



Infinity Logistics and Transport Ventures Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1442



2020
INTERIM REPORT



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Dato' Kwan Siew Deeg

Datin Lo Shing Ping

Non-Executive Director

Mr. Yap Sheng Feng (appointed on 7 August 2020)

Independent Non-Executive Directors

Mr. Chan Leng Wai (resigned on 7 August 2020)

Mr. Li Chi Keung

Mr. Tan Poay Teik

Ms. Yeung Hoi Yan Monica (appointed on 7 August 2020)

AUDIT COMMITTEE

Mr. Tan Poay Teik (*Chairman of the Committee*)
(re-designated on 7 August 2020)

Mr. Chan Leng Wai (resigned on 7 August 2020)

Mr. Li Chi Keung

Mr. Yap Sheng Feng (appointed on 7 August 2020)

REMUNERATION COMMITTEE

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

(re-designated on 7 August 2020)

Dato' Kwan Siew Deeg

Ms. Yeung Hoi Yan Monica (appointed on 7 August 2020)

Mr. Li Chi Keung (retired on 7 August 2020)

NOMINATION COMMITTEE

Dato' Chan Kong Yew (*Chairman of the Committee*)

Mr. Chan Leng Wai (resigned on 7 August 2020)

Mr. Li Chi Keung (retired on 7 August 2020)

Mr. Tan Poay Teik (appointed on 7 August 2020)

Ms. Yeung Hoi Yan Monica (appointed on 7 August 2020)

AUTHORIZED REPRESENTATIVES

Dato' Chan Kong Yew

Mr. Lau Wai Piu Patrick

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick

JOINT AUDITORS

Mazars CPA Limited
Certified Public Accountants, Hong Kong

Mazars LLP
Public Accountants and Chartered Accountants, Singapore



CORPORATE INFORMATION *(Continued)*

REGISTERED OFFICE

PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY-1108
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE IN MALAYSIA

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Bandar Botanic
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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
PO Box 1350
Clifton House
75 Fort Street
Grand Cayman KY-1108
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKS

Malayan Banking Berhad

COMPLIANCE ADVISOR

VBG Capital Limited

STOCK CODE

1442

WEBSITE

www.infinity.com.my



CHAIRMAN'S STATEMENT

THE COVID-19 RECOVERY PHASE

As I write this, some countries are still battling through the COVID-19 pandemic. The world has experienced an unprecedented crisis it has never experienced before. The pandemic has affected every inch of this world; from economy to politics. Although we in Malaysia are in the recovery period, it would be naive to think that things will simply just go back to normal as they were earlier this year. I simply don't think they will, in so many ways, shapes and forms. As most countries restart their economies, this is a key moment for all of us to pull together to make sure that the world emerges from this pandemic.

WEATHERING THE STORM

When Malaysia first implemented the Movement Control Order (MCO) in the country, some essential services were excluded and allowed to resume operations with strict adherence to the SOP. Infinity, being in the logistics industry fell under the essential service category and we continued our operations but with half strength. During this period, demand for logistics services was high as there were many essential products that needed to be shipped across the country. This resulted in our services especially from the bulk logistics and freight forwarding divisions to be in demand. Since there was a disruption in the supply chain our warehouse experienced full capacity throughout the MCO period.

When the MCO was partially lifted in June, we observed an increase of volume and I hope that this momentum will continue for the rest of the year. As for some divisions that were not performing at their full capacity, we were quick to relocate employees from that divisions into divisions that experienced higher demand to be able to fulfill the demand. At the same time, we were also compelled to make tough decisions by dismissing our contract resources which appeared to be the best move at that crucial time. This has enabled us to cut down on our cost significantly as part of our austerity drive. I strongly believe that we will not be adding on any extra costs for the rest of the year. Nevertheless, we will be wisely utilizing the resources that we have.

TEAM INFINITY'S RESILIENCE

The Group's Human Capital has been the key pillar throughout this challenging period. Their togetherness, flexibility and adaptability in weathering the storm has enabled the Group to propel forward. Here, I would like to take the opportunity to thank each and every Team Infinity for giving their best.



CHAIRMAN'S STATEMENT *(Continued)*

DRIVING DIGITAL TRANSFORMATION

Stepping into digitalisation has certainly helped us in a big way as we are in the midst of digitalising our workplace to provide high degree of flexibility to our employees to work remotely from anywhere and anytime without compromising on the quality and productivity of work. With our digitalisation effort kicking in at the right moment, we observed an increase in our business and revenue without increasing our headcount.

EVERY CLOUD HAS A SILVER LINING

Despite the bumpy ride since March, the Group observes an increase in revenue in two of our business segments. Our Logistics Centre division recorded a 29.2% increase from January to June this year as compared to the same period last year. Additionally, our Integrated Freight Forwarding Services recorded an increase of 3.6% for the same period.

THE GROUP'S OUTLOOK

Without a doubt, the pandemic has taken its toll on the local economy. However, with the preventive measures implemented by the Government's in curbing the spread of the COVID-19 pandemic, we believe that we will be out of it soon and we can see our economy stabilising. The World Bank has recently stated that Malaysia's economy will bounce back sharply in 2021 with a 6.9 per cent growth as the pandemic eases though our near-term outlook is expected to be uncertain. While the world recovers from the pandemic, we will continue with our efforts to deliver the best services to our customers.

By order of the Board

Dato' Chan Kong Yew

Chairman

Hong Kong, 19 August 2020

FINANCIAL HIGHLIGHT

HIGHLIGHTS OF COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Six months ended 30 June	
	2020	2019
	<i>RM'000</i>	<i>RM'000</i>
	(Unaudited)	(Audited)
Revenue	103,269	98,714
Gross Profit	24,717	23,628
Profit before tax	14,376	10,834
Profit for the period	13,218	8,531
Total comprehensive income for the period	14,868	8,245
Earnings per share (Basic and diluted)	0.68 RM sen	0.57 RM sen
	%	%
Gross profit margin	23.9	23.9
Net profit margin	12.8	8.6

FINANCIAL HIGHLIGHT (Continued)

HIGHLIGHTS OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 30 June 2020	As at 31 December 2019
	RM'000 (Unaudited)	RM'000 (Audited)
Total non-current assets	159,157	144,694
Total current assets	138,403	73,414
Total non-current liabilities	72,913	70,631
Total current liabilities	53,889	64,180
Net current assets (liabilities)	84,514	9,234
Net assets	170,758	83,297

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The Group is pleased to report the results for the six months ended 30 June 2020.

During the six months ended 30 June 2020, the Group recorded a revenue of approximately RM103,269,000 (for the six months ended 30 June 2019: approximately RM98,714,000), representing an increase of approximately 4.6% over the same period last year. The Group recorded a gross profit of approximately RM24,717,000 (for the six months ended 30 June 2019: approximately RM23,628,000), representing an increase of approximately 4.6% over the same period last year. The gross profit margin of the Group remain constant which is 23.9% for the six months ended 30 June 2020 as compared to six months ended 30 June 2019. The Group recorded a net profit for the period of approximately RM13,218,000 (for six months ended 30 June 2019: approximately RM8,531,000).



MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS OVERVIEW

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

Revenue for integrated freight forwarding services increased by approximately 3.6% to approximately RM35,875,000 due to improve volumes in the freight forwarding activities. The gross profit contribution from this segment decreased by approximately 6.9% to approximately RM6,889,000 mainly due to price competition.

Revenue from logistics centre and related services increased by approximately 29.2% to approximately RM30,420,000 primarily due to the increase in revenue from warehouse and depot services. The gross profit contribution from this segment increased by approximately 77.6% to approximately RM6,001,000 mainly due to the completion of our second warehouse at Port Klang Free Zone.

Revenue from railroad transportation services decreased by approximately 19.1% to approximately RM7,521,000 due to the decrease in revenue from landbridge transportation services. The gross profit contribution from this segment decreased by approximately 37.3% to approximately RM1,944,000.

Revenue from flexitank solution and related services decreased marginally by approximately 5.8% to approximately RM29,453,000. The gross profit contribution from this segment increased marginally to approximately RM9,883,000.

The Group's operational costs totalled approximately RM78,552,000, representing an increase of approximately RM3,466,000 or 4.6% as compared to the same period in last year.

The Group's other income totalled approximately RM775,000, representing a decrease of approximately RM1,215,000 or 61.1% as compared to the same period in last year.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

PROSPECTS

COVID-19 pandemic, fluctuation of international fuel price and competitive logistics environment in Malaysia bring unprecedented challenges to the Group. We experienced several economic cycles and industry storms, and thrived to expand our business by capitalizing market opportunities. In order to maximise and safeguard shareholders' interests, the Group has planned ahead for the upcoming challenges and set our investment strategies cautiously.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers in Malaysia. The Group held bank balances and cash of approximately RM81,444,000 at 30 June 2020 (31 December 2019: approximately RM17,180,000). The Group leases various properties, lands, containers and motor vehicles with lease liabilities of approximately RM32,141,000 (31 December 2019: approximately RM27,225,000) with rental contracts typically made for fixed periods of two to thirty years (31 December 2019: two to thirty years). At 30 June 2020, the Group had interest-bearing borrowings from various banks of approximately RM53,271,000 (31 December 2019: approximately RM59,971,000) which are repayable ranging from within one year to over five years (31 December 2019: within one year to over five years) since inception. Also, the Group had other bank overdrafts of approximately RM4,836,000 at 30 June 2020 (31 December 2019: approximately RM9,358,000). The weighted average effective interest rate on interest-bearing borrowings was 4.85% (31 December 2019: 4.85%) per annum at 30 June 2020. The carrying amounts of interest-bearing borrowings were denominated in Ringgit Malaysia ("RM"). The Group's gearing ratio at 30 June 2020, calculated based on the total borrowings to the equity attributable to owners of the Company, was 0.53 (31 December 2019: 1.16). We 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. Saved as disclosed in note 15 to the condensed consolidated financial statements, there has been no material change in the capital structure of the Company during the six months ended 30 June 2020. 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 2020. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the sufficient financial resources are available in order to meet its funding requirements and commitment timely.

Hedging and exchange rate exposure

The majority of the transactions, assets and liabilities on the Group was made in RM, United States dollars ("USD"). During the six months ended 30 June 2020, 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 2020.

Charge on group assets

At 30 June 2020, the Group's leasehold lands, construction-in-progress and buildings with a total carrying amount of approximately RM71,556,000 (31 December 2019: approximately RM72,228,000) were pledged to secure bank facilities granted to the Group.

Contingent liabilities

At 30 June 2020, the Group had no contingent liabilities.



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

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

Significant events after the reporting date

There are no significant events affecting the Group which have occurred after the six months ended 30 June 2020 and up to the date of this interim report.

INTERIM DIVIDEND

The Board has declared an interim dividend of USD0.0007 per share for the six months ended 30 June 2020. The interim dividend will be paid to the shareholders whose names appear on the register of members of the Company at the close of business on 7 September 2020. It is expected that the interim dividend will be paid on or about 30 September 2020.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 3 September 2020 to Monday, 7 September 2020 (both days inclusive). During such period, no transfer of shares will be registered. In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates and the duly completed transfer forms must be lodged with the Company's branch share registrar and transfer office, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Wednesday, 2 September 2020.

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

FUTURE PLAN AND USE OF PROCEEDS

The shares of the Company were listed on the Stock Exchange on 21 January 2020 (the “Listing Date”) with a total of 500,000,000 offer shares issued and based on the final offer price of HK\$0.31 per offer share, the net proceeds raised from the share offer were approximately RM62.7 million. There was no change in the intended use of net proceeds as previously disclosed in the prospectus of the Company dated 30 December 2019. As at the date of this interim report, net proceeds had been utilised as follows:

	Net proceeds	Amount utilised	Amount unutilised	Expected timeline for utilising the unutilised net proceeds
	RM' million	RM' million	RM' million	
Construction of warehouse in Westport Free Zone in Port Klang	46.0	0.3	45.7	Before the end of 30 September 2021
Purchase of haulage prime movers & trailers	5.0	4.8	0.2	Before the end of 30 September 2020
Replaced aged and acquire additional forklifts	3.0	3.0	—	Fully utilised
Purchase of containers for NVOCC segment	3.0	—	3.0	Before the end of 31 December 2020
Upgrade of IT System	2.0	0.5	1.5	Before the end of 31 December 2020
General working capital purpose	3.7	3.7	—	Fully utilised
	62.7	12.3	50.4	



MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

FUTURE PLAN AND USE OF PROCEEDS *(Continued)*

As at the date of this interim report, unutilised proceeds of approximately RM50.4 million were deposited into licensed banks in Malaysia. From the Listing Date to the date of this interim report, the Company utilised approximately RM12.3 million of net proceeds, which was lower than the planned use of proceeds.

The Group have submitted the application to commence construction of the warehouse in Westport Free Zone for relevant government authorities' approval in the first quarter 2020. However, the approval was delayed due to the global outbreak of COVID-19 pandemic which led to temporary suspension of government services. The approval is expected to be granted in third quarter 2020. Accordingly, the net proceeds will be utilised in third quarter 2020 and onwards. Save from the above, there was no material change on the utilisation of net proceeds.

Further, due to the recent development of the COVID-19 pandemic impact to the environment in Malaysia, the status and expected timeline for utilising the unutilised net proceeds is further delayed as disclosed in the table above.



CORPORATE GOVERNANCE AND OTHER INFORMATION


COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company devotes to the best practices on corporate governance, and has complied with the code provisions of the Code on Corporate Governance Practices (the “**Code**”) as set out in Appendix 14 of the Rules Governing the Listing (the “**Listing Rules**”) of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) for the six months ended 30 June 2020 (the “**Relevant Period**”), except for the following deviation:

Pursuant to code provision A.1.1 of the Code, the Board should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the Relevant Period, only one regular board meeting was held to review and discuss various matters, including the annual results of the Company for the year ended 31 December 2019. The Company does not announce its quarterly results and hence does not consider the holding of quarterly meetings as necessary.

Pursuant to code provision A.2.1 of the Code, the roles of chairman and chief executive should be separated and should not be performed by the same individual. Dato’ Chan Kong Yew (“**Dato’ Chan**”) is the chairman of the Board and the chief executive officer of the Company. In view that Dato’ Chan is the founder of the Group and has been operating and managing the Group since the establishment of the Group, the Board believes that it’s the best interest of the Group to have Dato’ Chan taking up both roles for effective management and business development. Therefore, the Directors consider that the deviation from the code provision A.2.1 of the Code is appropriate in such circumstance.

