



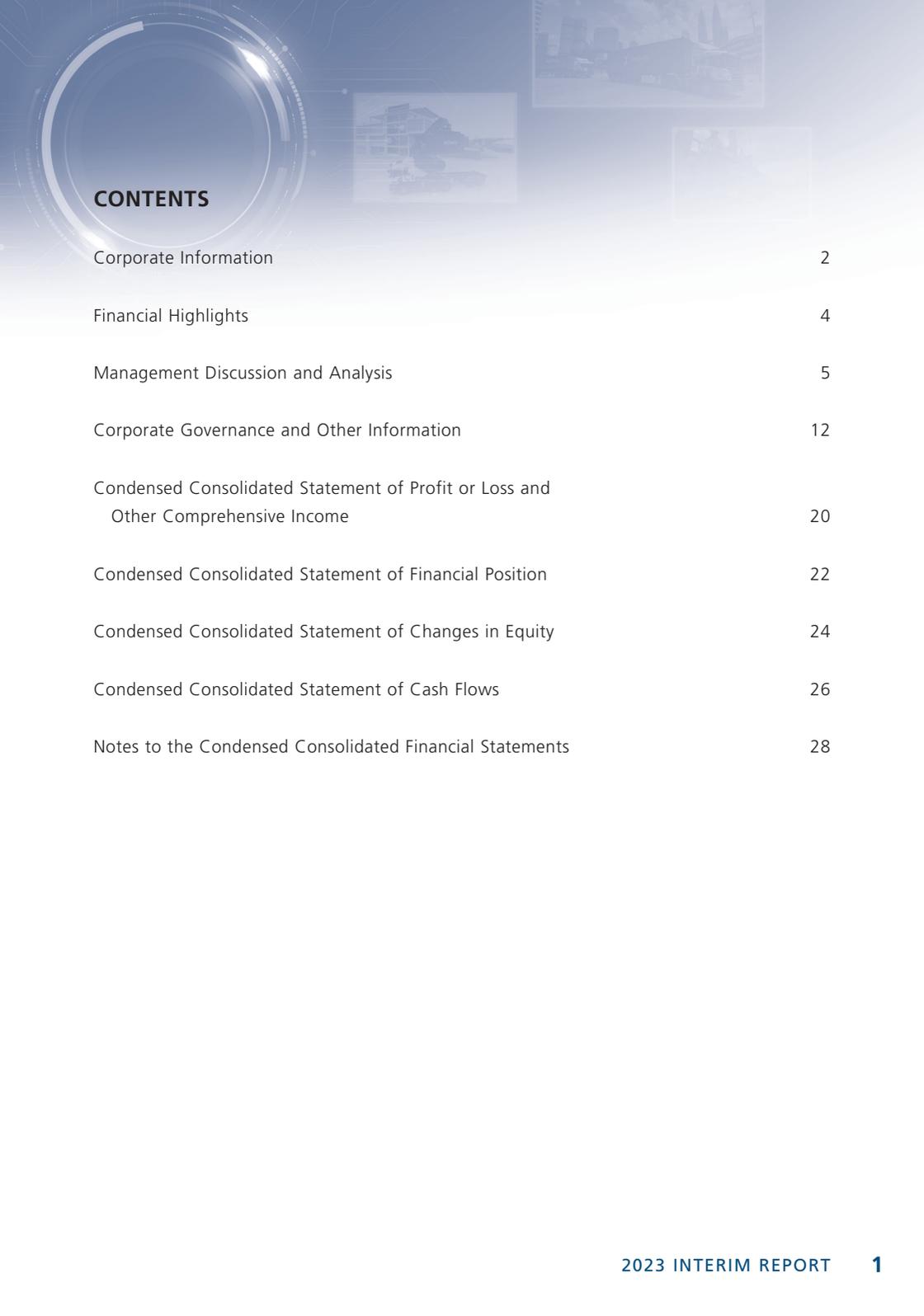
## **Infinity Logistics and Transport Ventures Limited**

*(Incorporated in the Cayman Islands with limited liability)* Stock Code: 1442



**INTERIM REPORT  
2023**

**PEOPLE | DIGITALIZATION | SUSTAINABILITY**



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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  
P O 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 1910, 19th Floor, C C Wu Building  
302-308 Hennessy Road  
Wan Chai, Hong Kong

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
P O 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](http://www.infinity.com.my)

## FINANCIAL HIGHLIGHTS

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

	Six months ended 30 June	
	2023	2022
	(RM'000)	(RM'000)
	(Unaudited)	(Unaudited)
Revenue	<b>181,905</b>	179,709
Gross profit	<b>37,249</b>	45,225
Profit before tax	<b>18,697</b>	24,208
Profit for the period	<b>16,628</b>	21,810
Total comprehensive income for the period	<b>22,146</b>	27,774
Earnings (basic and diluted) per share	<b>0.81 RM sen</b>	1.06 RM sen
Gross profit margin (%)	<b>20.5</b>	25.2
Net profit margin (%)	<b>9.1</b>	12.2

## FINANCIAL HIGHLIGHTS *(Continued)*

### HIGHLIGHTS OF CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>As at 30 June 2023</b>	As at 31 December 2022
	<b>(RM'000) (Unaudited)</b>	<i>(RM'000) (Audited)</i>
Total non-current assets	<b>422,233</b>	367,916
Total current assets	<b>217,575</b>	194,998
Total non-current liabilities	<b>191,363</b>	160,125
Total current liabilities	<b>117,986</b>	94,476
Net current assets	<b>99,589</b>	100,522
Net assets	<b>330,459</b>	308,313

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL OVERVIEW

During the six months ended 30 June 2023, the Group recorded a revenue of approximately RM181,905,000 (six months ended 30 June 2022: approximately RM179,709,000), representing an increase of approximately 1.2% over the same period last year. The Group recorded a gross profit of approximately RM37,249,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately RM45,225,000), representing a decrease of approximately 17.6% over the same period last year. The gross profit margin of the Group decreases to approximately 20.5% for the six months ended 30 June 2023 as compared to approximately 25.2% for the six months ended 30 June 2022. The Group recorded a net profit of approximately RM16,628,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately RM21,810,000).

