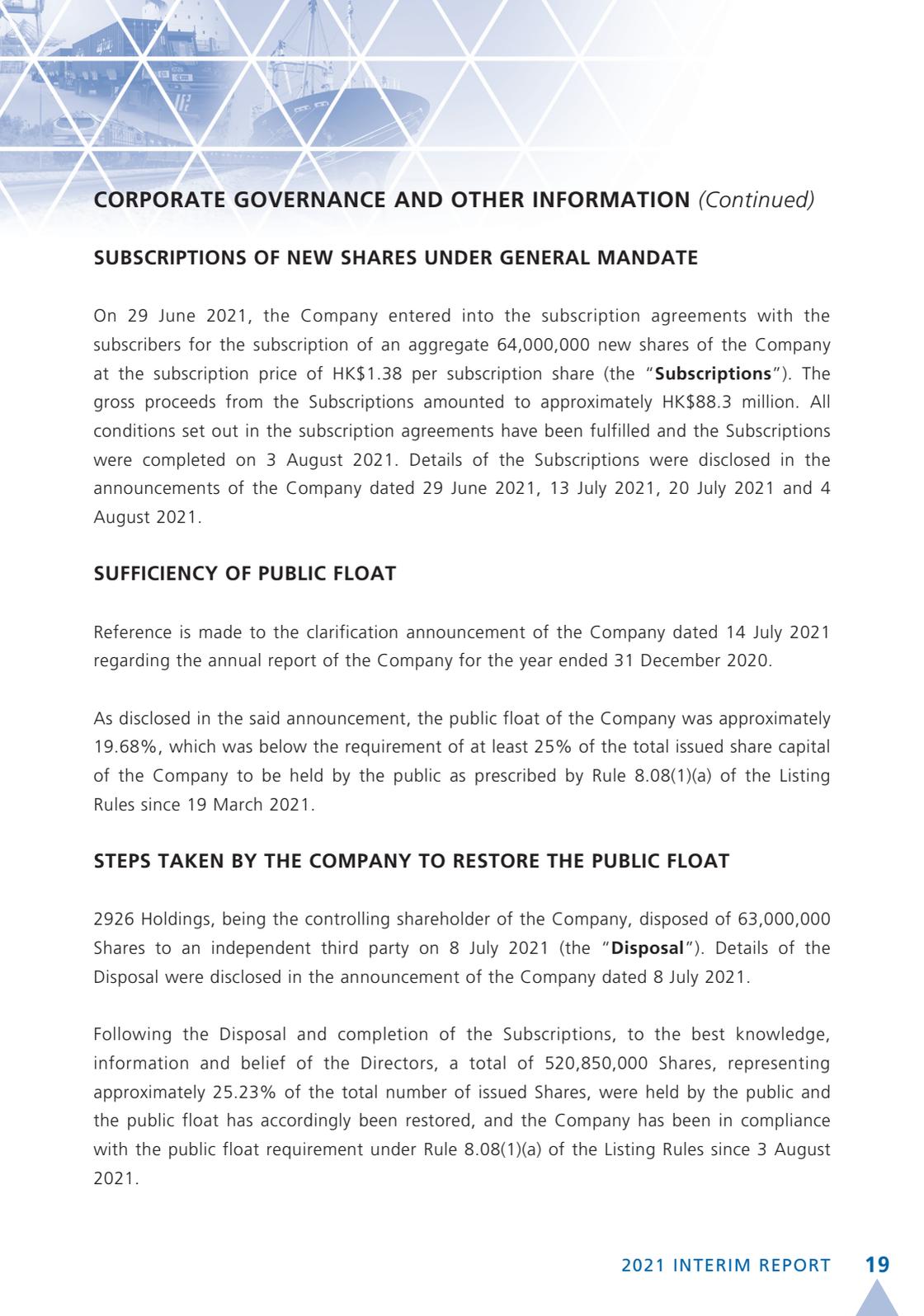
As at 30 June 2021, according to the register kept by the Company under section 336 of the SFO, the corporations or persons (other than a Director or CEO) had interests of 10% or more in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares
2926 Holdings ⁽²⁾	Beneficial owner	1,417,500,000	70.88%

Notes:

- (1) Interests in Shares stated above represent long positions.
- (2) 2926 Holdings is the registered and beneficial owner holding approximately 70.88% of the issued Shares. The issued share capital of 2926 Holdings is owned as to approximately 63.9% by Dato' Chan and approximately 36.1% by Dato' Kwan. Dato' Chan and Dato' Kwan entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, among other things, that they are parties acting in concert (having the meaning ascribed to it under the Takeovers Codes). By virtue of the Concert Parties Confirmatory Deed, each of Dato' Chan and Dato' Kwan is deemed to be interested in the Shares held by 2926 Holdings under the SFO.
- (3) Datin Lo is the spouse of Dato' Chan and is deemed, or taken to be, interested in the Shares which Dato' Chan is interested under the SFO.

Save as disclosed above, as at 30 June 2021, no other person (other than a Director or chief executive of the Company) had registered an interest or short position in the Shares, underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

SUBSCRIPTIONS OF NEW SHARES UNDER GENERAL MANDATE

On 29 June 2021, the Company entered into the subscription agreements with the subscribers for the subscription of an aggregate 64,000,000 new shares of the Company at the subscription price of HK\$1.38 per subscription share (the “**Subscriptions**”). The gross proceeds from the Subscriptions amounted to approximately HK\$88.3 million. All conditions set out in the subscription agreements have been fulfilled and the Subscriptions were completed on 3 August 2021. Details of the Subscriptions were disclosed in the announcements of the Company dated 29 June 2021, 13 July 2021, 20 July 2021 and 4 August 2021.