Pursuant to code provision A.6.7 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of Shareholders. Our independent non-executive Directors, Mr. Chan Leng Wai (who resigned on 7 August 2020) and Mr. Tan Poay Teik were unable to attend the annual general meeting of the Company held on 29 May 2020 due to other commitments.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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

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

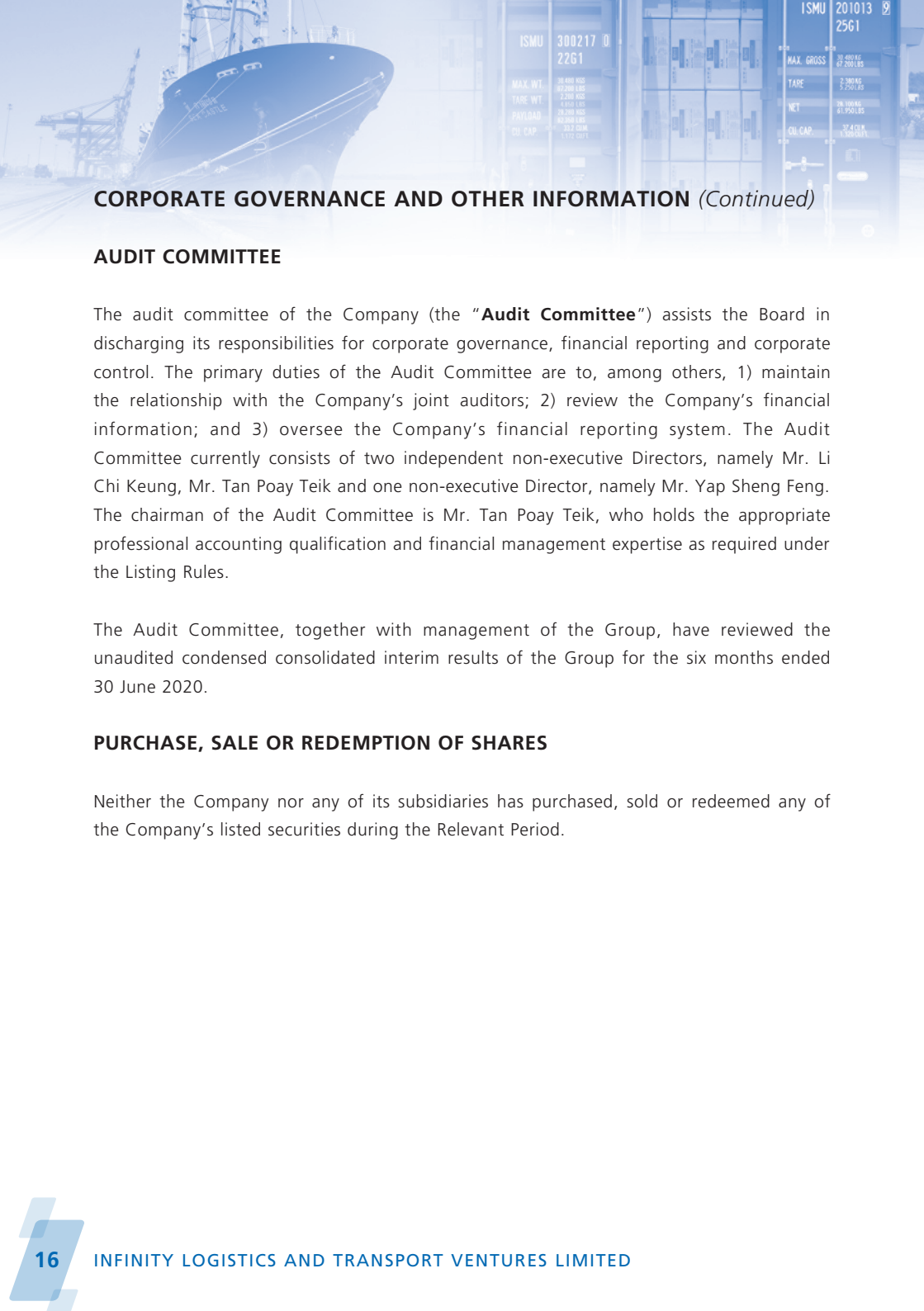
While the Company is well aware of the importance of the company secretary in supporting the Board on governance matters, the Company, after having considered Mr. Lau’s employment at Ascent Corporate Services Limited, which provides corporate advisory and company secretarial services, both the Company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

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

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

COMPLIANCE WITH THE MODEL CODE

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



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) assists the Board in discharging its responsibilities for corporate governance, financial reporting and corporate control. The primary duties of the Audit Committee are to, among others, 1) maintain the relationship with the Company’s joint auditors; 2) review the Company’s financial information; and 3) oversee the Company’s financial reporting system. The Audit Committee currently consists of two independent non-executive Directors, namely Mr. Li Chi Keung, Mr. Tan Poay Teik and one non-executive Director, namely Mr. Yap Sheng Feng. 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 2020.

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

At 30 June 2020, the interests and short positions of each director and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("**SFO**")) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(1) Interest in the shares of the Company

Name of Director	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares
Dato' Chan	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000	70.875%
Dato' Kwan Siew Deeg ("Dato' Kwan")	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000	70.875%
Datin Lo Shing Ping ("Datin Lo")	Interest of spouse	1,417,500,000	70.875%

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 70.875% of the issued shares of the Company (the "**Shares**"). The issued share capital of 2926 Holdings is owned as to 63.9% by Dato' Chan and 36.1% by Dato' Kwan. On 29 May 2019, Dato' Chan and Dato' Kwan entered into the concert parties confirmatory deed (the "**Concert Parties Confirmatory Deed**") to acknowledge and confirm, among other things, that they are parties acting in concert (having the meaning ascribed to it under the Hong Kong Codes on Takeovers and Mergers (the "**Takeover Codes**")). By virtue of the Concert Parties Confirmatory Deed, each of Dato' Chan and Dato' Kwan is deemed to be interested in the Shares held by 2926 Holdings under the SFO.
- (3) Datin Lo is the spouse of Dato' Chan and is deemed, or taken to be, interested in the Shares which Dato' Chan is interested under SFO.

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

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



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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

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

Notes:

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

Save as disclosed above, at 30 June 2020, none of the Directors and the chief executives of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

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

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since its adoption, and there is no outstanding share option at 30 June 2020 and at the date of this report.

CORPORATE GOVERNANCE AND OTHER INFORMATION (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS


At 30 June 2020, according to the register kept by the Company under section 336 of the SFO, the corporations or persons (other than a Director or CEO) had interests of 10% or more in the Shares or underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name	Capacity	Number of Shares held ⁽¹⁾	Approximate percentage of the issued Shares
2926 Holdings ⁽²⁾	Beneficial owner	1,417,500,000	70.875%

Notes:

- (1) Interests in shares stated above represent long positions.
- (2) 2926 Holdings is the registered and beneficial owner holding 70.875% of the issued Shares. The issued share capital of 2926 Holdings is owned as to 63.9% by Dato' Chan and 36.1% by Dato' Kwan. On 29 May 2019, Dato' Chan and Dato' Kwan entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, among other things, that they are parties acting in concert (having the meaning ascribed to it under the Takeovers Codes). By virtue of the Concert Parties Confirmatory Deed, each of Dato' Chan and Dato' Kwan is deemed to be interested in the Shares held by 2926 Holdings under the SFO.
- (3) Datin Lo is the spouse of Dato' Chan and is deemed, or taken to be, interested in the Shares which Dato' Chan is interested under the SFO.