## 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 of the Group is attributable to strategic portfolios of integrated logistics services offered to varied mix of customers and industries across Malaysia and neighboring countries.

Revenue from logistics centre and related services is approximately RM36,762,000 for the six months ended 30 June 2022, which has increased by approximately 15.5% to approximately RM42,453,000 for the six months ended 30 June 2023. The primary reason for this increase in revenue is attributable to the higher demand for depot services from customers. As a result, the gross profit contribution from this segment increased by approximately 33.2% to approximately RM12,771,000 for the six months ended 30 June 2023.

Revenue derived from land transportation services amounted to approximately RM27,772,000 for the six months ended 30 June 2022, represent an increase of approximately 33.2% to approximately RM37,001,000 for the six months ended 30 June 2023. This notable growth can be chiefly attributed to the increase in demand from our landbridge and landfeeder services. However, the gross profit contribution from this segment experienced a significant decline of approximately 37.8% to approximately RM1,906,000 for the six months ended 30 June 2023. The decrease in gross profit is attributed to increased staff cost and depreciation expenses.

## MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

### BUSINESS OVERVIEW *(Continued)*

Revenue from integrated freight forwarding services has experienced a notable decline of approximately 26.7% to approximately RM41,387,000 for the six months ended 30 June 2023. This decrease can be primarily attributed to a reduction in revenue stemming from the freight forwarding activities, which was influenced by dive in freight rates that can intensify competition in the shipping industry. As companies vie for the same customers by lowering prices and focusing on price competitiveness, it becomes challenging to maintain revenue levels. Consequently, the gross profit contribution from this segment decreased by approximately 14.5% to approximately RM8,412,000 for the six months ended 30 June 2023.

Revenue from flexitank solution and related services increased by approximately 21.8% to approximately RM54,840,000 for the six months ended 30 June 2023. However, the gross profit contribution originating from this segment witnessed a decreased by approximately 8.7% to approximately RM11,229,000. The decline can be attributed to various factors, including a rise in staff costs and higher operational expenses resulting from increased material storage costs.

During the six months ended 30 June 2023, revenue from 4PL services experienced a significant decrease of approximately 54.5% to approximately RM6,224,000. The decline can be attributed to a reduction in the handling of customer shipments within this services category. Accordingly, the gross profit originated from this segment also underwent a substantial reduction of approximately 71.9% to approximately RM2,931,000 for the six months ended 30 June 2023, aligning with the downward trend observed in the segment's overall revenue.

The Group's cost of services and goods sold totalled approximately RM144,656,000 for the six months ended 30 June 2023, represent an increase of approximately RM10,172,000 or 7.6% as compared to the corresponding period in 2022. Such increase can be primarily attributed to the elevation in depreciation cost and staff expenditures during the six months ended 30 June 2023.

## **MANAGEMENT DISCUSSION AND ANALYSIS** *(Continued)*

### **BUSINESS OVERVIEW** *(Continued)*

The Group's other income totalled approximately RM284,000 for the six months ended 30 June 2023, representing a decrease of approximately RM862,000 or 75.2% as compared to the same period last year. The decline can be attributed to the absence of any gains related to the disposal of assets recognised during the six months ended 30 June 2023, as compared to previous period.

### **PROSPECTS**

With the global trend of emphasis on Environmental, Social and Governance (ESG) principles, the Group has adopted the concept of people development, digitalization and sustainability as our core values moving forward.

Initiatives have been taken to attract the right talents whilst at the same time developing and upskilling our current workforce. We have begun developing our own in-house software using Artificial Intelligence in partnerships with esteemed universities and adopting automation in our processes and product manufacturing. The business of the Group is planned to be more sustainable with greener and environmentally-friendly practices and designed to remain resilient in times of economic slowdown.

Despite the current downturn of the economy and the dive in freight rates across the globe, we remain resilient as proven in our interim result. The Group is constantly exploring new opportunities that are in line with the Group's core strengths and principles. We have launched our new warehouse designated as Freight Village 5 and the new concept of Intermodal Terminal at Tapah that will be duplicated across the nation. These new ventures are forecasted to provide a steady stream of revenue into the Group.