SUFFICIENCY OF PUBLIC FLOAT

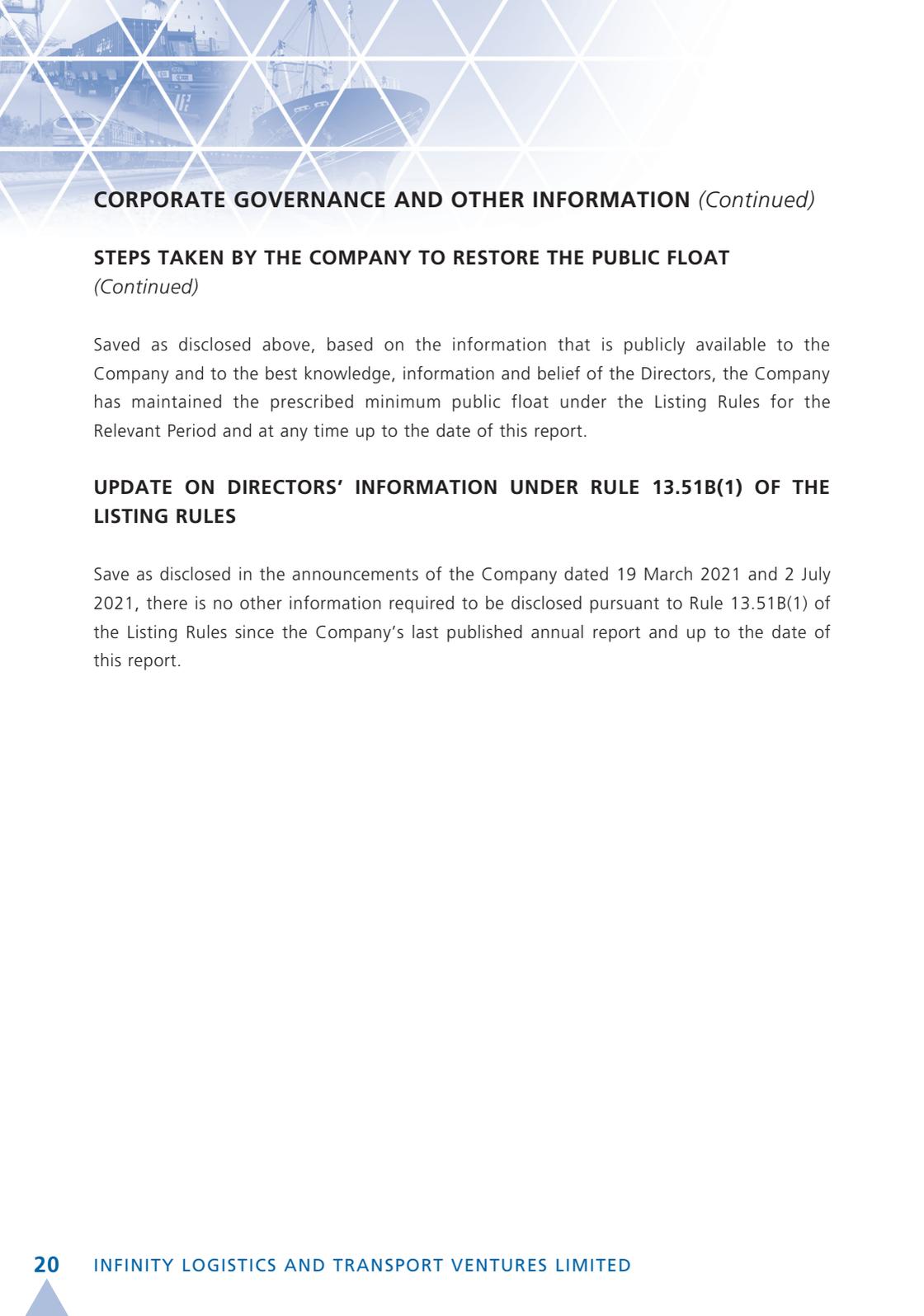
Reference is made to the clarification announcement of the Company dated 14 July 2021 regarding the annual report of the Company for the year ended 31 December 2020.

As disclosed in the said announcement, the public float of the Company was approximately 19.68%, which was below the requirement of at least 25% of the total issued share capital of the Company to be held by the public as prescribed by Rule 8.08(1)(a) of the Listing Rules since 19 March 2021.

STEPS TAKEN BY THE COMPANY TO RESTORE THE PUBLIC FLOAT

2926 Holdings, being the controlling shareholder of the Company, disposed of 63,000,000 Shares to an independent third party on 8 July 2021 (the “**Disposal**”). Details of the Disposal were disclosed in the announcement of the Company dated 8 July 2021.

Following the Disposal and completion of the Subscriptions, to the best knowledge, information and belief of the Directors, a total of 520,850,000 Shares, representing approximately 25.23% of the total number of issued Shares, were held by the public and the public float has accordingly been restored, and the Company has been in compliance with the public float requirement under Rule 8.08(1)(a) of the Listing Rules since 3 August 2021.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

STEPS TAKEN BY THE COMPANY TO RESTORE THE PUBLIC FLOAT *(Continued)*

Saved as disclosed above, based on the information that is publicly available to the Company and to the best knowledge, information and belief of the Directors, the Company has maintained the prescribed minimum public float under the Listing Rules for the Relevant Period and at any time up to the date of this report.

UPDATE ON DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed in the announcements of the Company dated 19 March 2021 and 2 July 2021, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report and up to the date of this report.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021	2020
		RM'000 (unaudited)	RM'000 (unaudited)
Revenue	4	128,032	103,269
Cost of services and goods sold		(97,318)	(78,552)
Gross profit		30,714	24,717
Other income	5	1,789	775
Administrative and other operating expenses		(9,614)	(8,084)
Provision for loss allowance of trade receivables		(248)	(61)
Finance costs	6	(1,752)	(2,401)
Share of results of associates		(150)	(26)
Listing expenses		—	(544)
Profit before tax	6	20,739	14,376
Income tax expenses	7	(3,019)	(1,158)
Profit for the period		17,720	13,218

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME *(Continued)*

Six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021	2020
		RM'000 (unaudited)	RM'000 (unaudited)
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		911	1,650
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company's financial statements to presentation currency		1,383	—
		2,294	1,650
Total comprehensive income for the period		20,014	14,868
Profit for the period attributable to:			
Equity holders of the Company		17,720	13,218
Total comprehensive income attributable to:			
Equity holders of the Company		20,014	14,868
Earnings per share attributable to equity holders of the Company			
Basic and diluted	8	0.89 RM sen	0.68 RM sen

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2021

		At 30 June 2021	At 31 December 2020
	Notes	RM'000 (unaudited)	RM'000 (audited)
Non-current assets			
Property, plant and equipment	10	167,632	157,801
Club membership		90	90
Goodwill		—	—
Interest in associates		351	501
		168,073	158,392
Current assets			
Inventories		15,363	13,048
Trade and other receivables	11	54,681	53,323
Restricted bank balances		35	35
Bank balances and cash		64,581	72,065
		134,660	138,471
Current liabilities			
Trade and other payables	12	27,903	32,681
Bank overdrafts	13	3,075	8,455
Interest-bearing borrowings	13	5,008	5,005
Lease liabilities	14	4,942	6,157
Income tax payables		292	292
		41,220	52,590

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 30 June 2021

		At 30 June 2021	At 31 December 2020
	Notes	RM'000 (unaudited)	RM'000 (audited)
Net current assets		93,440	85,881
Total assets less current liabilities		261,513	244,273
Non-current liabilities			
Interest-bearing borrowings	13	43,248	45,730
Lease liabilities	14	22,652	22,944
Deferred tax liabilities		1,715	1,715
		67,615	70,389
NET ASSETS		193,898	173,884
Capital and reserves			
Share capital	15	10,518	10,518
Reserves	16	183,380	163,366
TOTAL EQUITY		193,898	173,884

