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## **INFINITY LOGISTICS AND TRANSPORT VENTURES LIMITED** **鷹輝物流有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1442)**

### **INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The board (the “**Board**”) of directors (the “**Directors**”) of Infinity Logistics and Transport Ventures Limited (the “**Company**”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023 as follows:

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

*For the six months ended 30 June 2024*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b>RM'000</b>	<b>RM'000</b>
		<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Revenue</b>	4	<b>235,564</b>	181,905
Cost of services and goods sold		<u><b>(189,642)</b></u>	<u>(144,656)</u>
<b>Gross profit</b>		<b>45,922</b>	37,249
Other income		<b>1,097</b>	284
Administrative and other operating expenses		<b>(16,828)</b>	(12,863)
Finance costs	5	<b>(5,767)</b>	(5,640)
Share of results of associates		<u><b>249</b></u>	<u>(333)</u>
<b>Profit before tax</b>	5	<b>24,673</b>	18,697
Income tax expenses	6	<u><b>(4,176)</b></u>	<u>(2,069)</u>

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>Note</i> <b>RM'000</b> <b>(unaudited)</b>	<i>RM'000</i> <b>(unaudited)</b>
<b>Profit for the period</b>	<u>20,497</u>	<u>16,628</u>
<b>Other comprehensive (loss)/income</b>		
<i>Item that may be reclassified subsequently to profit or loss</i>		
– Exchange differences on consolidation	(5,499)	(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	<u>3,106</u>	<u>6,372</u>
<b>Other comprehensive (loss)/income for the period</b>	<u>(2,393)</u>	<u>5,518</u>
<b>Total comprehensive income for the financial period</b>	<u><u>18,104</u></u>	<u><u>22,146</u></u>
<b>Profit/(loss) for the period attributable to:</b>		
Equity holders of the Company	19,230	16,841
Non-controlling interests	<u>1,267</u>	<u>(213)</u>
	<u><u>20,497</u></u>	<u><u>16,628</u></u>
<b>Total comprehensive income/(loss) attributable to:</b>		
Equity holders of the Company	16,837	22,359
Non-controlling interests	<u>1,267</u>	<u>(213)</u>
	<u><u>18,104</u></u>	<u><u>22,146</u></u>
<b>Earnings per share attributable to equity holders of the Company</b>		
Basic and diluted	7	
	<u><u>RM0.93 sen</u></u>	<u><u>RM0.81 sen</u></u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At 30 June 2024 <i>RM'000</i> (unaudited)	At 31 December 2023 <i>RM'000</i> (audited)
<b>Non-current assets</b>			
Property, plant and equipment		386,186	347,960
Club membership		45	168
Goodwill		11,611	11,611
Interest in associates		839	590
Deposits paid for acquisition of property, plant and equipment		29,600	59,200
		<u>428,281</u>	<u>419,529</u>
<b>Current assets</b>			
Inventories		26,666	25,411
Asset classified as held for sale		–	10,440
Trade and other receivables	9	149,349	143,172
Income tax recoverable		3,531	4,825
Restricted bank balances		40	40
Bank balances and cash		41,463	50,769
		<u>221,049</u>	<u>234,657</u>
<b>Current liabilities</b>			
Trade and other payables	10	90,525	78,249
Bank overdrafts		2,282	14,308
Interest-bearing borrowings		17,433	23,393
Lease liabilities		9,698	15,417
		<u>119,938</u>	<u>131,367</u>
<b>Net current assets</b>		<u>101,111</u>	<u>103,290</u>
<b>Total assets less current liabilities</b>		<u>529,392</u>	<u>522,819</u>

		At 30 June 2024 <i>RM'000</i> (unaudited)	At 31 December 2023 <i>RM'000</i> (audited)
<b>Non-current liabilities</b>			
Interest-bearing borrowings		95,815	104,693
Lease liabilities		71,155	73,806
Deferred tax liabilities		4,643	4,645
		<u>171,613</u>	<u>183,144</u>
<b>NET ASSETS</b>		<u><u>357,779</u></u>	<u><u>339,675</u></u>
<b>Capital and reserves</b>			
Share capital	<i>11</i>	10,866	10,866
Reserves		<u>340,231</u>	<u>323,394</u>
<b>Equity attributable to equity holders of the Company</b>		<u>351,097</u>	334,260
Non-controlling interests		<u>6,682</u>	<u>5,415</u>
<b>TOTAL EQUITY</b>		<u><u>357,779</u></u>	<u><u>339,675</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024

## 1. BASIS OF PREPARATION

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 2024 (the “**Interim Financial Statements**”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by International Accounting Standard Board (the “IASB”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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.

