



Infinity Logistics and Transport Ventures Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1442

2022
INTERIM REPORT





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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Dato' Kwan Siew Deeg

Datin Seri Lo Shing Ping

Mr. Yap Sheng Feng

Non-Executive Director

Tan Sri Datuk Tan Jyh Yaong (*Chairman*)

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

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

Mr. Tan Poay Teik

Ms. Yeung Hoi Yan Monica

AUTHORIZED REPRESENTATIVES

Dato' Seri 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
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKS

Malayan Banking Berhad

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	
	2022	2021
	(RM'000)	(RM'000)
	(Unaudited)	(Unaudited)
Revenue	179,709	128,032
Gross profit	45,225	30,714
Profit before tax	24,208	20,739
Profit for the period	21,810	17,720
Total comprehensive income for the period	27,774	20,014
Earning (basic and diluted) per share	1.06 RM sen	0.89 RM sen
Gross profit margin (%)	25.2	24.0
Net profit margin (%)	12.2	13.8



FINANCIAL HIGHLIGHTS (Continued)

HIGHLIGHTS OF CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 30 June 2022	As at 31 December 2021
	(RM'000) (Unaudited)	(RM'000) (Audited)
Total non-current assets	325,323	227,422
Total current assets	193,694	185,612
Total non-current liabilities	127,255	79,251
Total current liabilities	98,622	68,284
Net current assets	95,072	117,328
Net assets	293,140	265,499

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

During the six months ended 30 June 2022, the Group recorded a revenue of approximately RM179,709,000 (six months ended 30 June 2021: approximately RM128,032,000), representing an increase of approximately 40.4% over the same period last year. The Group recorded a gross profit of approximately RM45,225,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: approximately RM30,714,000), representing an increase of approximately 47.2% over the same period last year. The gross profit margin of the Group increases marginally to approximately 25.2% for the six months ended 30 June 2022 as compared to approximately 24.0% for the six months ended 30 June 2021. The Group recorded a net profit of approximately RM21,810,000 for the six months ended 30 June 2022 (six months ended 30 June 2021: approximately RM17,720,000).



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) land transportation services (renamed from railroad transportation services); (iv) flexitank solution and related services; and (v) fourth-party logistics (“**4PL**”) 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.

Effective from year 2021, railroad transportation services segment, which previously included the railroad business, is renamed as land transportation services segment by including entire land transportation business of the Group. The Group is expanding its own fleets of haulage vehicles to support the growth of the land transportation services business. Based on the aforesaid reason, the Group expects the land transportation services business to become one of the core business segments, therefore land transportation services business under the logistics centre and related services segment was reclassified to the land transportation segment (the “**Reclassification**”). In order to reflect the effect of the Reclassification, the comparative figures of the segment revenue and results as set out in the “Note 3 Segment Information” to the condensed consolidated financial statements has been restated.

After the Reclassification, revenue from logistics centre and related services is approximately RM23,540,000 for the six months ended 30 June 2021, which has increased by approximately 56.2% to approximately RM36,762,000 for the six months ended 30 June 2022 primarily due to the increase in revenue from warehouse services. As the economy gradually recovers from COVID-19 pandemic, demand on warehouse and depot services increase. As a result, the gross profit contribution from this segment increased by approximately 33.4% to approximately RM9,588,000 for the six months ended 30 June 2022.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

BUSINESS OVERVIEW *(Continued)*

After the Reclassification, revenue from land transportation services is approximately RM21,628,000 for the six months ended 30 June 2021, which has increased by approximately 28.4% to approximately RM27,772,000 for the six months ended 30 June 2022 mainly due to the Group's acquisition of a subsidiary company in February 2022 which is principally engaged in the business of transportation services. The gross profit contribution from this segment increased by approximately 26.9% to approximately RM3,066,000 for the six months ended 30 June 2022.

Revenue from integrated freight forwarding services increased by approximately 36.3% to approximately RM56,455,000 for the six months ended 30 June 2022 due to increase in revenue from freight forwarding activities. The steady recovery in market conditions underpinned by reopening of international borders and normalization of economic activity leads to an increase in customer demand on freight forwarding services. Besides, strengthening of the United States dollars in Year 2022 as compared to Year 2021 is another factor that caused increase in revenue from the segment. The gross profit contribution from this segment increased by approximately 5.7% to approximately RM9,835,000 for the six months ended 30 June 2022.

Revenue from flexitank solution and related services increased by approximately 8.7% to approximately RM45,028,000 for the six months ended 30 June 2022. The gross profit contribution from this segment increased by approximately 4.2% to approximately RM12,298,000 for the six months ended 30 June 2022.

4PL services, which started operations since July 2021, contributed a revenue of approximately RM13,692,000 for the six months ended 30 June 2022. The gross profit contribution from 4PL services is approximately RM10,438,000 for the six months ended 30 June 2022.

The Group's operational costs totalled approximately RM134,484,000 for the six months ended 30 June 2022, representing an increase of approximately RM37,166,000 or 38.2% as compared to the corresponding period in 2021. Such increase was in line with the increase in the Group's revenue.