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2021

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Capital reserve	Exchange reserve	Accumulated profits	
	RM'000 (Note 15)	RM'000 (Note 16(a))	RM'000 (Note 16(b))	RM'000 (Note 16(c))	RM'000	RM'000
Six months ended 30 June 2020						
At 1 January 2020 (audited)	—*	—	6,689	822	75,786	83,297
Profit for the period	—	—	—	—	13,218	13,218
Other comprehensive income						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on consolidation	—	—	—	1,650	—	1,650
Total comprehensive income for the period	—	—	—	1,650	13,218	14,868
Transactions with owners						
<i>Contributions and distributions</i>						
Issue of shares pursuant to the Capitalisation Issue (Note 15(i))	7,888	(7,888)	—	—	—	—
Issue of shares pursuant to the Share Offer (Note 15(iii))	2,630	78,885	—	—	—	81,515
Transaction costs attributable to issue of shares (Note 15(iii))	—	(8,922)	—	—	—	(8,922)
	10,518	62,075	—	—	—	72,593
At 30 June 2020 (unaudited)	10,518	62,075	6,689	2,472	89,004	170,758

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Continued)

Six months ended 30 June 2021

	Attributable to equity holders of the Company					Total
	Share capital	Share premium	Capital reserve	Exchange reserve	Accumulated profits	
	RM'000 (Note 15)	RM'000 (Note 16(a))	RM'000 (Note 16(b))	RM'000 (Note 16(c))	RM'000	RM'000
Six months ended 30 June 2021						
At 1 January 2021 (audited)	10,518	62,075	6,689	(293)	94,895	173,884
Profit for the period	—	—	—	—	17,720	17,720
Other comprehensive income						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on consolidation	—	—	—	911	—	911
<i>Item that will not be reclassified to profit or loss:</i>						
Exchange differences on translation of the Company's financial statements to presentation currency	—	—	—	1,383	—	1,383
Total other comprehensive income for the period	—	—	—	2,294	—	2,294
Total comprehensive income for the period	—	—	—	2,294	17,720	20,014
At 30 June 2021 (unaudited)	10,518	62,075	6,689	2,001	112,615	193,898

* Represents amount less than RM1,000.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2021

	Six months ended 30 June	
	2021	2020
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (unaudited)
OPERATING ACTIVITIES		
Profit before tax	20,739	14,376
Adjustments for:		
Depreciation	6,588	6,352
Gain on disposal of property, plant and equipment	(1,172)	(234)
Provision for loss allowance of trade receivables	148	61
Share of results of associates	149	26
Bank interest income	(219)	(319)
Gain on early termination of lease	(191)	—
Finance costs	1,752	2,401
Exchange differences	2,418	1,699
Cash flows from operations before movements in working capital	30,212	24,362
Changes in working capital:		
Inventories	(2,315)	(913)
Trade and other receivables	(2,095)	(111)
Trade and other payables	(4,412)	(289)
Cash generated from operations	21,390	23,049
Income tax paid	(3,019)	(2,560)
Interest paid	(1,752)	(2,401)
Net cash from operating activities	16,619	18,088
INVESTING ACTIVITIES		
Interest received	219	319
Investment in an associate	—	(250)
Purchases of property, plant and equipment	(15,254)	(11,165)
Proceeds from disposal of property, plant and equipment	2,521	316
Net cash used in investing activities	(12,514)	(10,780)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

Six months ended 30 June 2021

	Notes	Six months ended 30 June	
		2021	2020
		RM'000 (unaudited)	RM'000 (unaudited)
FINANCING ACTIVITIES			
Repayment of interest-bearing borrowings		(2,478)	(6,700)
Repayment of lease liabilities		(3,830)	(4,512)
Proceeds from issuance of shares pursuant to the Share Offer		—	81,515
Payment of transaction costs attributable to issue of shares		—	(8,922)
Net cash (used in) from financing activities		(6,308)	61,381
Net (decrease) increase in cash and cash equivalents		(2,203)	68,689
Cash and cash equivalents at beginning of the reporting period		63,610	7,822
Effect on exchange rate changes		99	97
Cash and cash equivalents at end of the reporting period		61,506	76,608
Analysis of the balances of cash and cash equivalents			
Bank balances and cash		64,581	81,444
Bank overdrafts		(3,075)	(4,836)
		61,506	76,608



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six months ended 30 June 2021

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

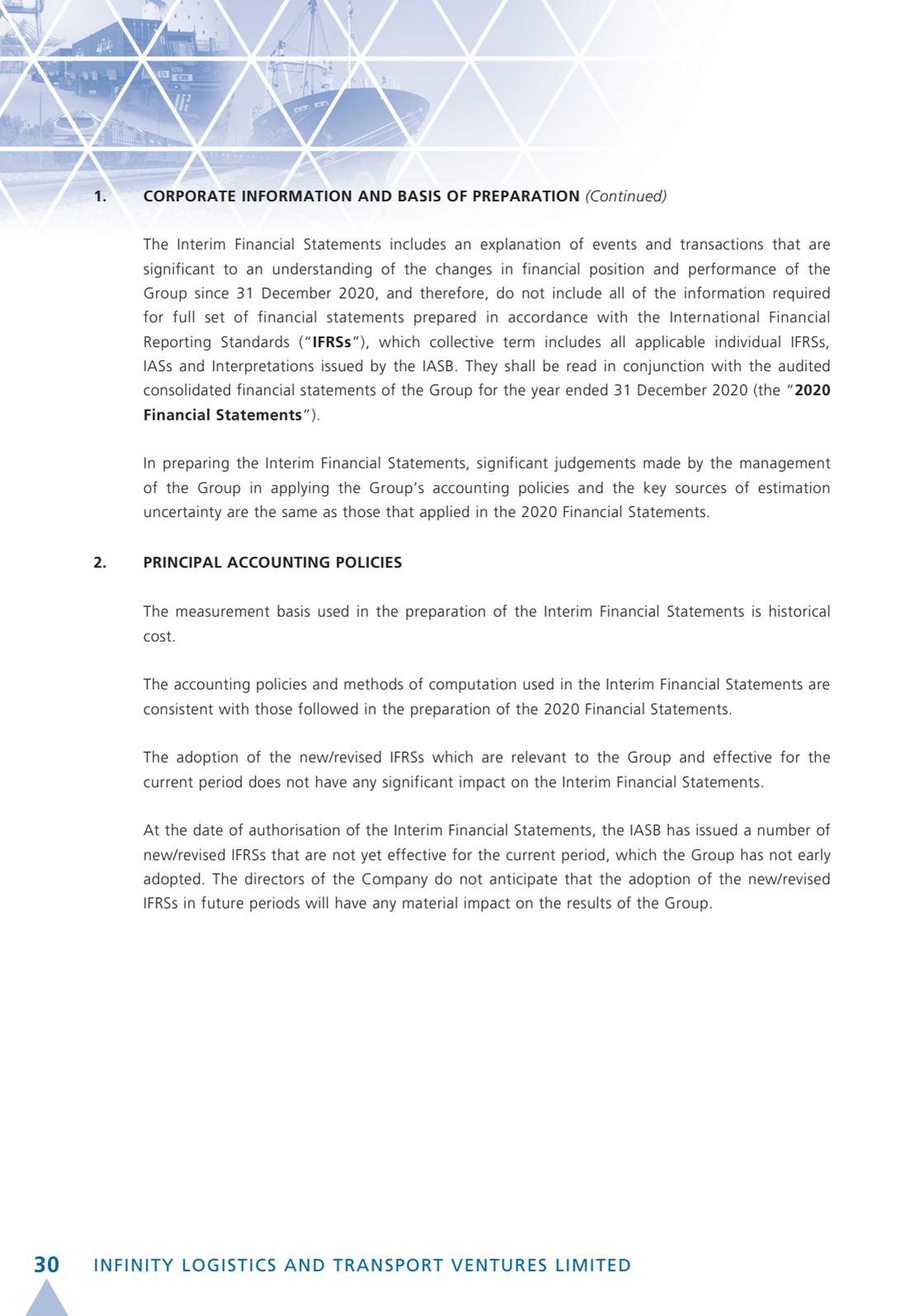
Infinity Logistics and Transport Ventures Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 7 March 2019. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 21 January 2020 (the “**Listing**”). In the opinion of the directors of the Company, the immediate and ultimate holding company is 2926 Holdings Limited (“**2926 Holdings**”), which is incorporated in the British Virgin Islands (the “**BVI**”). The ultimate controlling parties of the Group are Dato’ Chan Kong Yew and Dato’ Kwan Siew Deeg (collectively referred to as the “**Ultimate Controlling Parties**”). The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company’s principal place of business is situated at Unit B, 13th Floor, Winsan Tower, 98 Thomson Road, Wan Chai, Hong Kong and the Group’s headquarter is situated at No. 2, Jalan Kasuarina 8, Bandar Botanik, 41200 Klang, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of integrated freight forwarding services, logistics centre and related services and railroad transportation services as an integrated logistics services provider and provision of flexitank solution and related services.