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 2023, 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 2023 (the “**2023 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 2023 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 2023 Financial Statements.

In the current interim period, the Group has adopted, for the first time, the following revised IFRSs for the preparation of the Group’s condensed consolidated financial statements.

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the revised standards in the current interim period has no material impact on the amount reported in these condensed consolidated financial statements and/or disclosures set in these condensed consolidated financial statements.

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

### **3. SEGMENT INFORMATION**

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

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

- 1) Integrated freight forwarding services segment: provision of non-vessel operating common carriers (“**NVOCC**”) and freight forwarding services;
- 2) Logistics centre and related services segment: provision of warehousing and container depot services;
- 3) Land transportation services segment: provision of land transportation services;
- 4) Flexitank solution and related services segment: provision of flexitank solution and related services; and
- 5) Fourth-party logistics (“**4PL**”) services segment: provision of 4PL services and 4PL handling services.

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

Segment revenue represents revenue derived from the provision of (i) integrated freight forwarding services; (ii) logistics centre and related services; (iii) land transportation services; (iv) flexitank solution and related services; and (v) 4PL services.

Segment results represent the gross profit incurred by each segment without allocation of other income, administrative and other operating expenses, provision for loss allowance of trade receivables, finance costs, share of results of associates 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.

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

	Integrated freight forwarding services <i>RM'000</i>	Logistics centre and related services <i>RM'000</i>	Land transportation services <i>RM'000</i>	Flexitank solution and related services <i>RM'000</i>	4PL services <i>RM'000</i>	Total <i>RM'000</i>
<u>Six months ended 30 June 2024</u>						
<u>(unaudited)</u>						
Revenue from contracts with customers within IFRS 15	53,242	41,314	36,992	94,573	5,594	231,715
Revenue from other source	—	3,849	—	—	—	3,849
	<u>53,242</u>	<u>45,163</u>	<u>36,992</u>	<u>94,573</u>	<u>5,594</u>	<u>235,564</u>
Segment results	<u>12,811</u>	<u>5,381</u>	<u>1,439</u>	<u>23,449</u>	<u>2,842</u>	<u>45,922</u>
<i>Unallocated income and expenses</i>						
Other income						1,097
Administrative and other operating expenses						(16,828)
Finance costs						(5,767)
Share of results of associates						249
Profit before tax						24,673
Income tax expenses						(4,176)
Profit for the period						<u>20,497</u>
<i>Other information:</i>						
Depreciation ( <i>Note i</i> )	233	7,847	2,653	1,292	—	12,025
Provision for leakage claims	—	—	—	100	—	100
Addition to property, plant and equipment ( <i>Note ii</i> )	—	10,820	—	38,469	—	49,289

	Integrated freight forwarding services <i>RM'000</i>	Logistics centre and related services <i>RM'000</i>	Land transportation services <i>RM'000</i>	Flexitank solution and related services <i>RM'000</i>	4PL services <i>RM'000</i>	Total <i>RM'000</i>
<u>Six months ended 30 June 2023</u>						
<u>(unaudited)</u>						
Revenue from contracts with customers within IFRS 15	41,387	39,733	37,001	54,840	6,224	179,185
Revenue from other source	—	2,720	—	—	—	2,720
	<u>41,387</u>	<u>42,453</u>	<u>37,001</u>	<u>54,840</u>	<u>6,224</u>	<u>181,905</u>
Segment results	<u>8,412</u>	<u>12,771</u>	<u>1,906</u>	<u>11,229</u>	<u>2,931</u>	<u>37,249</u>
<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						<u>16,628</u>
<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> )	<u>1,210</u>	<u>2,975</u>	<u>7,003</u>	<u>587</u>	<u>—</u>	<u>11,775</u>

*Notes:*

- (i) Depreciation not included in the measure of segment results during the six months ended 30 June 2024 amounted to approximately RM1,186,000 (six months ended 30 June 2023: approximately RM1,654,000).
- (ii) Additions to property, plant and equipment not allocated to the segments during the six months ended 30 June 2024 amounted to approximately RM4,748,000 (six months ended 30 June 2023: approximately RM60,856,000).