The Group's other income totalled approximately RM1,146,000 for the six months ended 30 June 2022, representing a decrease of approximately RM643,000 or 35.9% as compared to the corresponding period in 2021.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

PROSPECTS

There are indications of a global recession looming as inflation is hitting the key economies such as the United States, Euro Zone due to the Ukraine War and coupled with a slowdown in the economy of China amidst rising Covid cases have pushed the economic growth downwards.

Despite the ongoing uncertainties and gloomy outlook, we still manage to maintain our interim result compared to the preceding period. As countries are easing restrictions and opening up, supply chain disruptions are tapering off resulting in trade volume picking up pace. The Group will be focusing on growing our topline, exploiting every single opportunity in sight, as well as investing in logistics infrastructure, beefing up our human resources and processes to capitalize on the next wave once the market fully opens up.

We will continue to build our resilience to face any unforeseen events or crises, leveraging on all our resources to forge forward to deliver sustainable results and enhance shareholder value.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flows and banking facilities provided by its principal bankers in Malaysia. The Group held bank balances and cash of approximately RM33,125,000 at 30 June 2022 (31 December 2021: approximately RM53,684,000). The Group leases various properties, lands, containers and motor vehicles with aggregate lease liabilities of approximately RM99,349,000 (31 December 2021: approximately RM38,975,000) and rental contracts typically made for fixed periods of two to thirty years (31 December 2021: two to thirty years). At 30 June 2022, the Group had interest-bearing borrowings from various banks of approximately RM48,790,000 (31 December 2021: approximately RM45,687,000) which are repayable ranging from within one year to over five years (31 December 2021: within one year to over five years) since inception. Also, the Group had other bank overdrafts of approximately RM 15,426,000 at 30 June 2022 (31 December 2021: approximately RM12,674,000). The weighted average effective interest rate on interest-bearing borrowings was 3.52% (31 December 2021: 3.52%) per annum at 30 June 2022. The carrying amounts of interest-bearing borrowings were denominated in Ringgit Malaysia (“**RM**”). The Group’s gearing ratio at 30 June 2022, calculated based on the total borrowings to the equity attributable to owners of the Company, was 0.56 (31 December 2021: 0.37). 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 2022. The capital of the Company comprises the shares and other reserves.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

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

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 2022. 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 sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Hedging and exchange rate exposure

The majority of the transactions, assets and liabilities on the Group was made in RM, United States dollars and Hong Kong dollars. During the six months ended 30 June 2022, 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 2022.

Charge on group assets

At 30 June 2022, the Group's leasehold lands and buildings with a total carrying amount of approximately RM68,300,000 (31 December 2021: RM69,113,000) were pledged to secure bank facilities granted to the Group.

Contingent liabilities

At 30 June 2022, the Group had no contingent liabilities.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

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

Significant events after the reporting date

On 8 July 2022, Solution Global Holdings Limited (an indirect wholly-owned subsidiary of the Company and the “**Purchaser**”) together with the Company (as guarantor for the Purchaser’s obligations) entered into a deed of termination (the “**Deed of Termination**”) with Finges Investment B.V. (the “**Seller**”), pursuant to which the Purchaser, the Company and the Seller mutually agreed to terminate the conditional share purchase agreement dated 31 January 2022 (the “**Share Purchase Agreement**”) entered into among the Purchaser, the Seller and the Company in relation to the proposed acquisition of 18,000 shares in Access World Group Holdings B.V. immediately. Upon the execution of the Deed of Termination, the duties and obligations of the Purchaser, the Company and the Seller under the Share Purchase Agreement have been released and discharged. Details of the above were disclosed in the announcement of the Company dated 8 July 2022.

Employees

At 30 June 2022, the Group employed a total of approximately 621 employees (30 June 2021: approximately 494) in Malaysia. Staff costs (including directors’ emoluments) amounted to approximately RM19,678,000 during the six months ended 30 June 2022 (six months ended 30 June 2021: approximately RM14,407,000). 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 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

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 fully utilised the Net Proceeds as follows:

	Net Proceeds	Amount utilised	Amount unutilised	Expected timeline for utilising the unutilised net proceeds
	<i>RM' million</i>	<i>RM' million</i>	<i>RM' million</i>	
Construction of warehouse in Westport Free Zone in Port Klang	46.0	46.0	–	Not applicable
Purchase of haulage prime movers & trailers	8.0	8.0	–	Not applicable
Replaced aged and acquire additional forklifts	3.0	3.0	–	Not applicable
Upgrade of IT System	2.0	2.0	–	Not applicable
General working capital purpose	3.7	3.7	–	Not applicable
	62.7	62.7	–	



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 Part 2 of Appendix 14 to 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 2022 (the “**Relevant Period**”), except for the following deviation:

Pursuant to code provision C.5.1 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 the annual results. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary.

Pursuant to code provision C.6.1 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’ Seri Chan Kong Yew as its contact point for Mr. Lau.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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

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 support 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 to 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 2022.