The unaudited condensed consolidated financial information are presented in Malaysian Ringgit (“**RM**”) and all amounts have been rounded to the nearest thousand (“**RM’000**”), unless otherwise indicated.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021 (the “**Interim Financial Statements**”) has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “*Interim Financial Reporting*” issued by International Accounting Standard Board (the “**IASB**”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires the management of the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a period to date basis. Actual results may differ from these estimates.



1. CORPORATE INFORMATION AND BASIS OF PREPARATION *(Continued)*

The Interim Financial Statements includes an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since 31 December 2020, and therefore, do not include all of the information required for full set of financial statements prepared in accordance with the International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual IFRSs, IASs and Interpretations issued by the IASB. They shall be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”).

In preparing the Interim Financial Statements, significant judgements made by the management of the Group in applying the Group’s accounting policies and the key sources of estimation uncertainty are the same as those that applied in the 2020 Financial Statements.

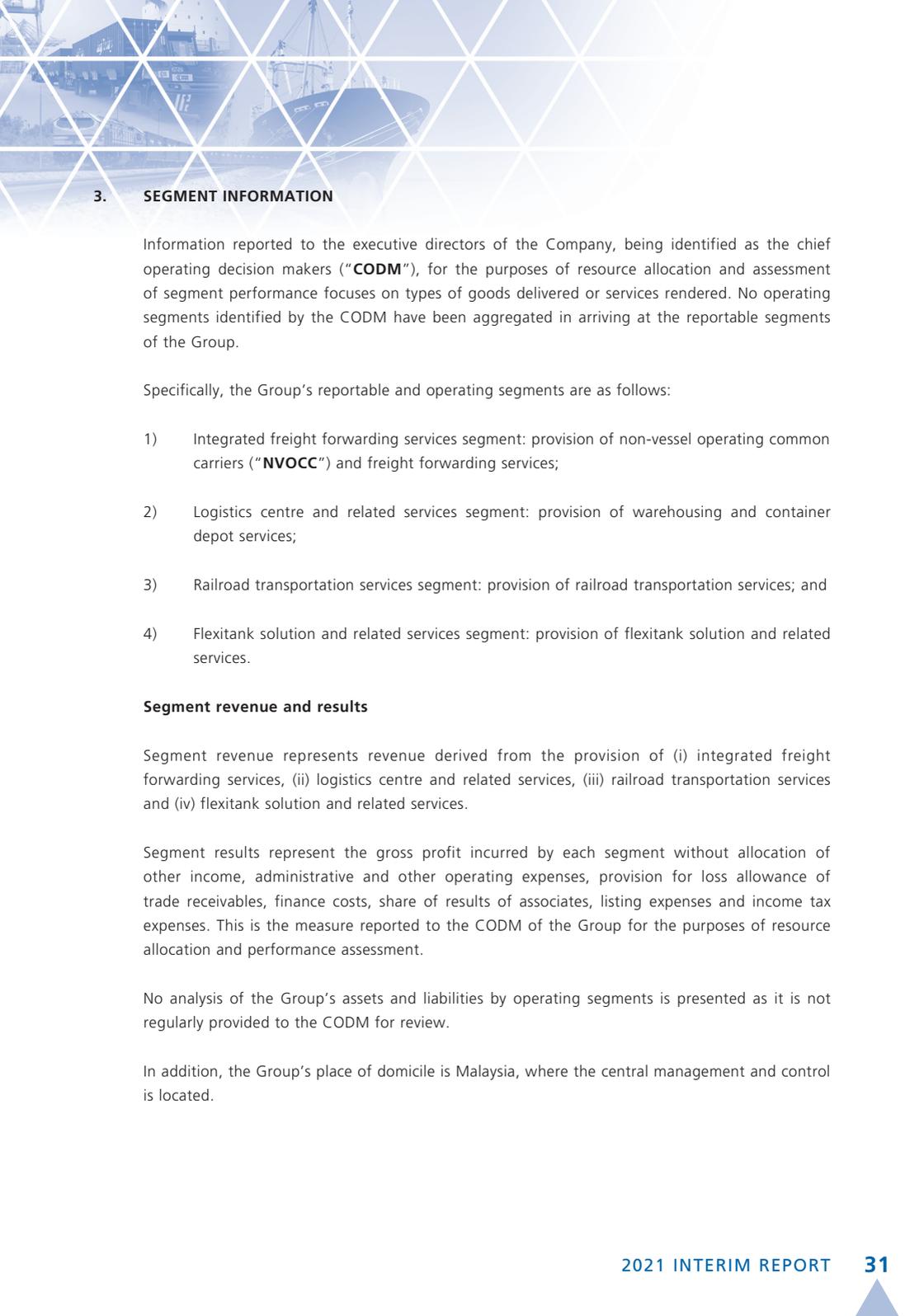
2. PRINCIPAL ACCOUNTING POLICIES

The measurement basis used in the preparation of the Interim Financial Statements is historical cost.