## 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	
	2024	2023
	RM'000	RM'000
	(unaudited)	(unaudited)
<i>Revenue from external customers:</i>		
Belgium	5,095	—
China	140	74
Indonesia	18,487	16,938
Malaysia	123,256	105,668
Netherlands	2,046	1,214
Singapore	38,798	35,270
South Korea	10,349	3,945
Spain	6,600	—
Thailand	6,885	7,308
Vietnam	2,065	1,361
Others	21,843	10,127
	<u>235,564</u>	<u>181,905</u>

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

## Information about major customers

No external customers individually contributed 10% or more of the Group's total revenue during the six months ended 30 June 2024 and 2023.

#### 4. REVENUE

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>RM'000</i>	<i>RM'000</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b><u>Revenue from contracts with customers within IFRS 15</u></b>		
<b>Integrated freight forwarding services business</b>		
Air freight services income	2,037	2,105
Ocean freight services income	31,383	19,941
Forwarding services income	9,961	9,340
NVOCC services income	9,861	10,001
	<u>53,242</u>	<u>41,387</u>
<b>Logistics centre and related services business</b>		
Warehousing and container depot services income	<u>41,314</u>	<u>39,733</u>
<b>Land transportation services business</b>		
Income from land transportation	16,832	23,932
Landbridge transportation services income	6,485	7,014
Landfeeder transportation services income	13,675	6,055
	<u>36,992</u>	<u>37,001</u>
<b>Flexitank solution and related services business</b>		
Income from flexitank solution	<u>94,573</u>	<u>54,840</u>
<b>4PL services business</b>		
4PL handling income	–	88
4PL services income	5,594	6,136
	<u>5,594</u>	<u>6,224</u>
	<u>231,715</u>	<u>179,185</u>
<b><u>Revenue from other source</u></b>		
<b>Logistics centre and related service business</b>		
Rental income from warehouses	<u>3,849</u>	<u>2,720</u>
	<u>235,564</u>	<u>181,905</u>

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<i>Timing of revenue recognition:</i>		
<b>– at a point of time</b>		
Income from flexitank solution	<b>94,573</b>	54,840
4PL handling income	–	88
	<u><b>94,573</b></u>	<u>54,928</u>
<b>– over time</b>		
Air freight services income	<b>2,037</b>	2,105
Ocean freight services income	<b>31,383</b>	19,941
Forwarding services income	<b>9,961</b>	9,340
NVOCC services income	<b>9,861</b>	10,001
Warehousing and container depot services income	<b>41,314</b>	39,733
Income from land transportation	<b>16,832</b>	23,932
Landbridge transportation services income	<b>6,485</b>	7,014
Landfeeder transportation services income	<b>13,675</b>	6,055
4PL services income	<b>5,594</b>	6,136
	<u><b>137,142</b></u>	<u>124,257</u>
	<u><b>231,715</b></u>	<u>179,185</u>

## 5. PROFIT BEFORE TAX

This is stated after charging (crediting):

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Finance costs</b>		
Interest on bank overdrafts	161	410
Interest on interest-bearing borrowings	2,909	2,090
Interest on lease liabilities	2,697	3,140
	<u>5,767</u>	<u>5,640</u>
<b>Staff costs (including directors' emoluments)</b>		
Salaries, allowances and other benefits in kinds	29,629	22,709
Contributions to defined contribution plans	3,027	2,596
	<u>32,656</u>	<u>25,305</u>
Total staff costs (charged to "cost of services and goods sold" and "administrative and other operating expenses" and included in "inventories", as appropriate)	<u>32,656</u>	<u>25,305</u>
<b>Other items</b>		
Auditor's remuneration	206	73
Cost of inventories	71,124	43,611
Depreciation (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	13,211	12,839
Exchange loss, net	640	2,765
Expenses recognised under short-term leases (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	2,598	1,481
Expenses recognised under leases of low-value assets (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	368	1,241
(Gain)/Loss on disposal of property, plant and equipment	(351)	32
Inventories written off	2	21
Provision for leakage claims	100	100
	<u>100</u>	<u>100</u>

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

## 6. INCOME TAX EXPENSES

	Six months ended 30 June	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Current tax		
Malaysia CIT	<u>4,176</u>	<u>2,069</u>

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

Subject to tax incentive described below, Malaysia CIT is calculated at the rate of 24% (the “**standard rate**” in Malaysia) on the Group’s estimated assessable profits arising from Malaysia (except for Labuan) during the six months ended 30 June 2024 and 2023.