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 2022, 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) (the "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) Interests in the shares of the Company

Name of Director	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares
Dato' Seri Chan Kong Yew ⁽²⁾ ("Dato' Seri Chan")	Interest in a controlled corporation	1,343,686,000	65.10%
Dato' Kwan Siew Deeg ⁽²⁾ ("Dato' Kwan")	Interest in a controlled corporation	1,343,686,000	65.10%
Datin Seri Lo Shing Ping ⁽³⁾ ("Datin Seri Lo")	Interest of spouse	1,343,686,000	65.10%
Tan Sri Datuk Tan Jyh Yaong ⁽⁴⁾ ("Tan Sri Datuk Tan")	Beneficial interest and interest in a controlled corporation	146,310,000	7.09%
Mr. Yap Sheng Feng	Beneficial interest and interest of spouse	42,340,000	2.05%



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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

(1) Interests 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 65.10% of the issued shares of the Company (the "**Shares**"). The issued share capital of 2926 Holdings is owned as to 63.9% by Dato' Seri Chan and 36.1% by Dato' Kwan. On 29 May 2019, Dato' Seri 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' Seri Chan and Dato' Kwan is deemed to be interested in the Shares held by 2926 Holdings under the SFO.
- (3) Datin Seri Lo is the spouse of Dato' Seri Chan and is deemed, or taken to be, interested in the Shares which Dato' Seri Chan is interested under the SFO.
- (4) 55,940,000 shares were held by Multiway Trading Limited ("**Multiway**") which is wholly owned by Tan Sri Datuk Tan. By virtue of the SFO, Tan Sri Datuk Tan is deemed to be interested in all the shares held by Multiway. Together with 90,370,000 shares held beneficially, Tan Sri Datuk Tan is deemed to be interested in 146,310,000 shares in the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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

(2) Interests in the shares of an associated corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares held ⁽¹⁾	Approximate percentage of the issued shares
Dato' Seri Chan	2926 Holdings	Beneficial interest	604	63.9%
Dato' Kwan	2926 Holdings	Beneficial interest	341	36.1%
Datin Seri Lo ⁽²⁾	2926 Holdings	Interest of spouse	604	63.9%

Notes:

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

Save as disclosed above, as at 30 June 2022, 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.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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 2022 and at the date of this report.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS

As at 30 June 2022, 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 5% 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 of substantial shareholder	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares
2926 Holdings ^{(2) & (3)}	Beneficial owner	1,343,686,000	65.10%



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

SUBSTANTIAL SHAREHOLDERS' INTERESTS *(Continued)*

Notes:

- (1) Interests in Shares stated above represent long positions.
- (2) 2926 Holdings is the registered and beneficial owner holding 65.10% of the issued Shares. The issued share capital of 2926 Holdings is owned as to 63.9% by Dato' Seri Chan and 36.1% by Dato' Kwan. Dato' Seri 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' Seri Chan and Dato' Kwan is deemed to be interested in the Shares held by 2926 Holdings under the SFO.
- (3) Datin Seri Lo is the spouse of Dato' Seri Chan and is deemed, or taken to be, interested in the Shares which Dato' Seri Chan is interested under the SFO.

Save as disclosed above, as at 30 June 2022, no other person (other than a director or chief executive of the Company) had registered an interest or short position 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.

PUBLIC FLOAT

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

There is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during the Relevant Period.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six months ended 30 June 2022

	Notes	Six months ended 30 June	
		2022	2021
		RM'000 (unaudited)	RM'000 (unaudited)
Revenue	4	179,709	128,032
Cost of services and goods sold		(134,484)	(97,318)
Gross profit		45,225	30,714
Other income	5	1,146	1,789
Administrative and other operating expenses		(18,167)	(9,614)
Provision for loss allowance of trade receivables		(100)	(248)
Finance costs	6	(3,914)	(1,752)
Share of results of associates		18	(150)
Profit before tax	6	24,208	20,739
Income tax expenses	7	(2,398)	(3,019)
Profit for the period		21,810	17,720
Other comprehensive income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		114	911

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

Six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
<i>Notes</i>	RM'000	RM'000
	(unaudited)	(unaudited)
<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	5,850	1,383
	5,964	2,294
Total comprehensive income for the financial period	27,774	20,014
Profit for the period attributable to:		
Equity holders of the Company	21,762	17,720
Non-controlling interest	48	–
	21,810	17,720
Total comprehensive income attributable to:		
Equity holders of the Company	27,726	20,014
Non-controlling interest	48	–
	27,774	20,014
Earnings per share attributable to equity holders of the Company		
Basic and diluted	1.06 RM sen	0.89 RM sen

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2022

		At 30 June 2022	At 31 December 2021
	Notes	RM'000 (unaudited)	RM'000 (audited)
Non-current assets			
Property, plant and equipment	10	324,376	220,197
Club membership		90	90
Goodwill		311	–
Interest in associates		546	559
Deposits paid for acquisition of property, plant and equipment		–	6,576
		325,323	227,422
Current assets			
Inventories		17,413	15,741
Trade and other receivables	11	140,999	114,067
Income tax recoverable		2,120	2,085
Restricted bank balances		37	35
Bank balances and cash		33,125	53,684
		193,694	185,612
Current liabilities			
Trade and other payables	12	57,149	45,036
Bank overdrafts	13	15,426	12,674
Interest-bearing borrowings	13	10,703	5,037
Lease liabilities	14	15,344	5,537
		98,622	68,284