We remain optimistic on the outlook of the business and will continue to build our resilience in the current economy, leveraging on all our resources 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 RM38,661,000 at 30 June 2023 (31 December 2022: approximately RM39,572,000). The Group leases various properties, lands, containers and motor vehicles with aggregate lease liabilities of approximately RM106,323,000 (31 December 2022: approximately RM105,637,000) and rental contracts typically made for fixed periods of two to thirty years (31 December 2022: two to thirty years). At 30 June 2023, the Group had interest-bearing borrowings from various banks of approximately RM130,703,000 (31 December 2022: approximately RM83,120,000) which are repayable ranging from within one year to over five years (31 December 2022: within one year to over five years) since inception. Also, the Group had other bank overdrafts of approximately RM14,560,000 at 30 June 2023 (31 December 2022: approximately RM14,776,000). The weighted average effective interest rate on interest-bearing borrowings was approximately 3.66% (31 December 2022: approximately 3.66%) per annum at 30 June 2023. The carrying amounts of interest-bearing borrowings were denominated in Ringgit Malaysia ("RM"). The Group's gearing ratio at 30 June 2023, calculated based on the total borrowings to the equity attributable to owners of the Company, was 0.76 (31 December 2022: 0.66). 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 2023. 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 2023. 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**

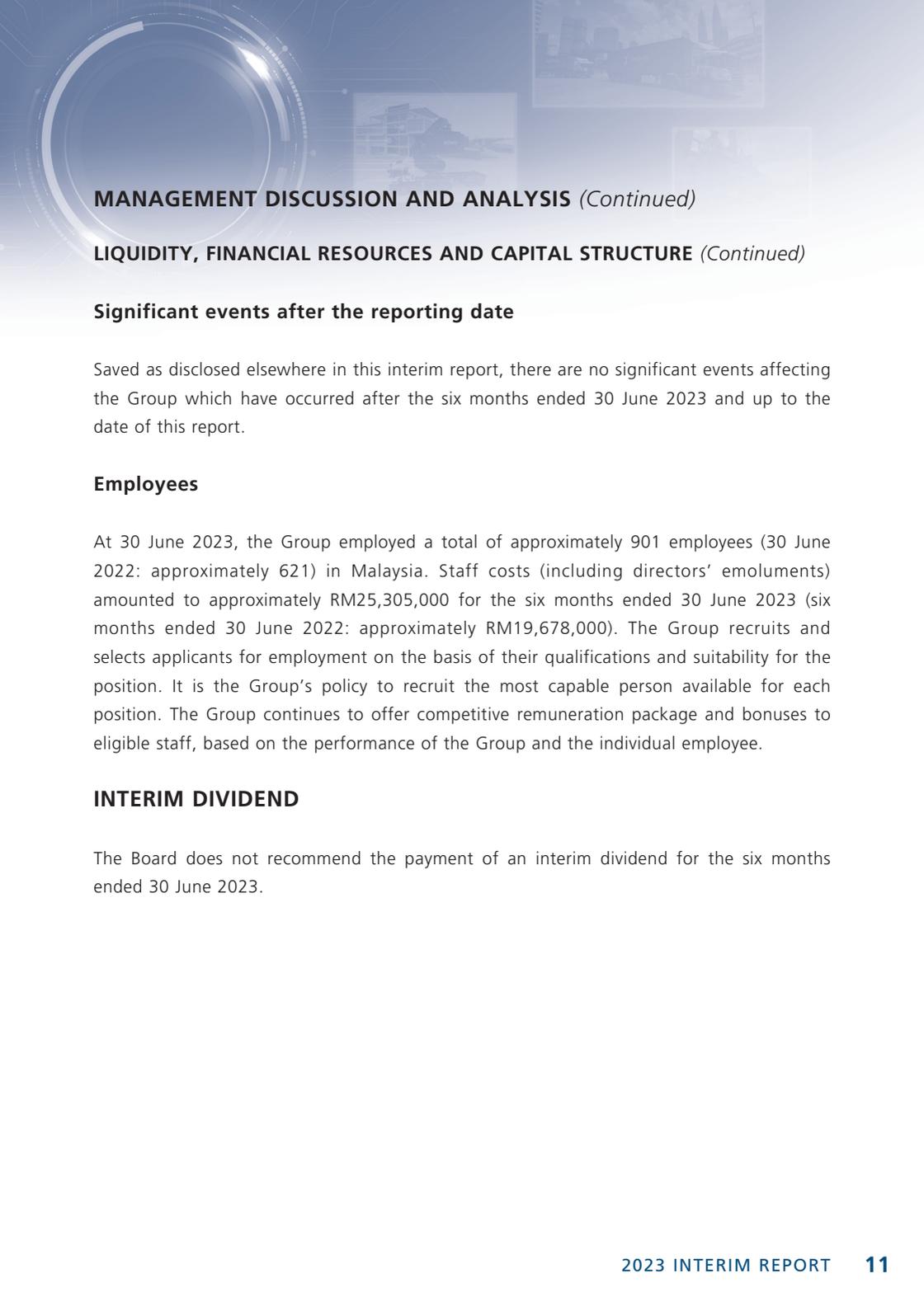
The majority of the transactions, assets and liabilities on the Group was made in RM, United States dollars and Hong Kong dollars. During the six months ended 30 June 2023, no financial instruments were used for hedging purposes, and the Group did not commit to any financial instruments to hedge its 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 2023.

#### **Charge on group assets**

At 30 June 2023, the Group's leasehold lands and buildings with a total carrying amount of approximately RM111,500,000 (31 December 2022: RM113,089,000) were pledged to secure bank facilities granted to the Group.

#### **Contingent liabilities**

At 30 June 2023, the Group had no contingent liabilities.



## **MANAGEMENT DISCUSSION AND ANALYSIS** *(Continued)*

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

#### **Significant events after the reporting date**

Saved as disclosed elsewhere in this interim report, there are no significant events affecting the Group which have occurred after the six months ended 30 June 2023 and up to the date of this report.

#### **Employees**

At 30 June 2023, the Group employed a total of approximately 901 employees (30 June 2022: approximately 621) in Malaysia. Staff costs (including directors' emoluments) amounted to approximately RM25,305,000 for the six months ended 30 June 2023 (six months ended 30 June 2022: approximately RM19,678,000). 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 2023.