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 investment tax allowance (the “**ITA**”). 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 Logistics & Transport Sdn Bhd. (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% for a year of assessment on the chargeable profits for the six months ended 30 June 2024 (six months ended 30 June 2023: charged at 3% of chargeable profits).

The CIT for group entity incorporated in Spain is calculated at 25% on the chargeable profits during the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 7. 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	
	2024	2023
	<i>RM'000</i>	<i>RM'000</i>
	(unaudited)	(unaudited)
Profit for the period attributable to the owners of the Company, used in basic and diluted earnings per share calculation	<u>19,230</u>	<u>16,841</u>
Weighted average number of ordinary shares for basic and diluted earnings per share calculation	<u>2,064,000,000</u>	<u>2,064,000,000</u>

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 2024 and 2023.

## 8. DIVIDENDS

The directors of the Company do not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 9. TRADE AND OTHER RECEIVABLES

	At 30 June 2024 <i>RM'000</i> (unaudited)	At 31 December 2023 <i>RM'000</i> (audited)
<b>Trade receivables</b>		
From third parties	91,780	72,671
Less: Loss allowance	<u>(1,519)</u>	<u>(1,565)</u>
	<i>9(a)</i> <u>90,261</u>	<u>71,106</u>
<b>Other receivables</b>		
Deposits paid	3,217	2,587
Payment made on behalf of a customer in respect of 4PL services	43,428	47,396
Other receivables	2,234	4,872
Prepayments	<u>10,209</u>	<u>17,211</u>
	<u>59,088</u>	<u>72,066</u>
	<u><u>149,349</u></u>	<u><u>143,172</u></u>

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

Included in other receivables is an amount of RM330,000 (31 December 2023: RM330,000) due from associated company in which certain Directors have interests and are also common Directors of the Company.

### 9(a) Trade receivables

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

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

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

	At <b>30 June</b> <b>2024</b> <i>RM'000</i> <b>(unaudited)</b>	At 31 December 2023 <i>RM'000</i> <b>(audited)</b>
Within 30 days	<b>63,531</b>	27,827
31 to 90 days	<b>14,657</b>	33,604
Over 90 days	<b>13,592</b>	11,240
	<b>91,780</b>	72,671
Less: Loss allowance	<b>(1,519)</b>	(1,565)
	<b>90,261</b>	71,106

#### 10. TRADE AND OTHER PAYABLES

	At <b>30 June</b> <b>2024</b> <i>RM'000</i> <b>(unaudited)</b>	At 31 December 2023 <i>RM'000</i> <b>(audited)</b>
<b>Trade payables</b>		
To third parties	<b>43,414</b>	39,733
To related companies	<b>100</b>	281
	<b>43,514</b>	40,014
	<i>10(a)</i>	
<b>Other payables</b>		
Accruals and other payables	<b>34,903</b>	29,402
Other payables for acquisition of property, plant and equipment	<b>5,100</b>	5,100
Provision for leakage claims	<b>930</b>	930
Amount due to directors	<b>6,078</b>	2,803
	<b>47,011</b>	38,235
	<b>90,525</b>	78,429



## 10(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 <b>30 June</b> <b>2024</b> <i>RM'000</i> <b>(unaudited)</b>	At 31 December 2023 <i>RM'000</i> <b>(audited)</b>
Within 30 days	<b>36,803</b>	23,694
31 to 90 days	<b>4,634</b>	12,247
Over 90 days	<b>2,077</b>	4,073
	<b>43,514</b>	40,014

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

## 11. SHARE CAPITAL

	Number of shares	<i>HK\$</i>	<i>Equivalent to RM</i>
Ordinary shares of HK\$0.01 each			
Authorised:			
<b>At 1 January 2023 (audited), 31 December 2023 (audited) and 30 June 2024 (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 2023 (audited) and 30 June 2024 (unaudited)</b>	<b>2,064,000,000</b>	<b>20,640,000</b>	<b>10,865,975</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### FINANCIAL OVERVIEW

During the six months ended 30 June 2024, the Group recorded a revenue of approximately RM235,564,000 (six months ended 30 June 2023: approximately RM181,905,000), representing an increase of approximately 29.5% compared to the corresponding period in 2023. The Group recorded a gross profit of approximately RM45,922,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately RM37,249,000), representing an increase of approximately 23.3% compared to the corresponding period in 2023. The Group's gross profit margin decreased to approximately 19.5% for the six months ended 30 June 2024, compared to approximately 20.5% for the six months ended 30 June 2023. The Group recorded a net profit of approximately RM20,497,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately RM16,628,000).