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 30 June 2022

		At 30 June 2022	At 31 December 2021
	Notes	RM'000 (unaudited)	<i>RM'000</i> <i>(audited)</i>
Net current assets		95,072	117,328
Total assets less current liabilities		420,395	344,750
Non-current liabilities			
Interest-bearing borrowings	13	38,087	40,650
Lease liabilities	14	84,005	33,438
Deferred tax liabilities		5,163	5,163
		127,255	79,251
NET ASSETS		293,140	265,499
Capital and reserves			
Share capital	15	10,866	10,866
Reserves	16	282,359	254,633
		293,225	265,499
Non-controlling interest		(85)	-
TOTAL EQUITY		293,140	265,499

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2022

	Attributable to equity holders of the Company					Non controlling interest	Total equity
	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	RM'000
Six months ended 30 June 2022							
As at 1 January 2022 (audited)	10,866	109,572	6,689	961	137,411	-	265,499
Profit for the period	-	-	-	-	21,762	48	21,810
Other comprehensive income							
<i>Item that may be reclassified subsequently to profit or loss:</i>							
Exchange differences on consolidation	-	-	-	114	-	-	114
<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	-	-	-	5,850	-	-	5,850
Total comprehensive income for the financial period	-	-	-	5,964	21,762	48	27,774
<i>Changes in ownership interest</i>							
Non-controlling interests arising from acquisition of a subsidiary	-	-	-	-	-	(133)	(133)
	-	-	-	-	-	(133)	(133)
At 30 June 2022 (unaudited)	10,866	109,572	6,689	6,925	159,173	(85)	293,140

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

Six months ended 30 June 2022

	Attributable to equity holders of the Company					Non controlling interest	Total equity
	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	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 comprehensive income for the financial period	–	–	–	2,294	17,720	–	20,014
At 30 June 2021 (unaudited)	10,518	62,075	6,689	2,001	112,615	–	193,898

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
OPERATING ACTIVITIES		
Profit before tax	24,208	20,739
Adjustments for:		
Bad debts written off	2	–
Bank interest income	(12)	(219)
Depreciation	8,843	6,588
Finance costs	3,914	1,752
Gain on disposal of property, plant and equipment, net	(391)	(1,172)
Gain on early termination of lease	–	(191)
Inventories written off	100	–
Provision for loss allowance of trade receivables	100	148
Reversal of loss allowance of trade receivables	(141)	–
Share of results of associates	(18)	149
Exchange differences	(3,175)	2,418
Cash flows from operations before movements in working capital	33,430	30,212
Changes in working capital:		
Inventories	(1,772)	(2,315)
Trade and other receivables	(33,985)	(2,095)
Trade and other payables	28,879	(4,412)
Cash generated from operations	26,552	21,390
Income tax paid	(2,388)	(3,019)
Interest paid	(3,914)	(1,752)
Net cash generated from operating activities	20,250	16,619
INVESTING ACTIVITIES		
Interest received	12	219
Net cash outflow from acquisition of subsidiary company	(407)	–
Purchase of property, plant and equipment	(44,292)	(15,254)
Proceeds from disposal of property, plant and equipment	400	2,521
Net cash used in investing activities	(44,287)	(12,514)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

Six months ended 30 June 2022

	Six months ended 30 June	
	2022	2021
	RM'000	RM'000
	(unaudited)	(unaudited)
FINANCING ACTIVITIES		
Repayment of interest-bearing borrowings	(2,576)	(2,478)
Repayment of lease liabilities	(7,849)	(3,830)
Repayment to Directors	(80)	–
Drawdown of interest-bearing borrowings	5,000	–
Increase in restricted bank balances	(2)	–
Net cash used in financing activities	(5,507)	(6,308)
Net decrease in cash and cash equivalents	(29,544)	(2,203)
Cash and cash equivalents at beginning of the reporting period	41,010	63,610
Effects of exchange rate changes	6,233	99
Cash and cash equivalents at end of the reporting period	17,699	61,506
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	33,125	64,581
Bank overdrafts	(15,426)	(3,075)
	17,699	61,506



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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’ Seri 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 (i) integrated freight forwarding services; (ii) logistics centre and related services; (iii) land transportation services; (iv) flexitank solution and related services; and (v) fourth-party logistics (“**4PL**”) 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 2022 (the “**Interim Financial Statements**”) have 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 include 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 2021, 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 2021 (the “**2021 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 2021 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 2021 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. Land transportation services segment: provision of land transportation services;
4. Flexitank solution and related services segment: provision of flexitank solution and related services; and
5. Fourth-party logistics (“**4PL**”) services segment: provision of 4PL services and 4PL handling 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) land transportation services; (iv) flexitank solution and related services; and (v) 4PL 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	Land transportation services	Flexitank solution and related services	4PL services	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Six months ended 30 June 2022 (unaudited)						
Revenue from contracts with customers						
within IFRS 15	56,455	32,824	27,772	45,028	13,692	175,771
Revenue from other source	-	3,938	-	-	-	3,938
	56,455	36,762	27,772	45,028	13,692	179,709
Segment results	9,835	9,588	3,066	12,298	10,438	45,225
<i>Unallocated income and expenses</i>						
Other income						1,146
Administrative and other operating expenses						(18,167)
Provision for loss allowance of trade receivables						(100)
Finance costs						(3,914)
Share of results of associates						18
Profit before tax						24,208
Income tax expenses						(2,398)
Profit for the period						21,810
<i>Other information:</i>						
Depreciation (Note i)	488	3,707	1,238	364	-	5,797
Provision for leakage claims	-	-	-	236	-	236
Addition to property, plant and equipment (Note ii)	-	20,451	27,187	610	-	48,248

3. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Integrated freight forwarding services	Logistics centre and related services	Land transportation services	Flexitank solution and related services	4PL services	Total
	RM'000	RM'000 (Restated) (Note iii)	RM'000 (Restated) (Note iii)	RM'000	RM'000	RM'000
Six months ended 30 June 2021 (unaudited)						
Revenue from contracts with customers						
within IFRS 15	41,430	19,388	21,628	41,434	-	123,880
Revenue from other source	-	4,152	-	-	-	4,152
	41,430	23,540	21,628	41,434	-	128,032
Segment results	9,305	7,187	2,417	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	2,014	1,025	195	-	3,894
Provision for leakage claims	-	-	-	50	-	50
Addition to property, plant and equipment (Note ii)	-	1,090	3,895	414	-	5,399

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 2022 amounted to approximately RM3,046,000 (six months ended 30 June 2021: approximately RM2,695,000).
- (ii) Additions to property, plant and equipment not allocated to the segments during the six months ended 30 June 2022 amounted to approximately RM64,256,000 (Six months ended 30 June 2021: approximately RM14,427,000).
- (iii) During the six months ended 30 June 2022, the management of the Group reclassified the business segments by presenting the land transportation services (included in the logistics centre and related services segment for the six months 30 June 2021) with the landbridge transportation services and landfeeder transportation services (included in the railroad transportation services segment for the six months ended 30 June 2021) as land transportation services segment (the “**Reclassification**”). In the opinion of the management of the Group, the land transportation services segment can reflect the Group’s future business development plan and prospect. In order to reflect the effect of the Reclassification, the comparative figures have been restated.

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	
	2022	2021
	RM’000	RM’000
	(unaudited)	(unaudited)
<i>Revenue from external customers:</i>		
China	309	1,559
Indonesia	9,078	9,983
Malaysia	102,953	73,801
Netherlands	2,142	2,088
Singapore	38,195	18,688
South Korea	2,532	2,967
Thailand	11,874	9,961
Vietnam	1,403	1,228
Others	11,223	7,757
	179,709	128,032

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

3. SEGMENT INFORMATION *(Continued)*

Information about major customers

No external customers individually contributed 10% or more of the total revenue during the six months ended 30 June 2022 and 2021.

4. REVENUE

	Six months ended 30 June	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited) (Restated)
Revenue from contracts with customers within IFRS 15		
Integrated freight forwarding services business		
Air freight services income	2,486	916
Ocean freight services income	26,878	12,563
Forwarding services income	9,787	8,129
NVOCC services income	17,304	19,822
	56,455	41,430
Logistics centre and related services business		
Warehousing and container depot services income	32,824	19,388
Land transportation services business		
Income from land transportation	21,093	15,826
Landbridge transportation services income	4,154	4,213
Landfeeder transportation services income	2,525	1,589
	27,772	21,628
Flexitank solution and related services business		
Income from flexitank solution	45,028	41,434
4PL services business		
4PL handling income	937	-
4PL services income	12,755	-
	13,692	-
	175,771	123,880

4. REVENUE (Continued)

	Six months ended 30 June	
	2022	2021
	RM'000 (unaudited)	RM'000 (unaudited) (Restated)
Revenue from other source		
Logistics centre and related services business		
Rental income from warehouse	3,938	4,152
	179,709	128,032

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	
	2022	2021
	RM'000 (unaudited)	RM'000 (unaudited) (Restated)
<i>Timing of revenue recognition:</i>		
- at a point of time		
Income from flexitank solution	45,028	41,434
4PL handling income	937	-
	45,965	41,434
- over time		
Air freight services income	2,486	916
Ocean freight services income	26,878	12,563
Forwarding services income	9,787	8,129
NVOCC services income	17,304	19,822
Warehousing and container depot services income	32,824	19,388
Income from land transportation	21,093	15,826
Landbridge transportation services income	4,154	4,213
Landfeeder transportation services income	2,525	1,589
4PL services income	12,755	-
	129,806	82,446
	175,771	123,880

5. OTHER INCOME

	Six months ended 30 June	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Bank interest income	12	219
Gain on disposal of property, plant and equipment	392	1,172
Gain on early termination of lease	–	191
Sundry income	742	207
	1,146	1,789

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2022	2021
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Finance costs		
Interest on bank overdrafts	291	31
Interest on interest-bearing borrowings	820	808
Interest on lease liabilities	2,803	913
	3,914	1,752
Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits in kinds	17,543	12,885
Contributions to defined contribution plans	2,135	1,522
	19,678	14,407
Total staff costs (charged to "cost of services and goods sold" and "administrative and other operating expenses" and included in "inventories", as appropriate)		