## 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 2023 (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 2023.

### **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 2023, 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) Interest in the shares of the Company

Name of Director	Capacity	Number of Shares held <sup>(1)</sup>	Approximate percentage of the issued Shares
Dato' Seri Chan Kong Yew <sup>(2)</sup> ("Dato' Seri Chan")	Beneficial owner, interest in a controlled corporation and interest held jointly with another person	1,343,686,000	65.10%
Dato' Kwan Siew Deeg <sup>(2)</sup> ("Dato' Kwan")	Beneficial owner, interest in a controlled corporation and interest held jointly with another person	1,343,686,000	65.10%
Datin Seri Lo Shing Ping <sup>(3)</sup> ("Datin Seri Lo")	Interest of spouse and interest held jointly with another person	1,343,686,000	65.10%
Tan Sri Datuk Tan Jyh Yaong <sup>(4)</sup> ("Tan Sri Datuk Tan")	Beneficial owner and interest in a controlled corporation	146,310,000	7.09%
Mr. Yap Sheng Feng	Beneficial owner 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) 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 40.88% 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 Takeover Code). 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. Together with 319,576,720 and 180,423,280 shares held beneficially by Dato' Seri Chan and Dato' Kwan respectively, each of 2926 Holdings, Dato' Seri Chan and Dato' Kwan is deemed to be interested in 1,343,686,000 shares in the Company.
- (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 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) Interest in the shares of an associate corporation of the Company

Name of Director	Name of associated corporation	Capacity	Number of shares held <sup>(1)</sup>	Approximate percentage of the issued shares
Dato' Seri Chan	2926 Holdings	Beneficial owner	604	63.9%
Dato' Kwan	2926 Holdings	Beneficial owner	341	36.1%
Datin Seri Lo <sup>(2)</sup>	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 2023, 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 2023 and at the date of this report.

### SUBSTANTIAL SHAREHOLDERS’ INTERESTS

As at 30 June 2023, 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	Capacity	Number of Shares held <sup>(1)</sup>	Approximate percentage of the issued shares
2926 Holdings <sup>(2) &amp; (3)</sup>	Beneficial owner and interests held jointly with another person	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 40.88% 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. Together with 319,576,720 and 180,423,280 shares held beneficially by Dato' Seri Chan and Dato' Kwan respectively, each of 2926 Holdings, Dato' Seri Chan and Dato' Kwan is deemed to be interested in 1,343,686,000 shares in the Company.
- (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 2023, 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 and debentures of the Company 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 2023

	Notes	Six months ended 30 June	
		2023	2022
		RM'000 (unaudited)	RM'000 (unaudited)
<b>Revenue</b>	4	<b>181,905</b>	179,709
Cost of services and goods sold		<b>(144,656)</b>	(134,484)
<b>Gross profit</b>		<b>37,249</b>	45,225
Other income	5	<b>284</b>	1,146
Administrative and other operating expenses		<b>(12,863)</b>	(18,167)
Provision for loss allowance of trade receivables		–	(100)
Finance costs	6	<b>(5,640)</b>	(3,914)
Share of results of associates		<b>(333)</b>	18
<b>Profit before tax</b>	6	<b>18,697</b>	24,208
Income tax expenses	7	<b>(2,069)</b>	(2,398)
<b>Profit for the period</b>		<b>16,628</b>	21,810
<b>Other comprehensive (loss)/income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		<b>(854)</b>	114

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

Six months ended 30 June 2023

	Note	Six months ended 30 June	
		2023	2022
		RM'000 (unaudited)	RM'000 (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		6,372	5,850
		5,518	5,964
<b>Total comprehensive income for the financial period</b>		<b>22,146</b>	<b>27,774</b>
<b>Profit/(Loss) for the period attributable to:</b>			
Equity holders of the Company		16,841	21,762
Non-controlling interest		(213)	48
		16,628	21,810
<b>Total comprehensive income/(loss) attributable to:</b>			
Equity holders of the Company		22,359	27,726
Non-controlling interest		(213)	48
		22,146	27,774
<b>Earnings per share attributable to equity holders of the Company</b>			
Basic and diluted	8	0.81 RM sen	1.06 RM sen

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

		At 30 June 2023	At 31 December 2022
	Notes	<b>RM'000</b> <b>(unaudited)</b>	<b>RM'000</b> <b>(audited)</b>
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>421,946</b>	362,890
Club membership		<b>45</b>	90
Interest in associates		<b>242</b>	575
Deposits paid for acquisition of property, plant and equipment		–	4,361
		<b>422,233</b>	367,916
<b>Current assets</b>			
Inventories		<b>17,917</b>	21,193
Trade and other receivables	11	<b>157,430</b>	130,584
Income tax recoverable		<b>3,527</b>	3,609
Restricted bank balances		<b>40</b>	40
Bank balances and cash		<b>38,661</b>	39,572
		<b>217,575</b>	194,998
<b>Current liabilities</b>			
Trade and other payables	12	<b>57,583</b>	50,888
Bank overdrafts	13	<b>14,560</b>	14,776
Interest-bearing borrowings	13	<b>25,176</b>	10,646
Lease liabilities	14	<b>20,667</b>	18,166
		<b>117,986</b>	94,476