### 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; (iv) flexitank solution and related services; and (v) fourth-party logistics (“4PL”) services. The Group's sustained performance is driven by its strategic portfolios of integrated logistics services, which are tailored to meet the varied needs of customers across various industries in Malaysia and neighboring countries. By leveraging our comprehensive service offerings and deep industry expertise, we effectively address the specific needs of our clientele, ensuring continued success and growth.

Revenue from logistics centre and related services increased by approximately 6.4% to approximately RM45,163,000 for the six months ended 30 June 2024. However, gross profit from this segment decreased by approximately 57.9 % to approximately RM5,381,000 for the six months ended 30 June 2024. The decrease in gross profit is primarily due to reduced warehouse space rented to customers, higher rental cost, and increased staff expenses.

Revenue from land transportation services experienced a slight decrease of approximately 0.02% to approximately RM36,992,000 for the six months ended 30 June 2024. However, the gross profit contribution from this segment declined by approximately 24.5% to approximately RM1,439,000 for the six months ended 30 June 2024. This decrease is mainly attributable to increased operational cost associated with one of the rail siding projects.

Revenue from integrated freight forwarding services experienced a notable increase of approximately 28.6% to approximately RM53,242,000 for the six months ended 30 June 2024. This growth is driven by higher customer demand for freight forwarding activities. Consequently, gross profit from this segment increased by approximately 52.3% to approximately RM12,811,000 for the six months ended 30 June 2024.

Revenue from flexitank solution and related services surged by approximately 72.5% to approximately RM94,573,000 for the six months ended 30 June 2024. This significant growth is primarily attributable to the Group's acquisition of a subsidiary company in December 2023. As a result, gross profit from this segment increased by approximately 108.8% to approximately RM23,449,000 for the six months ended 30 June 2024.

During the six months ended 30 June 2024, revenue from 4PL services decreased by approximately 10.1% to approximately RM5,594,000. This decline is attributable to a reduction in the handling of customer shipments within this services category. Consequently, gross profit from this segment decreased by approximately 3.0% to approximately RM2,842,000 for the six months ended 30 June 2024.

The Group's cost of services and goods sold totalled approximately RM189,642,000 for the six months ended 30 June 2024, representing an increase of approximately RM44,986,000 or 31.1% as compared to the corresponding period in 2023. This increase aligns with the rise in revenue and staff expenditures during the six months ended 30 June 2024.

The Group's other income totalled approximately RM1,097,000 for the six months ended 30 June 2024, representing an increase of approximately RM813,000 or 286.30% as compared to the corresponding period in 2023. This increase is primarily due to the net gain from the disposal of assets and the sundry income generated by the newly acquired subsidiary company during the six months ended 30 June 2024.

## **PROSPECTS**

As we progress into the second half of 2024, the Company remains committed to driving growth and excellence through initiatives that align with our core values. We continue to enhance and expand Environmental, Social, and Governance (ESG) principles as cornerstones of our operations.

We are heavily upskilling our workforce under the Human Resource Development Corporation (HRD Corp) framework. Our emphasis on continuous learning and development equips our people with the skills needed to navigate the rapidly evolving logistics landscape. Our digitalisation journey has been a success with the aim of empowering our people through technology and automation. We have experienced improved efficiency through Robotic Process Automation (RPA) and integrating automation in our flexitank production has greatly improved our control over quality and quantity with reduced human errors. We continue to invest heavily on digitalisation and automation with new projects integrating Artificial Intelligence in the pipeline.

Looking ahead, we remain optimistic about the market outlook for the remainder of the year. Despite lower shipping rates, the overall economic environment is improving, with the country's Gross Domestic Product (GDP) showing positive growth. The flexitank and logistics sector continue to perform well, and we see significant potential in the Johor-Singapore Special Economic Zone (JS-SEZ). This region presents numerous opportunities for expansion and collaboration, and we are strategically positioning ourselves to capitalize on these prospects.