Save as disclosed above, at 30 June 2020, no other person (other than a Director or chief executive of the Company) had registered an interest or short position in the Shares, underlying Shares which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.



CORPORATE GOVERNANCE AND OTHER INFORMATION *(Continued)*

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

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of directors since the date of the annual report 2019 of the Company are set out below:

1. Dato' Chan Kong Yew retired as an independent non-executive director of Boustead Plantations Bhd, a company listed on Malaysia Stock Exchange (stock code: 5254), on 24 June 2020;
2. The monthly emoluments of each of Dato' Chan Kong Yew, Datin Lo Shing Ping and Dato' Kwan Siew Deeg has been decreased by RM2,500 since 1 July 2020; and
3. The monthly director fee of each of Mr. Chan Leng Wai (who resigned on 7 August 2020), Mr. Li Chi Keung and Mr. Tan Poay Teik has been decreased by HK\$5,000 since 1 July 2020.

Save as aforesaid and the announcement of the Company dated 7 August 2020, 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 2020

	Notes	Six months ended 30 June	
		2020	2019
		RM'000 (unaudited)	RM'000 (audited)
Revenue	4	103,269	98,714
Cost of services and goods sold		(78,552)	(75,086)
Gross profit		24,717	23,628
Other income	5	775	1,990
Administrative and other operating expenses		(8,084)	(8,754)
(Provision for) Reversal of loss allowance of trade receivables		(61)	912
Finance costs	6	(2,401)	(1,648)
Share of results of associates		(26)	66
Listing expenses		(544)	(5,360)
Profit before tax	6	14,376	10,834
Income tax expenses	7	(1,158)	(2,303)
Profit for the period		13,218	8,531

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

Six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
<i>Notes</i>	RM'000	RM'000
	(unaudited)	(audited)
Other comprehensive income (loss)		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on combination/consolidation	1,650	(286)
Total comprehensive income for the period	14,868	8,245
Profit for the period attributable to:		
Equity holders of the Company	13,218	8,531
Total comprehensive income attributable to:		
Equity holders of the Company	14,868	8,245
Earnings per share attributable to equity holders of the Company		
Basic and diluted	0.68 RM sen	0.57 RM sen

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2020

		At 30 June 2020	At 31 December 2019
	Notes	RM'000 (unaudited)	RM'000 (audited)
Non-current assets			
Property, plant and equipment	10	158,809	144,570
Club membership		123	123
Goodwill		—	—
Interest in associates		225	1
		159,157	144,694
Current assets			
Inventories		9,288	8,376
Trade and other receivables	11	47,636	47,823
Restricted bank balances		35	35
Bank balances and cash		81,444	17,180
		138,403	73,414
Current liabilities			
Trade and other payables	12	32,705	33,006
Bank overdrafts	13	4,836	9,358
Interest-bearing borrowings	13	5,001	9,193
Lease liabilities	14	7,597	7,471
Income tax payables		3,750	5,152
		53,889	64,180

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

At 30 June 2020

		At 30 June 2020	At 31 December 2019
	Notes	RM'000 (unaudited)	RM'000 (audited)
Net current assets		84,514	9,234
Total assets less current liabilities		243,671	153,928
Non-current liabilities			
Interest-bearing borrowings	13	48,270	50,778
Lease liabilities	14	24,544	19,754
Deferred tax liabilities		99	99
		72,913	70,631
NET ASSETS		170,758	83,297
Capital and reserves			
Share capital	15	10,518	—*
Reserves	16	160,240	83,297
TOTAL EQUITY		170,758	83,297

* Represents amount less than RM1,000.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2020

	Attributable to equity holders of the Company					
	Share capital	Share premium	Capital reserve	Exchange reserve	Accumulated profits	Total
	RM'000 (Note 15)	RM'000 (Note 16(a))	RM'000 (Note 16(b))	RM'000 (Note 16(c))	RM'000	RM'000
Six months ended 30 June 2019						
At 1 January 2019 (audited)	—	—	6,681	1,212	74,850	82,743
Profit for the period	—	—	—	—	8,531	8,531
Other comprehensive loss						
<i>Item that may be reclassified subsequently to profit or loss:</i>						
Exchange differences on combination/consolidation	—	—	—	(286)	—	(286)
Total comprehensive income for the period	—	—	—	(286)	8,531	8,245
Transactions with owners						
<i>Contributions and distributions</i>						
Issue of share capital	—*	—	—	—	—	—*
Dividends (Note 9)	—	—	—	—	(17,271)	(17,271)
Contributions made by the Ultimate Controlling Parties (as defined in Note 1) (Note i)	—	—	8	—	—	8
	—*	—	8	—	(17,271)	(17,263)
At 30 June 2019 (audited)	—*	—	6,689	926	66,110	73,725

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Continued)

Six months ended 30 June 2020

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

* Represents amount less than RM1,000.



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Continued)

Six months ended 30 June 2020

Notes:

- (i) On 19 February 2019, ILNT 2926 (as defined in Note 1) was incorporated and 1 ordinary share was allotted and issued to Dato' Chan Kong Yew at a consideration of US\$1. On 3 June 2019, Dato' Chan Kong Yew transferred the 1 ordinary share of ILNT 2926 to 2926 Holdings (as defined in Note 1) at a consideration of US\$1. On the same date, 944 ordinary shares were allotted and issued to 2926 Holdings at a consideration of US\$944 and were fully paid during the six months ended 30 June 2019.

On 19 February 2019, IBL 2926 (as defined in Note 1) was incorporated and 1 ordinary share was allotted and issued to Dato' Chan Kong Yew at a consideration of US\$1. On 3 June 2019, Dato' Chan Kong Yew transferred the 1 ordinary share of IBL 2926 to 2926 Holdings at a consideration of US\$1. On the same date, 944 ordinary shares were allotted and issued to 2926 Holdings at a consideration of US\$944 and were fully paid during the six months ended 30 June 2019.

On 25 January 2019, ILNT Holding (MY) (as defined in Note 1) was incorporated and 2 ordinary shares were allotted and issued to Dato' Chan Kong Yew and Dato' Kwan Siew Deeg at considerations of RM1 and RM1, respectively, and were fully paid during the six months ended 30 June 2019. On 19 June 2019, Dato' Chan Kong Yew and Dato' Kwan Siew Deeg transferred 2 ordinary shares to ILNT 2926.