The accounting policies and methods of computation used in the Interim Financial Statements are consistent with those followed in the preparation of the 2020 Financial Statements.

The adoption of the new/revised IFRSs which are relevant to the Group and effective for the current period does not have any significant impact on the Interim Financial Statements.

At the date of authorisation of the Interim Financial Statements, the IASB has issued a number of new/revised IFRSs that are not yet effective for the current period, which the Group has not early adopted. The directors of the Company do not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the results of the Group.



3. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being identified as the chief operating decision makers (“**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods delivered or services rendered. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments are as follows:

- 1) Integrated freight forwarding services segment: provision of non-vessel operating common carriers (“**NVOCC**”) and freight forwarding services;
- 2) Logistics centre and related services segment: provision of warehousing and container depot services;
- 3) Railroad transportation services segment: provision of railroad transportation services; and
- 4) Flexitank solution and related services segment: provision of flexitank solution and related services.

Segment revenue and results

Segment revenue represents revenue derived from the provision of (i) integrated freight forwarding services, (ii) logistics centre and related services, (iii) railroad transportation services and (iv) flexitank solution and related services.

Segment results represent the gross profit incurred by each segment without allocation of other income, administrative and other operating expenses, provision for loss allowance of trade receivables, finance costs, share of results of associates, listing expenses and income tax expenses. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

No analysis of the Group’s assets and liabilities by operating segments is presented as it is not regularly provided to the CODM for review.

In addition, the Group’s place of domicile is Malaysia, where the central management and control is located.

3. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

The followings are analysis of the Group's revenue and results by reportable and operating segments:

	Integrated freight forwarding services	Logistics centre and related services	Railroad transportation services	Flexitank solution and related services	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Six months ended 30 June 2021 (unaudited)					
Revenue from contracts with customers within IFRS 15	41,430	35,214	5,802	41,434	123,880
Revenue from other source	—	4,152	—	—	4,152
	41,430	39,366	5,802	41,434	128,032
Segment results	9,305	7,810	1,794	11,805	30,714
<i>Unallocated income and expenses</i>					
Other income					1,789
Administrative and other operating expenses					(9,614)
Provision for loss allowance of trade receivables					(248)
Finance costs					(1,752)
Share of results of associates					(150)
Profit before tax					20,739
Income tax expenses					(3,019)
Profit for the period					17,720
<i>Other information:</i>					
Depreciation (Note i)	660	3,021	18	195	3,894
Provision for leakage claims	—	—	—	50	50
Additions to property, plant and equipment (Note ii)	—	4,955	30	414	5,399

3. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

	Integrated freight forwarding services	Logistics centre and related services	Railroad tran- sportation services	Flexitank solution and related services	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Six months ended 30 June 2020 (unaudited)					
Revenue from contracts with customers within IFRS 15	35,875	27,311	7,521	29,453	100,160
Revenue from other source	—	3,109	—	—	3,109
	<u>35,875</u>	<u>30,420</u>	<u>7,521</u>	<u>29,453</u>	<u>103,269</u>
Segment results	<u>6,889</u>	<u>6,001</u>	<u>1,944</u>	<u>9,883</u>	<u>24,717</u>
<i>Unallocated income and expenses</i>					
Other income					775
Administrative and other operating expenses					(8,084)
Provision for loss allowance of trade receivables					(61)
Finance costs					(2,401)
Share of results of associates					(26)
Listing expenses					(544)
Profit before tax					<u>14,376</u>
Income tax expenses					<u>(1,158)</u>
Profit for the period					<u>13,218</u>
<i>Other information:</i>					
Depreciation (Note i)	538	2,510	2	238	3,288
Provision for leakage claims	—	—	—	586	586
Additions to property, plant and equipment (Note ii)	—	7,811	1,075	147	9,033

3. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

Note:

- (i) Depreciation not included in the measure of segment results during the six months ended 30 June 2021 amounted to approximately RM2,695,000 (six months ended 30 June 2020: approximately RM3,064,000).
- (ii) Additions to property, plant and equipment not allocated to the segments during the six months ended 30 June 2021 amounted to approximately RM14,427,000 (Six months ended 30 June 2020: approximately RM17,843,000).

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers which are based on the location of customers.

	Six months ended 30 June	
	2021	2020
	RM'000	RM'000
	(unaudited)	(unaudited)
<i>Revenue from external customers:</i>		
China	1,559	764
Indonesia	9,983	8,424
Malaysia	73,801	59,952
Netherlands	2,088	1,479
Singapore	18,688	8,462
South Korea	2,967	4,052
Thailand	9,961	10,165
Vietnam	1,228	1,014
Others	7,757	8,957
	128,032	103,269

No geographical analysis on segment assets is provided as substantially all of the Group's assets were located at Malaysia.

Information about major customers

No external customers individually contributed 10% or more of the total revenue during the six months ended 30 June 2021 and 2020.

4. REVENUE

	Six months ended 30 June	
	2021	2020
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Revenue from contracts with customers within IFRS 15		
Integrated freight forwarding services business		
Air freight services income	916	1,260
Ocean freight services income	12,563	8,544
Forwarding services income	8,129	6,896
NVOCC services income	19,822	19,175
	41,430	35,875
Logistics centre and related services business		
Warehousing and container depot services income	35,214	27,311
Railroad transportation services business		
Landbridge transportation services income	4,213	5,459
Landfeeder transportation services income	1,589	2,062
	5,802	7,521
Flexitank solution and related services business		
Income from flexitank solution	41,434	29,453
	123,880	100,160
Revenue from other source		
Logistics centre and related services business		
Rental income from warehouses	4,152	3,109
	128,032	103,269

4. REVENUE (Continued)

In addition to the information shown in segment disclosures, the revenue from contracts with customers within IFRS 15 is disaggregated as follows:

	Six months ended 30 June	
	2021	2020
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
<i>Timing of revenue recognition:</i>		
— at a point of time		
Income from flexitank solution	41,434	29,453
— over time		
Air freight services income	916	1,260
Ocean freight services income	12,563	8,544
Forwarding services income	8,129	6,896
NVOCC services income	19,822	19,175
Warehousing and container depot services income	35,214	27,311
Landbridge transportation services income	4,213	5,459
Landfeeder transportation services income	1,589	2,062
	82,446	70,707
	123,880	100,160