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 30 June 2023

		At 30 June 2023	At 31 December 2022
	Notes	<b>RM'000</b> <b>(unaudited)</b>	<i>RM'000</i> <i>(audited)</i>
<b>Net current assets</b>		<b>99,589</b>	100,522
<b>Total assets less current liabilities</b>		<b>521,822</b>	468,438
<b>Non-current liabilities</b>			
Interest-bearing borrowings	13	<b>105,527</b>	72,474
Lease liabilities	14	<b>85,656</b>	87,471
Deferred tax liabilities		<b>180</b>	180
		<b>191,363</b>	160,125
<b>NET ASSETS</b>		<b>330,459</b>	308,313
<b>Capital and reserves</b>			
Share capital	15	<b>10,866</b>	10,866
Reserves	16	<b>319,684</b>	297,325
<b>Equity attributable to equity holders of the Company</b>		<b>330,550</b>	308,191
Non-controlling interests		<b>(91)</b>	122
<b>TOTAL EQUITY</b>		<b>330,459</b>	308,313

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2023

	Attributable to equity holders of the Company					Total	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	
<b>Six months ended 30 June 2023</b>								
<b>At 1 January 2023 (audited)</b>	<b>10,866</b>	<b>109,572</b>	<b>6,689</b>	<b>7,635</b>	<b>173,429</b>	<b>308,191</b>	<b>122</b>	<b>308,313</b>
Profit/(Loss) for the period	-	-	-	-	16,841	16,841	(213)	16,628
<b>Other comprehensive income/(loss)</b>								
<i>Item that may be reclassified subsequently to profit or loss:</i>								
Exchange differences on consolidation	-	-	-	(854)	-	(854)	-	(854)
<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	-	-	-	6,372	-	6,372	-	6,372
<b>Total comprehensive income/(loss) for the financial period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,518</b>	<b>16,841</b>	<b>22,359</b>	<b>(213)</b>	<b>22,146</b>
<b>At 30 June 2023 (unaudited)</b>	<b>10,866</b>	<b>109,572</b>	<b>6,689</b>	<b>13,153</b>	<b>190,270</b>	<b>330,550</b>	<b>(91)</b>	<b>330,459</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Continued)

Six months ended 30 June 2023

	Attributable to equity holders of the Company					Total	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	
<b>Six months ended 30 June 2022</b>								
<b>At 1 January 2022 (audited)</b>	10,866	109,572	6,689	961	137,411	265,499	-	265,499
Profit for the period	-	-	-	-	21,762	21,762	48	21,810
<b>Other comprehensive income</b>								
<i>Item that may be reclassified subsequently to profit or loss:</i>								
Exchange differences on consolidation	-	-	-	114	-	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	-	5,850
<b>Total comprehensive income for the financial period</b>	-	-	-	5,964	21,762	27,726	48	27,774
<i>Changes in ownership interest</i>								
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	(133)	(133)
	-	-	-	-	-	-	(133)	(133)
<b>At 30 June 2022 (unaudited)</b>	10,866	109,572	6,689	6,925	159,173	293,225	(85)	293,140

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	<b>RM'000</b> (unaudited)	<i>RM'000</i> (unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	18,697	24,208
Adjustments for:		
Bad debts written off	68	2
Bank interest income	(16)	(12)
Depreciation	12,839	8,843
Finance costs	5,640	3,914
Loss on disposal of investment	10	-
Loss/(Gain) on disposal of property, plant and equipment, net	32	(391)
Inventories written off	21	100
Provision for loss allowance of trade receivables	100	100
Reversal of loss allowance of trade receivables	(1)	(141)
Share of results of associates	333	(18)
Exchange differences	2,423	(3,175)
<b>Cash flows from operations before movements in working capital</b>	<b>40,146</b>	33,430
Changes in working capital		
Inventories	3,588	(1,772)
Trade and other receivables	(26,803)	(33,985)
Trade and other payables	12,656	28,879
<b>Cash generated from operations</b>	<b>29,587</b>	26,552
Income tax paid	(1,987)	(2,388)
Interest paid	(410)	(3,914)
<b>Net cash generated from operating activities</b>	<b>27,190</b>	20,250
<b>INVESTING ACTIVITIES</b>		
Interest received	16	12
Net cash outflow from acquisition of subsidiary company	-	(407)
Purchase of property, plant and equipment	(66,079)	(44,292)
Proceeds from disposal of investment	35	-
Proceeds from disposal of property, plant and equipment	575	400
<b>Net cash used in investing activities</b>	<b>(65,453)</b>	(44,287)

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

Six months ended 30 June 2023

	Six months ended 30 June	
	2023	2022
	RM'000	RM'000
	(unaudited)	(unaudited)
<b>FINANCING ACTIVITIES</b>		
Increase in borrowing cost	4,500	–
Repayment of interest-bearing borrowings	(22,436)	(2,576)
Repayment of lease liabilities	(2,865)	(7,849)
Repayment to Directors	–	(80)
Drawdown of interest-bearing borrowings	53,352	5,000
Increase in restricted bank balances	–	(2)
<b>Net cash generated from/(used in) financing activities</b>	<b>32,551</b>	<b>(5,507)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,712)</b>	<b>(29,544)</b>
<b>Cash and cash equivalents at beginning of the reporting period</b>	<b>24,796</b>	<b>41,010</b>
Effects of exchange rate changes	5,017	6,233
<b>Cash and cash equivalents at end of the reporting period</b>	<b>24,101</b>	<b>17,699</b>
<b>Analysis of the balances of cash and cash equivalents</b>		
Bank balances and cash	38,661	33,125
Bank overdrafts	(14,560)	(15,426)
	<b>24,101</b>	<b>17,699</b>

# 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 Room 1910, 19<sup>th</sup> Floor, CC Wu Building 302-308 Hennessy 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 and the subsidiaries of the Company are 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 2023 (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 2022, 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 2022 (the “**2022 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 2022 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 2022 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) Forth-party logistics (“**4PL**”) services segment: provision of 4PL services and 4PL handling services.