On 19 February 2019, Infinity Flexitank Holding (MY) (as defined in Note 1) was incorporated and 2 ordinary shares were allotted and issued to Dato' Chan Kong Yew and Mr. Teo Guan Kee at considerations of RM1 and RM1, respectively, and were fully paid during the six months ended 30 June 2019. On 17 June 2019, Dato' Chan Kong Yew and Mr. Teo Guan Kee transferred 2 ordinary shares to IBL 2926.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS


Six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
	RM'000 (unaudited)	RM'000 (audited)
OPERATING ACTIVITIES		
Profit before tax	14,376	10,834
Adjustments for:		
Depreciation	6,352	6,256
Gain on disposal of property, plant and equipment	(234)	(1,653)
Provision for (Reversal of) loss allowance of trade receivables	61	(912)
Share of results of associates	26	(66)
Bank interest income	(319)	(1)
Finance costs	2,401	1,648
Exchange differences	1,699	(288)
Cash flows from operations before movements in working capital	24,362	15,818
Changes in working capital:		
Inventories	(913)	(773)
Trade and other receivables	(111)	13,218
Trade and other payables	(289)	(1,978)
Cash generated from operations	23,049	26,285
Income tax paid	(2,560)	(642)
Interest paid	(2,401)	(1,648)
Net cash from operating activities	18,088	23,995
INVESTING ACTIVITIES		
Interest received	319	1
Investment in an associate	(250)	—
Prepayment made for acquisition of property, plant and equipment	—	(3,110)
Purchases of property, plant and equipment	(11,165)	(15,299)
Proceeds from disposal of property, plant and equipment	316	2,780
Net cash used in investing activities	(10,780)	(15,628)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

Six months ended 30 June 2020

	Six months ended 30 June	
	2020	2019
Notes	RM'000 (unaudited)	RM'000 (audited)
FINANCING ACTIVITIES		
Inception of interest-bearing borrowings	—	16,538
Repayment of interest-bearing borrowings	(6,700)	(1,284)
Repayment of lease liabilities	(4,512)	(3,632)
Proceeds from issuance of shares pursuant to the Share Offer (as defined in Note 15(v))	81,515	—
Payment of transaction costs attributable to issue of shares	(8,922)	—
Dividends paid	9	(17,271)
Repayment from related companies, net	—	1,346
Advance to the Ultimate Controlling Parties, net	—	(4,579)
Contributions made by the Ultimate Controlling Parties	—	8
Net cash from (used in) financing activities	61,381	(8,874)
Net increase (decrease) in cash and cash equivalents	68,689	(507)
Cash and cash equivalents at beginning of the reporting period	7,822	15,987
Effect on exchange rate changes	97	(12)
Cash and cash equivalents at end of the reporting period	76,608	15,468
Analysis of the balances of cash and cash equivalents		
Bank balances and cash	81,444	22,005
Bank overdrafts	(4,836)	(6,537)
	76,608	15,468



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Six months ended 30 June 2020

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Infinity Logistics and Transport Ventures Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 7 March 2019. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 21 January 2020 (the “**Listing**”). In the opinion of the directors of the Company, the immediate and ultimate holding company is 2926 Holdings Limited (“**2926 Holdings**”), which is incorporated in the British Virgin Islands (the “**BVI**”). The ultimate controlling parties of the Group are Dato’ Chan Kong Yew and Dato’ Kwan Siew Deeg (collectively referred to as the “**Ultimate Controlling Parties**”). The registered office of the Company is situated at P.O. Box 1350, Clifton House, 75 Fort Street, Grand Cayman, KY1-1108, Cayman Islands. The Company’s principal place of business is situated at Unit B, 13th Floor, Winsan Tower, 98 Thomson Road, Wan Chai, Hong Kong and the Group’s headquarter is situated at No. 2, Jalan Kasuarina 8, Bandar Botanik, 41200 Klang, Selangor Darul Ehsan, Malaysia.

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

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

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2020 (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 2019, 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 2019 (the “**2019 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 2019 Financial Statements.

Completion of reorganisation

Pursuant to a group reorganisation (the “**Reorganisation**”) carried out by the Group in preparation for the Listing, the Company became the holding company of the subsidiaries now comprising the Group on 13 December 2019. Details of the Reorganisation are as set out in the paragraph headed “Reorganisation” of the section headed “History, Development and Reorganisation” to the prospectus issued by the Company dated 30 December 2019 (the “**Prospectus**”).

Immediately prior to and after the Reorganisation, the Company and its subsidiaries now comprising the Group are ultimately controlled by the Ultimate Controlling Parties (individually and/or jointly).

The Group’s business is mainly conducted through Infinity Logistics & Transport Sdn. Bhd. (“**Infinity L&T (MY)**”), Infinity Lines Sdn. Bhd. (“**Infinity Lines (MY)**”), Supply Stream Management Sdn. Bhd. (“**Supply Stream Management (MY)**”), Infinity Logistics & Transport (S) Pte. Ltd. (“**Infinity L&T (SG)**”), KNS Infinity Sdn. Bhd. (“**KNS Infinity (MY)**”), Infinity Logistics & Transport Ltd. (“**Infinity L&T (Labuan)**”), Infinity Bulk Logistics Sdn. Bhd. (“**Infinity Bulk Logistics (MY)**”), Infinity Bulk Logistics Ltd. (“**Infinity Bulk Logistics (Labuan)**”) and Optimus Flexitank Solutions Sdn. Bhd. (“**Optimus Flexitank (MY)**”). The Company, ILNT 2926 Ventures Limited (“**ILNT 2926**”), IBL 2926 Ventures Limited (“**IBL 2926**”), Infinity Logistics & Transport Holding Sdn. Bhd. (“**ILNT Holding (MY)**”) and Infinity Flexitank Holding Sdn. Bhd. (“**Infinity Flexitank Holding (MY)**”) are investment holding companies and have not been involved in any other significant activities prior to the Reorganisation except for the Reorganisation. Because the Reorganisation did not result in any change in the management, the ultimate control and the resources employed of the Group’s business the Group is regarded as a continuity entity and therefore, the Reorganisation is considered as a business combination under common control.



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

Completion of reorganisation *(Continued)*

Accordingly, for the purpose of this report, the unaudited condensed consolidated interim financial statements have been prepared on a combined basis under merger accounting principles, as further explained in the paragraph headed “Merger accounting for business combination involving entities under common control” in Note 2 to the 2019 Financial Statements, which presents the combined financial position, combined financial performance, combined changes in equity and combined cash flows of the entities now comprising the Group as if the combination had occurred from the date when the combining entities or business first came under control of the Ultimate Controlling Parties.

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 2019 Financial Statements.

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

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



3. SEGMENT INFORMATION

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

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

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

Segment revenue and results

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

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

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

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

3. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

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

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

3. SEGMENT INFORMATION (Continued)

Segment revenue and results (Continued)

	Integrated freight forwarding services	Logistics centre and related services	Railroad tran- sportation services	Flexitank solution and related services	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Six months ended 30 June 2019 (audited)					
Revenue from contracts with customers within IFRS 15	34,617	22,805	9,295	31,261	97,978
Revenue from other source	—	736	—	—	736
	34,617	23,541	9,295	31,261	98,714
Segment results	7,397	3,378	3,101	9,752	23,628
<i>Unallocated income and expenses</i>					
Other income					1,990
Administrative and other operating expenses					(8,754)
Reversal of loss allowance of trade receivables					912
Finance costs					(1,648)
Share of results of associates					66
Listing expenses					(5,360)
Profit before tax					10,834
Income tax expenses					(2,303)
Profit for the period					8,531
<i>Other information:</i>					
Depreciation (Note i)	760	3,136	72	223	4,191
Provision for leakage claims	—	—	—	434	434
Additions to property, plant and equipment (Note ii)	2,525	—	—	205	2,730

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 2020 amounted to approximately RM3,064,000 (six months ended 30 June 2019: approximately RM2,065,000).
- (ii) Additions to property, plant and equipment not allocated to the segments during the six months ended 30 June 2020 amounted to approximately RM17,843,000 (six months ended 30 June 2019: approximately RM18,805,000).