5. OTHER INCOME

	Six months ended 30 June	
	2021	2020
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Bank interest income	219	319
Gain on disposal of property, plant and equipment	1,172	234
Gain on early termination of lease	191	—
Sundry income	207	222
	1,789	775

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2021	2020
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Finance costs		
Interest on bank overdrafts	31	140
Interest on interest-bearing borrowings	808	1,323
Interest on lease liabilities	913	938
	1,752	2,401
Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits in kinds	12,885	11,065
Contributions to defined contribution plans	1,522	1,380
Total staff costs (charged to "cost of services and goods sold" and "administrative and other operating expenses" and included in "inventories", as appropriate)	14,407	12,445
Other items		
Auditors' remuneration	25	66
Cost of inventories	29,629	19,570
Depreciation (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	6,589	6,352
Exchange loss (gain), net	959	(1,941)
Expenses recognised under short-term leases (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	2,070	1,627
Expenses recognised under leases of low-value assets (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	442	107
Gain on disposal of property, plant and equipment	(1,172)	(234)
Provision for leakage claims	50	586

The Group does not recognise right-of-use assets and corresponding liabilities under short term lease and lease of low-value assets.

7. INCOME TAX EXPENSES

	Six months ended 30 June	
	2021	2020
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Current tax		
Malaysia CIT	3,019	1,158

The group entities established in the Cayman Islands and the BVI are exempted from corporate income tax ("CIT") of those jurisdictions.

Subject to tax incentive described below, Malaysia CIT is calculated at the rate of 24% (the "standard rate" in Malaysia) on the Group's estimated assessable profits arising from Malaysia (except for Labuan) during the six months ended 30 June 2021 and 2020.

Malaysian (except for Labuan) subsidiaries participating in a promoted activity or of producing a promoted product and intending that a factory be constructed, or where the factory is already in existence, be occupied in Malaysia for that purpose, are eligible to make application for pioneer status. Malaysian (except for Labuan) subsidiaries under pioneer status were granted tax exemption on 70% of the statutory income for 5 years. The balance 30% of the statutory income will be taxed at the standard rate as detailed above.

Infinity Bulk Logistics Sdn. Bhd. has obtained the pioneer status effective from 5 January 2018. A pioneer status company is eligible for exemption from Malaysia CIT on eligible activities and products for 5 years.

For the group entities incorporated in Labuan of Malaysia, CIT shall be charged at the rate of 17% for a year of assessment on the chargeable profits for the six months ended 30 June 2021 (six months ended 30 June 2020: charged at 3% of chargeable profits).

8. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following information:

	Six months ended 30 June	
	2021	2020
	RM'000	RM'000
	(unaudited)	(unaudited)
<i>Profit:</i>		
Profit for the period attributable to the owners of the Company, used in basic and diluted earnings per share calculation	17,720	13,218
<i>Number of shares:</i>		
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	2,000,000,000	1,945,054,945

The calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined based on the assumption that the issue of shares at incorporation of the Company, the Reorganisation and the Capitalisation Issue (as defined in Note 15 below) to the shareholders had occurred on 1 January 2020.

Diluted earnings per share are the same as the basic earnings per share as there are no dilutive potential ordinary shares in existence during the six months ended 30 June 2021 and 2020.

9. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: approximately RM6,000,000).

10. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets	Buildings	Containers and tanks	Furniture and fittings	Computer and office equipment	Motor vehicles	Construction- in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	<i>(Note 15)</i>							
Reconciliation of carrying amounts – year ended 31 December 2020 (audited)								
At 1 January 2020	70,375	53,474	2,801	1,368	3,268	13,284	—	144,570
Additions	10,419	191	3,239	255	1,994	10,848	1,593	28,539
Depreciation	(4,523)	(2,784)	(776)	(500)	(1,565)	(2,803)	—	(12,951)
Disposals	(1,500)	—	(893)	—	(13)	—	—	(2,406)
Exchange realignments	—	—	49	—	—	—	—	49
At 31 December 2020	74,771	50,881	4,420	1,123	3,684	21,329	1,593	157,801
Reconciliation of carrying amounts – six months ended 30 June 2021 (unaudited)								
At 1 January 2021	74,771	50,881	4,420	1,123	3,684	21,329	1,593	157,801
Additions	4,575	—	1,276	895	416	1,634	11,030	19,826
Depreciation	(1,707)	(1,358)	(811)	(282)	(844)	(1,587)	—	(6,589)
Disposals	—	—	(3)	—	—	(1,346)	—	(1,349)
Transfer	(672)	(75)	747	—	—	—	—	—
Early termination of lease	(2,057)	—	—	—	—	—	—	(2,057)
At 30 June 2021	74,910	49,448	5,629	1,736	3,256	20,030	12,623	167,632

At 30 June 2021, the Group's leasehold lands (included in right-of-use assets) and construction-in-progress with aggregate net carrying amount of approximately RM33,276,000 (31 December 2020: approximately RM33,451,000), were pledged to secure bank facilities granted to the Group (Note 13).

At 30 June 2021, the Group's buildings with a total carrying amount of approximately RM36,651,000 (31 December 2020: approximately RM37,291,000) were pledged to secure bank facilities granted to the Group (Note 13).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2021	At 31 December 2020
<i>Note</i>	RM'000 (unaudited)	RM'000 (audited)
Trade receivables		
From third parties	50,262	47,367
From related companies	—	51
	50,262	47,418
Less: Loss allowance	(1,222)	(1,074)
<i>11(a)</i>	49,040	46,344
Other receivables		
Deposits paid	1,987	2,509
Other receivables	144	895
Prepayments	3,510	3,575
	5,641	6,979
	54,681	53,323

All of the trade and other receivables that are classified as current assets are expected to be recovered or recognised as expense within one year.

11. TRADE AND OTHER RECEIVABLES (Continued)

11(a) Trade receivables

The trade receivables from related parties are unsecured, interest-free and with credit period ranged from 30 to 60 days.

The Group grants credit period ranged from 7 to 60 days from the date of issuance of invoices to its customers.

The ageing analysis of trade receivables based on invoice date at the end of each reporting period is as follows:

	At 30 June 2021	At 31 December 2020
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Within 30 days	26,151	21,396
31 to 60 days	7,676	9,193
61 to 90 days	6,784	5,239
Over 90 days	9,651	11,590
	50,262	47,418
Less: Loss allowance	(1,222)	(1,074)
	49,040	46,344

12. TRADE AND OTHER PAYABLES

	At 30 June 2021	At 31 December 2020
<i>Note</i>	RM'000 (unaudited)	RM'000 (audited)
Trade payables		
To third parties	22,239	23,288
To related companies	134	193
	22,373	23,481
Other payables		
Accruals and other payables	4,899	4,898
Other payables for acquisition of property, plant and equipment	551	4,150
Provision for leakage claims	80	152
	5,530	9,200
	27,903	32,681

12. TRADE AND OTHER PAYABLES (Continued)

12(a) Trade payables

The trade payables to related parties are unsecured, interest-free and with credit period of 30 days.