In summary, the first half of 2024 has been strong for the Company. With our ongoing focus on ESG, upskilling, and digitalisation, coupled with a positive market outlook, we are confident in our ability to sustain this momentum and achieve continued success in the months ahead.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

The Group generally finances its operations through internally generated cash flows and banking facilities provided by its banking partners in Malaysia. The Group held bank balances and cash of approximately RM41,463,000 at 30 June 2024 (31 December 2023: approximately RM50,769,000). The Group leases various properties, lands, containers and motor vehicles with aggregate lease liabilities of approximately RM80,853,000 (31 December 2023: approximately RM89,223,000) and rental contracts typically made for fixed periods of two to thirty years (31 December 2023: two to thirty years). At 30 June 2024, the Group had interest-bearing borrowings from various banks of approximately RM113,248,000 (31 December 2023: approximately RM128,086,000) which are repayable ranging from within one year to over eight years (31 December 2023: within one year to over eight years) since inception. Also, the Group had other bank overdrafts of approximately RM2,282,000 at 30 June 2024 (31 December 2023: approximately RM14,308,000). The weighted average effective interest rate on interest-bearing borrowings was approximately 5.04% (31 December 2023: approximately 5.05%) per annum at 30 June 2024. The carrying amounts of interest-bearing borrowings were denominated in RM. The Group's gearing ratio at 30 June 2024, calculated based on the total borrowings to the equity attributable to owners of the Company, was 0.55 (31 December 2023: 0.69). The Directors believe that the Group's cash position, liquid asset value, future revenue and available banking facilities will be sufficient to meet the Group's working capital requirements. There has been no material change in the capital structure of the Company during the six months ended 30 June 2024. The capital of the Company comprises ordinary shares and other reserves.

### **Treasury policies**

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the six months ended 30 June 2024. The Group strives to minimise exposure to credit risk by conducting 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 to meet funding requirements and commitments in a timely manner.

## **Hedging and exchange rate exposure**

The majority of the transactions, assets and liabilities of the Group was denominated in RM, United States dollars, Euro and Hong Kong dollars. During the six months ended 30 June 2024, 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 2024.

## **Charge on group assets**

At 30 June 2024, the Group's leasehold lands and buildings with a total carrying amount of approximately RM108,323,000 (31 December 2023: RM109,911,000) were pledged to secure bank facilities granted to the Group.

## **Contingent liabilities**

At 30 June 2024, the Group had no contingent liabilities.

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

Saved as disclosed elsewhere in this announcement, there are no significant events affecting the Group which have occurred subsequent to 30 June 2024 and up to the date of this announcement.

## **Employees**

At 30 June 2024, the Group employed a total of approximately 1,035 employees (30 June 2023: approximately 901) in Malaysia, Singapore and Spain. Staff costs (including directors' emoluments) amounted to approximately RM32,656,000 for the six months ended 30 June 2024 (six months ended 30 June 2023: approximately RM25,305,000). The Group is committed to recruiting and selecting candidates based on their qualifications and fit for the role, striving to recruit the most capable person for each position. To attract and retain top talent, the Group continues to offer competitive remuneration package and bonuses to eligible employees, 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 2024.

## CORPORATE GOVERNANCE

### 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 C1 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 2024 (the “**Relevant Period**”), except for the following deviations:

Pursuant to code provision C.1.6 of the Code, independent non-executive Directors and other non-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of Shareholders. Our independent non-executive Director, Mr. Li Chi Keung was unable to attend the annual general meeting of the Company held on 7 June 2024 due to other commitments.

Pursuant to code provision C.5.1 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 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.

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 C3 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.

## **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 auditor; 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 Dato’ Che Nazli Binti Jaapar (who was appointed on 7 June 2024). 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 2024.

## **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.

## **ACKNOWLEDGEMENT**

On behalf of the Board, I would like to express my sincere gratitude to all our staff for their dedication and contribution to the Group. In addition, I would like to thank all our shareholders and investors for their patronage.

By Order of the Board  
**Infinity Logistics and Transport Ventures Limited**  
**Tan Sri Datuk Tan Jyh Yaong**  
*Chairman and non-executive Director*

Hong Kong, 27 August 2024

*As at the date of this announcement, the Company has four executive Directors, namely Dato’ Seri Chan Kong Yew, Dato’ Kwan Siew Deeg, Datin Seri Lo Shing Ping and Mr. Yap Sheng Feng, one non-executive Director, namely Tan Sri Datuk Tan Jyh Yaong (Chairman), and three independent non-executive Directors, namely Mr. Li Chi Keung, Mr. Tan Poay Teik and Dato’ Che Nazli Binti Jaapar.*