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	
	2020	2019
	RM'000 (unaudited)	RM'000 (audited)
<i>Revenue from external customers:</i>		
China	764	1,886
Indonesia	8,424	11,016
Malaysia	59,952	51,020
Netherlands	1,479	1,410
Singapore	8,462	8,817
South Korea	4,052	4,037
Thailand	10,165	9,588
Vietnam	1,014	1,727
Others	8,957	9,213
	103,269	98,714

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 contributing 10% or more of the total revenue during the six months ended 30 June 2020 and 2019.

4. REVENUE

	Six months ended 30 June	
	2020	2019
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(audited)
Revenue from contracts with customers within IFRS 15		
Integrated freight forwarding services business		
Air freight services income	1,260	659
Ocean freight services income	8,544	7,370
Forwarding services income	6,896	2,056
NVOCC services income	19,175	24,532
	35,875	34,617
Logistics centre and related services business		
Warehousing and container depot services income	27,311	22,805
Railroad transportation services business		
Landbridge transportation services income	5,459	8,413
Landfeeder transportation services income	2,062	882
	7,521	9,295
Flexitank solution and related services business		
Income from flexitank solution	29,453	31,261
	100,160	97,978
Revenue from other source		
Logistics centre and related services business		
Rental income from warehouses	3,109	736
	103,269	98,714

4. REVENUE (Continued)

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

	Six months ended 30 June	
	2020	2019
	RM'000 (unaudited)	RM'000 (audited)
<i>Timing of revenue recognition:</i>		
— at a point of time		
Income from flexitank solution	29,453	31,261
— over time		
Air freight services income	1,260	659
Ocean freight services income	8,544	7,370
Forwarding services income	6,896	2,056
NVOCC services income	19,175	24,532
Warehousing and container depot services income	27,311	22,805
Landbridge transportation services income	5,459	8,413
Landfeeder transportation services income	2,062	882
	70,707	66,717
	100,160	97,978

5. OTHER INCOME

	Six months ended 30 June	
	2020	2019
	RM'000 (unaudited)	RM'000 (audited)
Bank interest income	319	1
Gain on disposal of property, plant and equipment	234	1,653
Sundry income	222	336
	775	1,990

6. PROFIT BEFORE TAX

This is stated after charging (crediting):

	Six months ended 30 June	
	2020	2019
	RM'000	RM'000
	(unaudited)	(audited)
Finance costs		
Interest on bank overdrafts	140	195
Interest on interest-bearing borrowings	1,323	734
Interest on lease liabilities	938	719
	2,401	1,648
Staff costs (including directors' emoluments)		
Salaries, allowances and other benefits in kinds	11,065	10,402
Contributions to defined contribution plans	1,380	1,277
	12,445	11,679
Other items		
Auditors' remuneration	66	11
Cost of inventories	19,570	21,509
Depreciation (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	6,352	6,256
Exchange (gain) loss, net	(1,941)	249
Expenses recognised under short-term leases (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	1,627	705
Expenses recognised under leases of low-value assets (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	107	101
Gain on disposal of property, plant and equipment	(234)	(1,653)
Provision for leakage claims	586	434

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	
	2020	2019
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(audited)
Current tax		
Malaysia CIT	1,158	2,630
Labuan CIT	—	10
	1,158	2,640
Deferred tax		
Changes in temporary differences	—	(337)
	1,158	2,303

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) of the Group’s estimated assessable profits arising from Malaysia (except for Labuan) during the six months ended 30 June 2020 and 2019.

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

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

The group entities incorporated in Labuan of Malaysia, CIT shall be charged at the rate of 3% for a year of assessment upon the chargeable profits (six months ended 30 June 2019: charged at 3% of chargeable profits or elect, in the prescribed form, to be charged for that year of assessment to tax of RM20,000) for the six months ended 30 June 2020.

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	
	2020	2019
	RM'000 (unaudited)	RM'000 (audited)
<i>Profit:</i>		
Profit for the period attributable to the owners of the Company, used in basic and diluted earnings per share calculation	13,218	8,531
<i>Number of shares:</i>		
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	1,945,054,945	1,500,000,000

The calculation of the weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share has been determined based on the assumption that the issue of shares at incorporation of the Company, the Reorganisation and the Capitalisation Issue (as defined in Note 15 below) to the shareholders had occurred on 1 January 2019.

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 2020 and 2019.

9. DIVIDENDS

	Six months ended 30 June	
	2020	2019
	RM'000 (unaudited)	RM'000 (audited)
Dividends declared to the then equity owners of the entities now comprising the Group	—	17,271

At a meeting held on 19 August 2020, the directors of the Company resolved to declare an interim dividend of United States dollars ("USD") 0.0007 per ordinary share totalling approximately USD1,400,000 (equivalent to approximately RM6,000,000). The proposed interim dividend has not been recognised as dividend payables in the Interim Financial Statements. The proposed dividend will be accounted for as an appropriation of reserves in the year ending 31 December 2020.

10. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets	Buildings	Containers and tanks	Furniture and fittings	Computer and office equipment	Motor vehicles	Construction- in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	<i>(Note 15)</i>							
Reconciliation of carrying amounts – year ended 31 December 2019 (audited)								
At 1 January 2019	66,678	26,156	1,649	1,543	2,592	2,584	2,002	103,204
Additions	14,431	27,617	1,171	315	994	10,751	150	55,429
Transfers	(4,007)	1,134	1,848	—	1,017	2,160	(2,152)	—
Depreciation	(6,706)	(1,433)	(106)	(490)	(1,330)	(2,154)	—	(12,219)
Disposals	—	—	(1,755)	—	(5)	(57)	—	(1,817)
Exchange realignments	(21)	—	(6)	—	—	—	—	(27)
At 31 December 2019	70,375	53,474	2,801	1,368	3,268	13,284	—	144,570
Reconciliation of carrying amounts – six months ended 30 June 2020 (unaudited)								
At 1 January 2020	70,375	53,474	2,801	1,368	3,268	13,284	—	144,570
Additions	9,755	190	—	23	1,269	9,336	—	20,573
Depreciation	(2,647)	(1,389)	(140)	(247)	(725)	(1,204)	—	(6,352)
Disposals	—	—	(68)	—	(12)	(2)	—	(82)
Exchange realignments	100	—	—	—	—	—	—	100
At 30 June 2020	77,583	52,275	2,593	1,144	3,800	21,414	—	158,809

At 30 June 2020, the Group's leasehold lands (included in right-of-use assets) and construction-in-progress with aggregate net carrying amount of approximately RM33,625,000 (31 December 2019: approximately RM33,799,000), were pledged to secure bank facilities granted to the Group (Note 13).