At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	At 30 June 2021	At 31 December 2020
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(audited)
Within 30 days	15,854	13,870
31 to 60 days	2,538	3,650
61 to 90 days	1,797	1,171
Over 90 days	2,184	4,790
	22,373	23,481

The credit term on trade payables is up to 30 days.

13. BANK OVERDRAFTS AND INTEREST-BEARING BORROWINGS

At the end of the reporting period, the details of the bank overdrafts and interest-bearing borrowings of the Group are as follows:

		At 30 June 2021	At 31 December 2020
	<i>Notes</i>	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Bank overdrafts – secured	<i>13(a)</i>	3,075	8,455
Interest-bearing borrowings – secured	<i>13(b)</i>	48,256	50,735
		51,331	59,190

13(a) Bank overdrafts – secured

	At 30 June 2021		At 31 December 2020
	Interest rate (%)	<i>RM'000</i> (unaudited)	Interest rate (%)
Bank overdrafts – secured	Base financing rate + 4% per annum	3,075	Base financing rate + 4% per annum
		3,075	8,455

13(b) Interest-bearing borrowings

At 30 June 2021, the interest-bearing borrowings represent amounts due to various banks which are repayable ranging from within one year to over five years (31 December 2020: within one year to over five years) since its inception.

At 30 June 2021, the weighted average effective interest rate on interest-bearing borrowings was 4.72% (31 December 2020: 4.72%) per annum.

13. BANK OVERDRAFTS AND INTEREST-BEARING BORROWINGS (Continued)

13(b) Interest-bearing borrowings (Continued)

At the end of each reporting period, details of the interest-bearing borrowings of the Group are as follows:

	At 30 June 2021	At 31 December 2020
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Secured bank borrowings		
— Current portion	5,008	5,005
— Non-current portion	43,248	45,730
	48,256	50,735

At 30 June 2021, the bank overdrafts and interest-bearing borrowings are secured by:

- (i) leasehold lands and construction-in-progress owned by the Group with aggregate net carrying amount of approximately RM33,276,000 (31 December 2020: approximately RM33,451,000), as set out in Note 10;
- (ii) buildings owned by the Group with aggregate net carrying amount of approximately RM36,651,000 (31 December 2020: approximately RM37,291,000), as set out in Note 10;
- (iii) a building owned by a related company ultimately controlled by the Ultimate Controlling Parties; and
- (iv) corporate guarantee provided by the Company.

All of the banking facilities are subject to the fulfilment of covenants relating to certain subsidiaries' financial ratios based on their statements of financial position, as are commonly found in lending arrangements with financial institutions. If the subsidiaries were to breach the covenants, the drawn down facilities would become repayable on demand. At 30 June 2021 and 31 December 2020, none of the covenants relating to drawn down facilities had been breached.

14. LEASES

	At 30 June 2021	At 31 December 2020
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Right-of-use assets <i>(Note 10)</i>		
Leased properties	33,539	34,745
Leasehold lands	37,069	37,228
Containers	450	1,226
Motor vehicles	3,852	1,572
	74,910	74,771
	At 30 June 2021	At 31 December 2020
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Lease liabilities		
Current	4,942	6,157
Non-current	22,652	22,944
	27,594	29,101

14. LEASES (Continued)

In addition to the information disclosed in Notes 6 and 10, the Group had the following amounts relating to leases during the six months ended 30 June 2021 and 2020:

	Six months ended 30 June	
	2021	2020
	RM'000	RM'000
	(unaudited)	(unaudited)
Depreciation charge of right-of-use assets		
Leased properties	1,440	1,402
Leasehold lands	236	342
Containers	31	710
Motor vehicles	—	193
	1,707	2,647

The total cash outflow for leases was approximately RM7,255,000 and RM7,184,000 for the six months ended 30 June 2021 and 2020, respectively.

14. LEASES (Continued)

Lease liabilities:

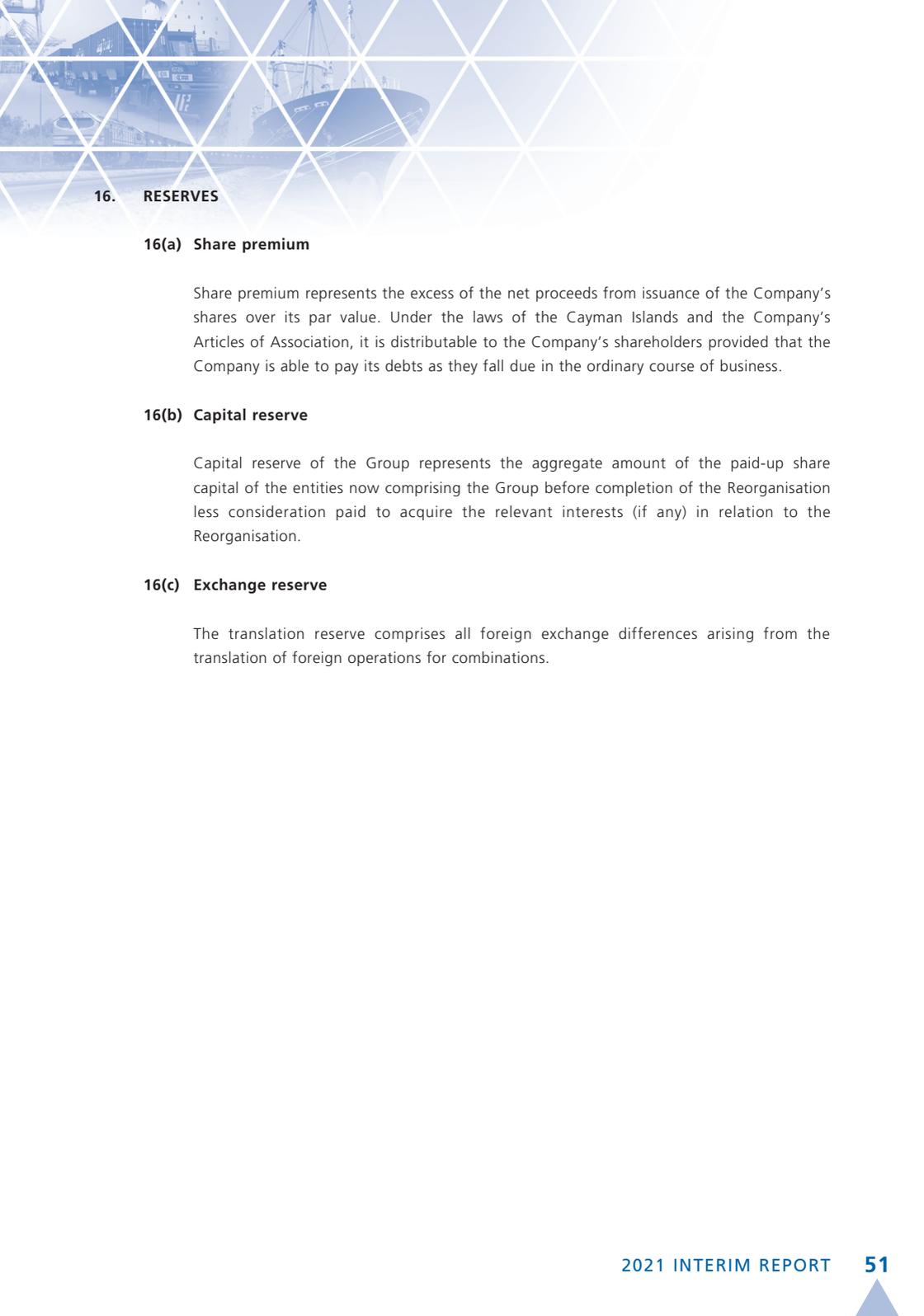
	Lease payments		Present value of lease payments	
	At 30 June 2021	At 31 December 2020	At 30 June 2021	At 31 December 2020
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Amount payable:				
Within one year	6,463	7,759	4,942	6,157
More than one year, but not exceeding two years	4,122	3,525	2,833	2,197
More than two years, but not exceeding five years	5,865	6,687	2,680	3,428
After five years	29,848	30,401	17,139	17,319
	46,298	48,372	27,594	29,101
Less: future finance charges	(18,704)	(19,271)	—	—
Total lease liabilities	27,594	29,101	27,594	29,101