#### **Segment revenue and results**

Segment revenue represents revenue derived from 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, and income tax expenses. This is the measure reported to the CODM 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 2023 (unaudited)						
Revenue from contracts with customer within IFRS 15	41,387	39,733	37,001	54,840	6,224	179,185
Revenue from other sources	-	2,720	-	-	-	2,720
	41,387	42,453	37,001	54,840	6,224	181,905
Segment results	8,412	12,771	1,906	11,229	2,931	37,249
<i>Unallocated income and expenses</i>						
Other income						284
Administrative and other operating expenses						(12,863)
Finance costs						(5,640)
Share of results of associates						(333)
Profit before tax						18,697
Income tax expenses						(2,069)
Profit for the period						16,628
<i>Other information:</i>						
Depreciation <i>(Note i)</i>	260	8,006	2,435	484	-	11,185
Provision for leakage claims	-	-	-	100	-	100
Addition to property, plant and equipment <i>(Note ii)</i>	1,210	2,975	7,003	587	-	11,775

### 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	RM'000	RM'000	RM'000	RM'000
Six months ended 30 June 2022 (unaudited)						
Revenue from contracts with customer within IFRS 15	56,455	32,824	27,772	45,028	13,692	175,771
Revenue from other sources	-	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)

Notes:

- (i) Depreciation not included in the measure of segment results during the six months ended 30 June 2023 amounted to approximately RM1,654,000 (six months ended 30 June 2022: approximately RM3,046,000).
- (ii) Additions to property, plant and equipment not allocated to the segments during the six months ended 30 June 2023 amounted to approximately RM60,856,000 (six months ended 30 June 2022: approximately RM64,256,000).

#### 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	
	2023	2022
	RM'000 (unaudited)	RM'000 (unaudited)
<i>Revenue from external customers:</i>		
China	74	309
Indonesia	16,938	9,078
Malaysia	105,668	102,953
Netherlands	1,214	2,142
Singapore	35,270	38,195
South Korea	3,945	2,532
Thailand	7,308	11,874
Vietnam	1,361	1,403
Others	10,127	11,223
	<b>181,905</b>	179,709

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 2023 and 2022.

## 4. REVENUE

	Six months ended 30 June	
	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
<b>Revenue from contracts with customers within IFRS 15</b>		
<b>Integrated freight forwarding services business</b>		
Air freight services income	2,105	2,486
Ocean freight services income	19,941	26,878
Forwarding services income	9,340	9,787
NVOCC services income	10,001	17,304
	41,387	56,455
<b>Logistics centre and related services business</b>		
Warehousing and container depot services income	39,733	32,824
<b>Land transportation services business</b>		
Income from land transportation	23,932	21,093
Landbridge transportation services income	7,014	4,154
Landfeeder transportation services income	6,055	2,525
	37,001	27,772
<b>Flexitank solution and related services business</b>		
Income from flexitank solution	54,840	45,028
<b>4PL services business</b>		
4PL handling income	88	937
4PL services income	6,136	12,755
	6,224	13,692
	179,185	175,771

#### 4. REVENUE (Continued)

	Six months ended 30 June	
	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
<b>Revenue from other source</b>		
<b>Logistics centre and related services business</b>		
Rental income from warehouses	2,720	3,938
	<b>181,905</b>	179,709

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	
	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
<i>Timing of revenue recognition:</i>		
<b>- at a point of time</b>		
Income from flexitank solution	54,840	45,028
4PL handling income	88	937
	<b>54,928</b>	45,965
<b>- over time</b>		
Air freight services income	2,105	2,486
Ocean freight services income	19,941	26,878
Forwarding services income	9,340	9,787
NVOCC services income	10,001	17,304
Warehousing and container depot services income	39,733	32,824
Income from land transportation	23,932	21,093
Landbridge transportation services income	7,014	4,154
Landfeeder transportation services income	6,055	2,525
4PL services income	6,136	12,755
	<b>124,257</b>	129,806
	<b>179,185</b>	175,771

## 5. OTHER INCOME

	Six months ended 30 June	
	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Bank interest income	16	12
Gain on disposal of property, plant and equipment	–	392
Sundry income	268	742
	<b>284</b>	1,146

## 6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
<b>Finance costs</b>		
Interest on bank overdrafts	410	291
Interest on interest-bearing borrowings	2,090	820
Interest on lease liabilities	3,140	2,803
	<b>5,640</b>	3,914
<b>Staff costs (including directors' emoluments)</b>		
Salaries, allowances and other benefits in kinds	22,709	17,543
Contributions to defined contribution plans	2,596	2,135
	<b>25,305</b>	19,678
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	
	2023	2022
	RM'000 (unaudited)	RM'000 (unaudited)
<b>Other items</b>		
Auditors' remuneration	73	31
Cost of inventories	43,611	32,730
Depreciation (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	12,839	8,843
Exchange loss, net	2,765	1,119
Expenses recognised under short-term leases (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	1,481	1,601
Expenses recognised under leases of low-value assets (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	1,241	291
Loss/(Gain) on disposal of property, plant and equipment	32	(392)
Inventories written off	21	100
Provision for leakage claims	100	236

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	
	2023	2022
	RM'000	RM'000
	(unaudited)	(unaudited)
<b>Current tax</b>		
Malaysia CIT	<b>2,069</b>	2,398

The group entities established in the Cayman Islands and the British Virgin Islands 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 2023 and 2022.