At 30 June 2020, the Group's buildings with a total carrying amount of approximately RM37,931,000 (31 December 2019: approximately RM38,429,000) were pledged to secure bank facilities granted to the Group (Note 13).

11. TRADE AND OTHER RECEIVABLES

	At 30 June 2020	At 31 December 2019
Notes	RM'000 (unaudited)	RM'000 (audited)
Trade receivables		
From third parties	41,962	43,734
From related companies	—	22
	41,962	43,756
Less: Loss allowance	(1,097)	(1,427)
11(a)	40,865	42,329
Other receivables		
Deposits paid	2,031	2,099
Other receivables	1,014	605
Prepayments	3,726	2,790
	6,771	5,494
	47,636	47,823

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

11(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.

11. TRADE AND OTHER RECEIVABLES (Continued)

11(a) Trade receivables (Continued)

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

	At 30 June 2020	At 31 December 2019
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Within 30 days	19,065	20,508
31 to 60 days	8,686	10,668
61 to 90 days	4,845	4,912
Over 90 days	9,366	7,668
	41,962	43,756
Less: Loss allowance	(1,097)	(1,427)
	40,865	42,329

12. TRADE AND OTHER PAYABLES

	At 30 June 2020	At 31 December 2019
Notes	RM'000 (unaudited)	RM'000 (audited)
Trade payables		
To third parties	19,813	18,089
To related companies	195	1,081
	20,008	19,170
Other payables		
Accruals and other payables (Note)	7,003	7,038
Other payables for acquisition of property, plant and equipment	5,253	6,354
Provision for leakage claims	441	213
Contract liabilities	—	231
	12,697	13,836
	32,705	33,006

Note:

The amount included accrued initial listing expenses of approximately RM1,220,000 at 31 December 2019.

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 2020	At 31 December 2019
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Within 30 days	12,801	8,180
31 to 60 days	3,116	4,816
61 to 90 days	1,501	1,046
Over 90 days	2,590	5,128
	20,008	19,170

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

13. BANK OVERDRAFTS AND INTEREST-BEARING BORROWINGS

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

		At 30 June 2020	At 31 December 2019
		<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
	<i>Notes</i>		
Bank overdrafts — secured	<i>13(a)</i>	4,836	9,358
Interest-bearing borrowings — secured	<i>13(b)</i>	53,271	59,971
		58,107	69,329

13(a) Bank overdrafts – secured

	At 30 June 2020		At 31 December 2019	
	Interest rate (%)	<i>RM'000</i> (unaudited)	Interest rate (%)	<i>RM'000</i> (audited)
Bank overdrafts – secured	Base financing rate + 4% per annum	4,836	Base financing rate + 4% per annum	9,358

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

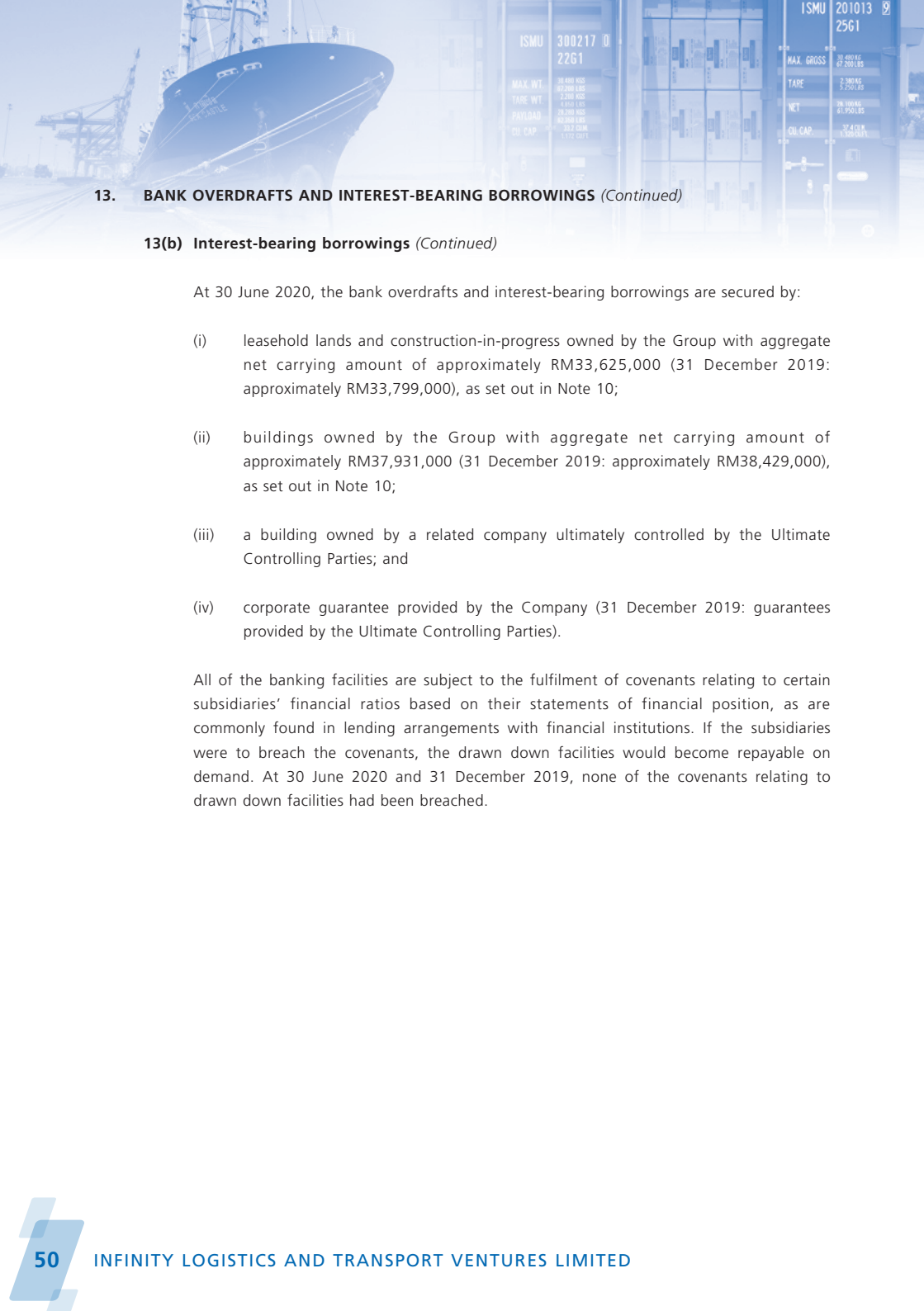
13(b) Interest-bearing borrowings

At 30 June 2020, the interest-bearing borrowings represent amounts due to various banks which are repayable ranging from within one year to over five years (31 December 2019: within one year to over five years) since its inception.

At 30 June 2020, the weighted average effective interest rate on interest-bearing borrowings was 4.85% (31 December 2019: 4.85%) per annum.