15. SHARE CAPITAL

	Notes	Number of shares	HK\$	Equivalent to RM
Ordinary share of HK\$0.01 each				
Authorised:				
At 1 January 2020 (audited), 31 December 2020 (audited) and 30 June 2021 (unaudited)		15,000,000,000	150,000,000	80,213,900
Issued and fully paid:				
At 1 January 2020 (audited)		2,000	20	11
Capitalisation Issue	(i)	1,499,998,000	14,999,980	7,888,489
Issuance of shares pursuant to the Share Offer	(ii)	500,000,000	5,000,000	2,629,500
At 31 December 2020 (audited) and 30 June 2021 (unaudited)		2,000,000,000	20,000,000	10,518,000

Notes:

- (i) Pursuant to the resolutions in writing of the Company's shareholders passed on 14 December 2019, subject to the share premium account of the Company being credited as a result of the issue of the Company's shares under the Listing, the directors of the Company were authorised to allot and issue a total of 1,499,998,000 shares of HK\$0.01 each to the existing shareholders, credited as fully paid at par by way of capitalisation of the sum of HK\$14,999,980 standing to be credit of the share premium account of the Company (the "**Capitalisation Issue**") and the shares to be allotted and issued pursuant to this resolution shall carry the same rights as all shares in issue (save for the rights to participate in the Capitalisation Issue). The Capitalisation Issue was fully completed on 21 January 2020.
- (ii) On 21 January 2020, the shares of the Company were listed on the Main Board of the Stock Exchange and 500,000,000 shares of HK\$0.01 each were issued at HK\$0.31 per share by way of share offer (the "**Share Offer**"). The gross proceeds from the Share Offer amounted to HK\$155,000,000 (equivalent to approximately RM81,515,000). The expenses attributable to issue of shares pursuant to the share offer of approximately RM8,922,000 were recognised in the share premium account of the Company.



16. RESERVES

16(a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

16(b) Capital reserve

Capital reserve of the Group represents the aggregate amount of the paid-up share capital of the entities now comprising the Group before completion of the Reorganisation less consideration paid to acquire the relevant interests (if any) in relation to the Reorganisation.

16(c) Exchange reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for combinations.

17. RELATED/CONNECTED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, the Group had the following related/connected party transactions during the six months ended 30 June 2021 and 2020:

- (a) Transactions between the group entities have been eliminated on consolidation/combination and are not disclosed. During the six months ended 30 June 2021 and 2020, the Group had the following significant transactions with an associate and related companies. In the opinion of the management of the Group, they are under normal commercial terms that are fair and reasonable and in the best interests of the Group.

		Six months ended 30 June	
		2021	2020
		<i>RM'000</i> (unaudited)	<i>RM'000</i> (unaudited)
Related party relationship	Nature of transaction		
Related companies controlled by the Ultimate Controlling Parties	Logistics and related services income	24	29
	Logistics and related services costs	2,599	442

- (b) Remuneration for key management personnel (including directors) of the Group:

	Six months ended 30 June	
	2021	2020
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (unaudited)
Salaries, allowances and other benefits in kinds	886	693
Discretionary bonus	—	—
Contributions to defined contribution plans	109	79
	995	772

18. MAJOR NON-CASH TRANSACTIONS

In addition to the information disclosed elsewhere in the Interim Financial Statements, the Group had the following major non-cash transactions:

- (i) The Group entered into lease arrangements in respect of right-of-use assets with a total capital value at the inception of the leases of approximately RM4,575,000 and RM9,408,000 during the six months ended 30 June 2021 and 2020, respectively.

19. COMMITMENTS

(a) Lease commitments

The Group as lessor

The Group leases out its warehouses under operating leases with average lease terms of 2 years and with options to renew the leases upon expiry at new terms. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	At 30 June 2021	At 31 December 2020
	RM'000 (unaudited)	RM'000 (audited)
Within one year	4,489	7,527
Over one year but within two years	1,993	3,028
Over two years but within three years	1,357	2,397
	7,839	12,952

The unguaranteed residual value risk from the Group's warehouses under operating lease is not significant, as the warehouses located in a location with a constant increase in value over prior years.

19. COMMITMENTS (Continued)

(b) Capital expenditure commitments

	At 30 June 2021	At 31 December 2020
	RM'000	<i>RM'000</i>
	(unaudited)	(audited)
Contracted but not provided for acquisition of property, plant and equipment	32,827	43,605

20. EVENTS AFTER REPORTING PERIOD

On 29 June 2021, the Company entered into four subscription agreements with four independent third parties (the “**Subscribers**”), in respect of the subscriptions of an aggregate of 64,000,000 subscription shares at the subscription price of HK\$1.38 per subscription share, subject to fulfilment of the conditions as stipulated in the subscription agreements. The estimated net proceeds from the subscriptions after deduction of expenses, will amount to approximately RM47,054,000 (equivalent to approximately HK\$88,000,000). The directors of the Company intend to apply such net proceeds for general working capital of the Group, primary use in the investment and development business and expansion of fleet as well as general corporate expenses. The subscriptions were completed on 3 August 2021 as disclosed in the announcement of the Company dated 4 August 2021.

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the board of directors on 18 August 2021.