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 offset 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% on the chargeable profits for the six months ended 30 June 2023 (six months ended 30 June 2022: charged at 3% on 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	
	2023	2022
	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	<b>16,841</b>	21,762
<i>Number of shares:</i>		
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	<b>2,064,000,000</b>	2,064,000,000

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 2023 and 2022.

## 9. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## 10. PROPERTY, PLANT AND EQUIPMENTS

	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>							
<b>Reconciliation of carrying amounts – year ended 31 December 2022 (audited)</b>								
At 1 January 2022	86,817	50,093	4,850	1,672	6,954	24,907	44,904	220,197
Additions	85,157	47,934	2,272	419	4,880	7,550	16,939	165,151
Additions through acquisition of a subsidiary	-	-	2	51	54	420	-	527
Depreciation	(8,618)	(3,518)	(1,158)	(712)	(3,058)	(3,512)	-	(20,576)
Disposals/Write off	-	(2,181)	(129)	-	(90)	(9)	-	(2,409)
Transfers	-	59,664	-	-	105	-	(59,769)	-
At 31 December 2022	163,356	151,992	5,837	1,430	8,845	29,356	2,074	362,890
<b>Reconciliation of carrying amounts – six months ended 30 June 2023 (unaudited)</b>								
At 1 January 2023	163,356	151,992	5,837	1,430	8,845	29,356	2,074	362,890
Additions	2,146	27	1,349	131	8,567	729	59,682	72,631
Depreciation	(3,456)	(3,091)	(428)	(264)	(2,108)	(3,492)	-	(12,839)
Disposals	-	-	(133)	-	(10)	(593)	-	(736)
Transfer	-	-	-	(2)	2	-	-	-
At 30 June 2023	162,046	148,928	6,625	1,295	15,296	26,000	61,756	421,946

At 30 June 2023, the Group's leasehold lands (included in right-of-use assets) and construction-in-progress with aggregate net carrying amount of approximately RM32,580,000 (31 December 2022: approximately RM32,754,000), were pledged to secure bank facilities granted to the Group (Note 13).

At 30 June 2023, the Group's buildings with a total carrying amount of approximately RM78,920,000 (31 December 2022: approximately RM80,335,000) were pledged to secure bank facilities granted to the Group (Note 13).

## 11. TRADE AND OTHER RECEIVABLES

	<b>At 30 June 2023</b>	At 31 December 2022
<i>Note</i>	<b>RM'000 (unaudited)</b>	<i>RM'000 (audited)</i>
<b>Trade receivables</b>		
From third parties	<b>75,046</b>	70,985
Less: Loss allowance	<b>(1,399)</b>	(1,400)
	<b>73,647</b>	69,585
	<b>11(a)</b>	
<b>Other receivables</b>		
Deposits paid	<b>2,567</b>	2,521
Payment made on behalf of a customer in respect of 4PL services	<b>59,279</b>	50,774
Other receivables	<b>12,992</b>	2,122
Prepayments	<b>8,945</b>	5,582
	<b>83,783</b>	60,999
	<b>157,430</b>	130,584

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 RM120,000 (31 December 2022: 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:

	<b>At 30 June 2023</b>	At 31 December 2022
	<b>RM'000 (unaudited)</b>	RM'000 (audited)
Within 30 days	<b>39,093</b>	32,289
31 to 60 days	<b>14,622</b>	10,118
61 to 90 days	<b>6,613</b>	6,569
Over 90 days	<b>14,718</b>	22,009
	<b>75,046</b>	70,985
Less: Loss allowance	<b>(1,399)</b>	(1,400)
	<b>73,647</b>	69,585

## 12. TRADE AND OTHER PAYABLES

		At 30 June 2023	At 31 December 2022
	<i>Note</i>	<b>RM'000</b> <b>(unaudited)</b>	<i>RM'000</i> <i>(audited)</i>
<b>Trade payables</b>			
To third parties		<b>37,842</b>	25,094
To related companies		<b>148</b>	148
		<hr/>	<hr/>
	12(a)	<b>37,990</b>	25,242
<b>Other payables</b>			
Accruals and other payables		<b>13,268</b>	13,786
Other payables for acquisition of property, plant and equipment		<b>5,808</b>	11,004
Provision for leakage claims		<b>517</b>	856
		<hr/>	<hr/>
		<b>19,593</b>	25,646
		<hr/>	<hr/>
		<b>57,583</b>	50,888
		<hr/>	<hr/>

## 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:

	<b>At 30 June 2023</b>	At 31 December 2022
	<b>RM'000 (unaudited)</b>	RM'000 (audited)
Within 30 days	<b>33,829</b>	19,752
31 to 60 days	<b>1,221</b>	2,994
61 to 90 days	<b>638</b>	439
Over 90 days	<b>2,302</b>	2,057
	<b>37,990</b>	25,242

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:

		<b>At 30 June 2023</b>	At 31 December 2022
	<i>Notes</i>	<b><i>RM'000</i></b> <b>(unaudited)</b>	<i>RM'000</i> (audited)
Bank overdrafts – secured	<i>13(a)</i>	<b>14,560</b>	14,776
Interest-bearing borrowings – secured	<i>13(b)</i>	<b>130,703</b>	83,120
		<b>145,263</b>	97,896

#### 13(a) Bank overdrafts – secured

	<b>At 30 June 2023</b>		At 31 December 2022	
	<b>Interest rate (%)</b>	<b><i>RM'000</i></b> <b>(unaudited)</b>	Interest rate (%)	<i>RM'000</i> (audited)
Bank overdrafts – secured	<b>Base financing rate + 4% per annum</b>	<b>14,560</b>	Base financing rate + 4% per annum	14,776

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

At 30 June 2023, the interest-bearing borrowings represent amounts due to various banks which are repayable ranging from within one year to over five years (31 December 2022: within one year to over five years).