6. **PROFIT BEFORE TAX** (continued)

	Six months ended 30 June	
	2022	2021
	RM'000	RM'000
	(unaudited)	(unaudited)
Other items		
Auditors' remuneration	31	25
Cost of inventories	32,730	29,629
Depreciation (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	8,843	6,588
Exchange loss, net	1,119	959
Expenses recognised under short-term leases (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	1,601	2,070
Expenses recognised under leases of low-value assets (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	291	442
Gain on disposal of property, plant and equipment	(391)	(1,172)
Gain on early termination of lease	–	(191)
Inventories written off	100	–
Provision for leakage claims	236	50

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	
	2022	2021
	RM'000	RM'000
	(unaudited)	(unaudited)
Current tax		
Malaysia CIT	2,398	3,019

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 2022 and 2021.

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 and investment tax allowance (the “ITA”). 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. Malaysian (except for Labuan) subsidiaries under ITA were granted an allowance of 60% on its qualifying capital expenditures incurred within five years from the date the first qualifying capital expenditure is incurred and such allowance is allowed to offset against 70% of the statutory income until the allowance is fully utilised. Upon the time of the allowance is utilised, the balance 30% of the statutory income will be taxed at the standard rate as detailed above.

Infinity Bulk Logistics Sdn. Bhd. (MY) (“**Infinity Bulk Logistics (MY)**”) obtained the pioneer status effective from 5 January 2018. A pioneers status company is eligible for exemption from Malaysia CIT on eligible activities and products for 5 years since the effective date.

Infinity Logistics & Transport Sdn. Bhd. (MY) (“**Infinity L&T (MY)**”) has obtained the ITA effective from 9 September 2021. An ITA company is eligible for offsetting the allowance from the qualifying capital expenditures with 70% of the statutory income since the effective date until the allowance is fully utilised.

For the group entities incorporated in Labuan of Malaysia, CIT shall be charged at the rate of 3% for a year of assessment on the chargeable profits for the six months ended 30 June 2022 (Six months ended 30 June 2021: 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	
	2022	2021
	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	21,762	17,720
<i>Number of shares:</i>		
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	2,064,000,000	2,000,000,000

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 2022 and 2021.

9. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

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 14)</i>							
Reconciliation of carrying amounts – year ended 31 December 2021 (audited)								
At 1 January 2021	74,771	50,881	4,420	1,123	3,684	21,329	1,593	157,801
Additions	20,745	2,003	1,124	1,164	5,060	7,164	43,311	80,571
Depreciation	(5,631)	(2,791)	(1,438)	(611)	(1,786)	(2,240)	—	(14,497)
Disposals/Write off	(264)	—	(3)	(4)	(4)	(1,346)	—	(1,621)
Transfer	(747)	—	747	—	—	—	—	—
Early termination of lease	(2,057)	—	—	—	—	—	—	(2,057)
At 31 December 2021	86,817	50,093	4,850	1,672	6,954	24,907	44,904	220,197
Reconciliation of carrying amounts – six months ended 30 June 2022 (unaudited)								
At 1 January 2022	86,817	50,093	4,850	1,672	6,954	24,907	44,904	220,197
Additions	66,523	—	4,275	234	8,805	10,955	21,712	112,504
Depreciation	(3,524)	(1,391)	(706)	(351)	(1,611)	(1,260)	—	(8,843)
Disposals	—	—	—	—	(9)	—	—	(9)
Acquisition of subsidiary	—	—	2	51	54	420	—	527
Transfer	(418)	—	418	—	—	—	—	—
At 30 June 2022	149,398	48,702	8,839	1,606	14,193	35,022	66,616	324,376

At 30 June 2022, the Group's leasehold lands (included in right-of-use assets) with aggregate net carrying amount of approximately RM32,928,000 (31 December 2021: approximately RM33,102,000), were pledged to secure bank facilities granted to the Group (Note 13).

At 30 June 2022, the Group's buildings with a total carrying amount of approximately RM35,372,000 (31 December 2021: approximately RM36,011,000) were pledged to secure bank facilities granted to the Group (Note 13).

11. TRADE AND OTHER RECEIVABLES

		At 30 June 2022	At 31 December 2021
	<i>Note</i>	RM'000 (unaudited)	<i>RM'000</i> <i>(audited)</i>
Trade receivables			
From third parties		82,651	59,066
From related companies		–	25
		82,651	59,091
Less: Loss allowance		(357)	(478)
	<i>11(a)</i>	82,294	58,613
Other receivables			
Deposits paid		3,823	2,496
Payment made on behalf of a customer in respect of 4PL services		48,504	47,184
Other receivables		120	1,445
Prepayments		6,258	4,329
		58,705	55,454
		140,999	114,067

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.

Included in other receivables is an amount of RM120,000 (31 December 2021: RM120,000) due from an associated company in which certain Directors have interests and are also common Directors of the Company.