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

	At 30 June 2020	At 31 December 2019
	RM'000 (unaudited)	RM'000 (audited)
Secured bank borrowings		
— Current portion	5,001	9,193
— Non-current portion	48,270	50,778
	53,271	59,971



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

13(b) Interest-bearing borrowings *(Continued)*

At 30 June 2020, the bank overdrafts and interest-bearing borrowings are secured by:

- (i) leasehold lands and construction-in-progress owned by the Group with aggregate net carrying amount of approximately RM33,625,000 (31 December 2019: approximately RM33,799,000), as set out in Note 10;
- (ii) buildings owned by the Group with aggregate net carrying amount of approximately RM37,931,000 (31 December 2019: approximately RM38,429,000), as set out in Note 10;
- (iii) a building owned by a related company ultimately controlled by the Ultimate Controlling Parties; and
- (iv) corporate guarantee provided by the Company (31 December 2019: guarantees provided by the Ultimate Controlling Parties).

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 2020 and 31 December 2019, none of the covenants relating to drawn down facilities had been breached.

14. LEASES

	At 30 June 2020	At 31 December 2019
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Right-of-use assets (Note 10)		
Leased properties	35,240	29,194
Leasehold lands	37,548	37,509
Containers	3,062	3,672
Motor vehicles	1,733	—
	77,583	70,375
	At 30 June 2020	At 31 December 2019
	<i>RM'000</i> (unaudited)	<i>RM'000</i> (audited)
Lease liabilities		
Current	7,597	7,471
Non-current	24,544	19,754
	32,141	27,225

14. LEASES (Continued)

In addition to the information disclosed in Notes 7 and 10, the Group had the following amounts relating to leases during the six months ended 30 June 2020 and 2019:

	Six months ended 30 June	
	2020	2019
	RM'000	RM'000
	(unaudited)	(audited)
Depreciation charge of right-of-use assets		
Leased properties	1,402	2,143
Leasehold lands	342	199
Containers	710	753
Motor vehicles	193	264
	2,647	3,359

The total cash outflow for leases was approximately RM7,184,000 and approximately RM5,157,000 for the six months ended 30 June 2020 and 2019, respectively.

14. LEASES (Continued)

Lease liabilities:

	Lease payments		Present value of lease payments	
	At 30 June 2020	At 31 December 2019	At 30 June 2020	At 31 December 2019
	<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	9,376	9,016	7,597	7,471
More than one year, but not exceeding two years	4,670	6,289	3,287	5,162
More than two years, but not exceeding five years	7,173	6,501	3,813	4,101
After five years	31,013	20,192	17,444	10,491
	52,232	41,998	32,141	27,225
Less: future finance charges	(20,091)	(14,773)	—	—
Total lease liabilities	32,141	27,225	32,141	27,225

15. SHARE CAPITAL

	Notes	Number of shares	HK\$	Equivalent to RM
Ordinary share of HK\$0.01 each				
Authorised:				
At 7 March 2019 (date of incorporation)		38,000,000	380,000	203,200
Increase	(iii)	14,962,000,000	149,620,000	80,010,700
At 31 December 2019 (audited) and 30 June 2020 (unaudited)		15,000,000,000	150,000,000	80,213,900
Issued and fully paid:				
At 7 March 2019 (date of incorporation)	(i)	1	0.01	—*
Issuance of shares under the Reorganisation	(ii)	1,999	19.99	11
At 31 December 2019 (audited)		2,000	20.00	11
Capitalisation Issue	(iv)	1,499,998,000	14,999,980	7,888,489
Issuance of shares pursuant to the Share Offer	(v)	500,000,000	5,000,000	2,629,500
At 30 June 2020 (unaudited)		2,000,000,000	20,000,000	10,518,000

* Represents amount less than RM1.

Notes:

- (i) Upon incorporation, 1 ordinary share was allotted and issued to Dato' Chan Kong Yew at par value.
- (ii) On 13 December 2019, the Company acquired all the issued shares of ILNT 2926 and IBL 2926 from 2926 Holdings and Mr. Teo Guan Kee and in consideration thereof, the Company allotted and issued 1,889 shares credited as fully paid to 2926 Holdings and 110 shares credited as fully paid to Mr. Teo Guan Kee, respectively. Due to the fact that the issuance of shares is only a step of the Reorganisation, the shares of the Company as issued were recorded at par value.



15. SHARE CAPITAL (Continued)

Notes: (Continued)

- (iii) On 14 December 2019, the authorised share capital of the Company was increased by HK\$149,620,000 by the creation of an additional of 14,962,000,000 shares of HK\$0.01 each.
- (iv) Pursuant to the resolutions in writing of the Company's shareholders passed on 14 December 2019, subject to the share premium account of the Company being credited as a result of the issue of the Company's shares under the Listing, the directors of the Company were authorised to allot and issue a total of 1,499,998,000 shares of HK\$0.01 each to the existing shareholders, credited as fully paid at par by way of capitalisation of the sum of HK\$14,999,980 standing to be credit of the share premium account of the Company (the "**Capitalisation Issue**") and the shares to be allotted and issued pursuant to this resolution shall carry the same rights as all shares in issue (save for the rights to participate in the Capitalisation Issue). The Capitalisation Issue was fully completed on 21 January 2020.
- (v) On 21 January 2020, the shares of the Company were listed on the Main Board of the Stock Exchange and 500,000,000 shares of HK\$0.01 each were issued at HK\$0.31 per share by way of share offer (the "**Share Offer**"). The gross proceeds from the Share Offer amounted to HK\$155,000,000 (equivalent to approximately RM81,515,000). The expenses attributable to issue of shares pursuant to the share offer of approximately RM8,922,000 were recognised in the share premium account of the Company.

16. RESERVES

16(a) Share premium

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

16(b) Capital reserve

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

16(c) Exchange reserve

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

17. RELATED/CONNECTED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Interim Financial Statements, the Group had the following related/connected party transactions during the six months ended 30 June 2020 and 2019:

- (a) Transactions between the group entities have been eliminated on consolidation/combination and are not disclosed. During the six months ended 30 June 2020 and 2019, 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	
		2020	2019
		<i>RM'000</i>	<i>RM'000</i>
		(unaudited)	(audited)
Related party relationship	Nature of transaction		
An associate	Logistics and related services costs	—	34
Related companies controlled by the Ultimate Controlling Parties	Logistics and related services income	29	46
	Logistics and related services costs	442	621

17. RELATED/CONNECTED PARTY TRANSACTIONS (Continued)

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

	Six months ended 30 June	
	2020	2019
	RM'000 (unaudited)	RM'000 (audited)
Salaries, allowances and other benefits in kinds	693	761
Discretionary bonus	—	—
Contributions to defined contribution plans	79	82
	772	843

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 RM9,408,000 and approximately RM1,992,000 during the six months ended 30 June 2020 and 2019, respectively.
- (ii) During the six months ended 30 June 2019, the Group incurred payables of approximately RM4,244,000 to the constructors for the additions of property, plant and equipment.

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 2020	At 31 December 2019
	RM'000 (unaudited)	RM'000 (audited)
Within one year	6,634	5,929
Over one year but within two years	1,517	6,008
Over two years but within three years	—	1,517
	8,151	13,454

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.

(b) Capital expenditure commitments

	At 30 June 2020	At 31 December 2019
	RM'000 (unaudited)	RM'000 (audited)
Contracted but not provided for acquisition of property, plant and equipment	—	576

20. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The Interim Financial Statements were approved by the board of directors on 19 August 2020.