At 30 June 2023, the weighted average effective interest rate on interest-bearing borrowings was approximately 3.66% (31 December 2022: approximately 3.66%) per annum.

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

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

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

	<b>At 30 June 2023</b>	At 31 December 2022
	<b>RM'000</b>	RM'000
	<b>(unaudited)</b>	(audited)
Secured bank borrowings:		
– Current portion	<b>25,176</b>	10,646
– Non-current portion	<b>105,527</b>	72,474
	<b>130,703</b>	83,120

At 30 June 2023, 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 RM32,580,000 (31 December 2022: approximately RM32,754,000), as set out in Note 10;
- (ii) buildings owned by the Group with aggregate net carrying amount of approximately RM78,920,000 (31 December 2022: approximately RM80,335,000), as set out in Note 10; and
- (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 2023 and 31 December 2022, none of the covenants relating to drawn down facilities had been breached.

## 14. LEASES

	At 30 June 2023	At 31 December 2022
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
<b>Right-of-use assets (Note 10)</b>		
Leased properties	80,232	82,794
Leasehold lands	36,235	36,433
Containers	7,110	5,291
Office equipment	3,612	3,836
Motor vehicles	34,857	35,002
	<b>162,046</b>	163,356
	At 30 June 2023	At 31 December 2022
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
<b>Lease liabilities</b>		
Current	20,667	18,166
Non-current	85,656	87,471
	<b>106,323</b>	105,637

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 2023 and 2022:

	Six months ended 30 June	
	2023	2022
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (unaudited)
<b>Depreciation charge of right-of-use assets</b>		
Leased properties	2,562	2,444
Leasehold lands	198	198
Containers	327	-
Office equipment	224	-
Motor vehicles	145	881
	<b>3,456</b>	3,523

The total cash outflow for leases was approximately RM8,727,000 and RM12,544,000 for the six months ended 30 June 2023 and 2022, respectively.

#### 14. LEASES (Continued)

Lease liabilities:

	Lease payments		Present value of lease payments	
	At 30 June 2023	At 31 December 2022	At 30 June 2023	At 31 December 2022
	<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	<b>25,143</b>	23,504	<b>20,667</b>	18,166
More than one year, but not exceeding two years	<b>17,259</b>	17,045	<b>12,853</b>	12,472
More than two years, but not exceeding five years	<b>15,934</b>	18,375	<b>2,826</b>	5,206
After five years	<b>144,624</b>	147,392	<b>69,977</b>	69,793
	<b>202,960</b>	206,316	<b>106,323</b>	105,637
Less: future finance charges	<b>(96,637)</b>	(100,679)	–	–
Total lease liabilities	<b>106,323</b>	105,637	<b>106,323</b>	105,637

## 15. SHARE CAPITAL

	Number of shares	HK\$	Equivalent to RM
Ordinary share of HK\$0.01 each			
Authorised:			
<b>At 1 January 2022 (audited), 31 December 2022 (audited) and 30 June 2023 (unaudited)</b>	<b>15,000,000,000</b>	<b>150,000,000</b>	<b>80,213,900</b>
Issued and fully paid:			
<b>At 31 December 2022 (audited) and 30 June 2023 (unaudited)</b>	<b>2,064,000,000</b>	<b>20,640,000</b>	<b>10,865,975</b>

## 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 2023 and 2022:

- (a) Transactions between the group entities have been eliminated on consolidation/combination and are not disclosed. During the six months ended 30 June 2023 and 2022, 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.

		<b>Six months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
		<b>RM'000</b>	<b>RM'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Related party relationship</b>	<b>Nature of transaction</b>		
Related companies controlled by the Ultimate Controlling Parties	Logistics and related services costs	<b>290</b>	991

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

		<b>Six months ended 30 June</b>	
		<b>2023</b>	<b>2022</b>
		<b>RM'000</b>	<b>RM'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
Salaries, allowances and other benefits in kinds		<b>2,203</b>	1,132
Discretionary bonus		<b>54</b>	-
Contributions to defined contribution plans		<b>212</b>	84
		<b>2,469</b>	1,216

## 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:

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 RM2,146,000 and RM66,523,000 during the six months ended 30 June 2023 and 2022, 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:

	<b>At 30 June 2023</b>	At 31 December 2022
	<b><i>RM'000</i></b>	<i>RM'000</i>
	<b>(unaudited)</b>	(audited)
Within one year	<b>5,148</b>	2,291
Over one year but within two years	<b>1,770</b>	1,265
Over two years but within three years	<b>2,047</b>	2,253
	<b>8,965</b>	5,809

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**

	<b>At 30 June 2023</b>	At 31 December 2022
	<i>RM'000</i>	<i>RM'000</i>
	<b>(unaudited)</b>	(audited)
Contracted but not provided for acquisition of property, plant and equipment	<b>53,604</b>	7,801

**20. COMPARATIVE FIGURES**

The comparative figures of the Company represent unaudited figures for the period from 1 January 2022 to 30 June 2022.

**21. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS**

The Interim Financial Statements were approved by the board of directors on 25 August 2023.