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 2022	At 31 December 2021
	RM'000 (unaudited)	RM'000 (audited)
Within 30 days	41,819	28,987
31 to 60 days	677	12,434
61 to 90 days	6,617	6,441
Over 90 days	33,538	11,229
	82,651	59,091
Less: Loss allowance	(357)	(478)
	82,294	58,613

12. TRADE AND OTHER PAYABLES

	At 30 June 2022	At 31 December 2021
<i>Note</i>	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Trade payables		
To third parties	40,760	30,736
To related companies	154	284
	40,914	31,020
Other payables		
Accruals and other payables	13,334	4,957
Other payables for acquisition of property, plant and equipment	2,384	8,534
Provision for leakage claims	517	525
	16,235	14,016
	57,149	45,036



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 2022	At 31 December 2021
	RM'000 (unaudited)	RM'000 (audited)
Within 30 days	19,598	21,848
31 to 60 days	17,150	4,049
61 to 90 days	1,331	1,630
Over 90 days	2,835	3,493
	40,914	31,020

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

		At 30 June 2022	At 31 December 2021
	<i>Note</i>	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Bank overdrafts – secured	<i>13(a)</i>	15,426	12,674
Interest-bearing borrowings – secured	<i>13(b)</i>	48,790	45,687
		64,216	58,361

13(a) Bank overdrafts – secured

	At 30 June 2022		At 31 December 2021	
	Interest rate (%)	<i>RM'000</i> (unaudited)	Interest rate (%)	<i>RM'000</i> (audited)
Bank overdrafts – secured	Base financing rate + 4% per annum	15,426	Base financing rate + 4% per annum	12,674

13(b) Interest-bearing borrowings – secured

At 30 June 2022, the interest-bearing borrowings represent amounts due to various banks which are repayable ranging from within one year to over five years (31 December 2021: within one year to over five years) since its inception.

At 30 June 2022, the weighted average effective interest rate on interest-bearing borrowings was 3.52% (31 December 2021: 3.52%) per annum.

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

13(b) Interest-bearing borrowings – secured (Continued)

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

	At 30 June 2022	At 31 December 2021
	RM'000	RM'000
	(unaudited)	(audited)
Secured bank borrowings:		
– Current portion	10,703	5,037
– Non-current portion	38,087	40,650
	48,790	45,687

At 30 June 2022, the bank overdrafts and interest-bearing borrowings are secured by:

- (i) leasehold lands (included in right-of-use assets) owned by the Group with aggregate net carrying amount of approximately RM32,928,000 (31 December 2021: approximately RM33,102,000), as set out in Note 10;
- (ii) buildings owned by the Group with aggregate net carrying amount of approximately RM35,372,000 (31 December 2021: approximately RM36,011,000), as set out in Note 10;
- (iii) 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 2022 and 31 December 2021, none of the covenants relating to drawn down facilities had been breached.

14. LEASES

	At 30 June 2022	At 31 December 2021
	RM'000	RM'000
	(unaudited)	(audited)
Right-of-use assets (Note 10)		
Leased properties	79,665	42,525
Leasehold lands	36,632	36,830
Containers	–	418
Motor vehicles	33,101	7,044
	149,398	86,817
	At 30 June 2022	At 31 December 2021
	RM'000	RM'000
	(unaudited)	(audited)
Lease liabilities		
Current	15,344	5,537
Non-current	84,005	33,438
	99,349	38,975



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 2022 and 2021:

	Six months ended 30 June	
	2022	2021
	RM'000	RM'000
	(unaudited)	(unaudited)
Depreciation charge of right-of-use assets		
Leased properties	2,444	1,440
Leasehold lands	198	236
Containers	–	31
Motor vehicles	881	–
	3,523	1,707

The total cash outflow for leases was approximately RM12,544,000 and RM7,255,000 for the six months ended 30 June 2022 and 2021, respectively.

14. LEASES (Continued)

Lease liabilities:

	Lease payments		Present value of lease payments	
	At 30 June 2022	At 31 December 2021	At 30 June 2022	At 31 December 2021
	RM'000 (unaudited)	RM'000 (audited)	RM'000 (unaudited)	RM'000 (audited)
Amount payable:				
Within one year	17,264	7,765	15,344	5,537
More than one year, but not exceeding two years	11,806	6,179	10,370	4,221
More than two years, but not exceeding five years	10,757	9,098	7,965	4,174
After five years	74,733	39,474	65,670	25,043
	114,560	62,516	99,349	38,975
Less: future finance charges	(15,211)	(23,541)	—	—
Total lease liabilities	99,349	38,975	99,349	38,975

15. SHARE CAPITAL

	Note	Number of shares	HK\$	Equivalent to RM
Ordinary share of HK\$0.01 each				
Authorised:				
At 1 January 2021 (audited)				
31 December 2021 (audited) and				
30 June 2022 (unaudited)		15,000,000,000	150,000,000	80,213,900
Issued and fully paid:				
At 1 January 2021 (audited)		2,000,000,000	20,000,000	10,518,000
Placing of shares under general mandate	(i)	64,000,000	640,000	349,975
At 31 December 2021 (audited) and				
30 June 2022 (unaudited)		2,064,000,000	20,640,000	10,867,975

Note:

- (i) On 29 June 2021, the Company entered into four subscription agreements (the “**Subscription Agreements**”) with four independent third parties to subscribe for 64,000,000 subscription shares at the subscriptions price of HK\$1.38 per subscription share (the “**Subscriptions**”). The new shares were issued under the general mandate granted to the directors of the Company pursuant to an ordinary resolution of the Company passed at the annual general meeting held on 29 May 2020. All the conditions precedent to the Subscription Agreements have been fulfilled and completion of the Subscriptions took place on 3 August 2021. The gross proceeds from the Subscriptions amounted to HK\$88,320,000 (equivalent to approximately RM48,020,000). The premium on the issue and allotment of 64,000,000 subscription shares with par value of HK\$0.01 per share of approximately HK\$87,357,000 (equivalent to approximately RM47,497,000), net of shares issue expenses of approximately HK\$323,000 (equivalent to approximately RM175,000), was credited to the Company’s share premium accounts.



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 2022 and 2021:

- (a) Transactions between the group entities have been eliminated on consolidation/combination and are not disclosed. During the six months ended 30 June 2022 and 2021, 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	
		2022	2021
		RM'000	RM'000
		(unaudited)	(unaudited)
Related party relationship	Nature of transaction		
Related companies controlled by the Ultimate Controlling Parties	Logistics and related services income	–	24
	Logistics and related services costs	991	2,599
		991	2,599

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

		Six months ended 30 June	
		2022	2021
		RM'000	RM'000
		(unaudited)	(unaudited)
Salaries, allowances and other benefits in kinds		1,132	886
Discretionary bonus		–	–
Contributions to defined contribution plans		84	109
		1,216	995

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 RM66,523,000 and RM4,575,000 during the six months ended 30 June 2022 and 2021, 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 2022	At 31 December 2021
	RM'000	RM'000
	(unaudited)	(audited)
Within one year	8,165	6,830
Over one year but within two years	2,278	1,454
Over two years but within three years	551	922
	10,994	9,206

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 2022	At 31 December 2021
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(audited)
Contracted but not provided for acquisition of property, plant and equipment	40,605	2,225

20. SIGNIFICANT EVENTS

- (a) On 31 January 2022, Solution Global, an indirect wholly-owned subsidiary of the Company, the Company as a guarantor for Solution Global's obligations entered into a share purchase agreement with an independent third party (the "Seller") and, pursuant to which, the Seller has conditionally agreed to sell and Solution Global has conditionally agreed to purchase the entire issued share capital of the Access World Group Holdings B.V. and its subsidiaries (collectively referred as the "Target Group") at an aggregate consideration of US\$176,700,000 (equivalent to approximately RM740,011,000) as adjusted with reference to the financial condition of the Target Group immediately prior to completion of the acquisition of the Target Group (the "Acquisition") and the consideration shall be not more than US\$180,000,000 (equivalent to approximately RM753,831,000) which is to be settled in cash and to be partly financed by a bank loan, a loan provided by two shareholders of the Company and internal resources of the Group. The Acquisition constitutes a very substantial acquisition of the Company under the Listing Rules.

The Target Group is principally engaged in the provision of services including (i) the storage of commodities such as ferrous and non-ferrous metals in warehouses approved by the London Metal Exchange (LME) and the Commodity Exchange, Inc (COMEX) as well as in non-exchange licensed warehouses; (ii) logistics services including the handling and transportation of cargo by way of truck, railway, ship or air freight covering the full supply chain from the place of production to the place of consumption; and (iii) other value-added services such as collateral management, cutting and packaging of metals, import and export customs clearance and screening and crushing of bulk ferro alloys.



20. SIGNIFICANT EVENTS *(Continued)*

(a) *(Continued)*

On 8 July 2022, Solution Global Holdings Limited (an indirect wholly-owned subsidiary of the Company and the “**Purchaser**”) together with the Company (as guarantor for the Purchaser’s obligations) entered into a deed of termination (the “**Deed of Termination**”) with Finges Investment B.V. (the “**Seller**”), pursuant to which the Purchaser, the Company and the Seller mutually agreed to terminate the conditional share purchase agreement dated 31 January 2022 (the “**Share Purchase Agreement**”) entered into among the Purchaser, the Seller and the Company in relation to the proposed acquisition of 18,000 shares in Access World Group Holdings B.V. immediately. Upon the execution of the Deed of Termination, the duties and obligations of the Purchaser, the Company and the Seller under the Share Purchase Agreement have been released and discharged. Details of the above were disclosed in the announcement of the Company dated 8 July 2022.

- (b) On 22 February 2022, Infinity L&T (MY), an indirect wholly-owned subsidiary of the Company, as an acquirer entered into a sales and purchase agreement with an independent third party (the “**Vendor**”) and pursuant to which, the Vendor has conditionally agreed to sell and Infinity L&T (MY) has conditionally agreed to acquire leasehold lands located in Malaysia together with the warehouse, buildings, facilities and other structures erected thereon (collectively referred as “**Property**”) at a consideration of RM46,000,000 which is to be settled in cash.

The Acquisition of property set out in the Company’s announcement dated 22 February 2022 is yet to be completed up to the date of this report.

21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the board of directors on 29 August 2022.