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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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Infinity Logistics and Transport Ventures Limited (the “**Company**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2023 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2023

	<i>Notes</i>	2023	2022
		<i>RM'000</i>	<i>RM'000</i>
Revenue	5	371,105	356,870
Cost of services and goods sold		<u>(302,164)</u>	<u>(280,234)</u>
Gross profit		68,941	76,636
Other income	6	536	3,473
Administrative and other operating expenses		(32,567)	(36,530)
Provision for loss allowance of trade receivables, net		(165)	(922)
Finance costs	7	(12,245)	(8,800)
Share of results of associates		<u>15</u>	<u>16</u>
Profit before tax	7	24,515	33,873
Income tax (expenses) credit	8	<u>(6,136)</u>	<u>2,009</u>
Profit for the year		<u>18,379</u>	<u>35,882</u>

	<i>Notes</i>	2023 RM'000	2022 RM'000
Other comprehensive income (loss)			
<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		10,979	6,331
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		<u>(3,301)</u>	<u>343</u>
Other comprehensive income for the year		<u>7,678</u>	<u>6,674</u>
Total comprehensive income for the year		<u>26,057</u>	<u>42,556</u>
Profit (Loss) for the year attributable to:			
Owners of the Company		18,391	36,018
Non-controlling interests		<u>(12)</u>	<u>(136)</u>
		<u>18,379</u>	<u>35,882</u>
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company		26,069	42,692
Non-controlling interests		<u>(12)</u>	<u>(136)</u>
		<u>26,057</u>	<u>42,556</u>
Earnings per share attributable to equity holders of the Company			
Basic and diluted	9	<u>RM0.89 sen</u>	<u>RM1.75 sen</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 <i>RM'000</i>	2022 <i>RM'000</i>
Non-current assets			
Property, plant and equipment		347,960	362,890
Club membership		168	90
Goodwill		11,611	—
Interest in associates		590	575
Deposits paid for acquisition of property, plant and equipment		59,200	4,361
		419,529	367,916
Current assets			
Inventories		25,411	21,193
Asset classified as held for sale		10,440	—
Trade and other receivables	<i>11</i>	143,172	130,584
Income tax recoverable		4,825	3,609
Restricted bank balances		40	40
Bank balances and cash		50,769	39,572
		234,657	194,998
Current liabilities			
Trade and other payables	<i>12</i>	78,249	50,888
Bank overdrafts		14,308	14,776
Interest-bearing borrowings		23,393	10,646
Lease liabilities		15,417	18,166
		131,367	94,476
Net current assets		103,290	100,522
Total assets less current liabilities		522,819	468,438
Non-current liabilities			
Interest-bearing borrowings		104,693	72,474
Lease liabilities		73,806	87,471
Deferred tax liabilities		4,645	180
		183,144	160,125
NET ASSETS		339,675	308,313

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 RM'000	2022 <i>RM'000</i>
Capital and reserves			
Share capital	13	10,866	10,866
Reserves		<u>323,394</u>	<u>297,325</u>
Equity attributable to equity holders of the Company		334,260	308,191
Non-controlling interests		<u>5,415</u>	<u>122</u>
TOTAL EQUITY		<u>339,675</u>	<u>308,313</u>

1. CORPORATE INFORMATION AND BASIS OF PREPARATION

Infinity Logistics and Transport Ventures Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 7 March 2019. The Company’s shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 21 January 2020 (the “**Listing**”). In the opinion of the directors of the Company, the immediate and ultimate holding company is 2926 Holdings Limited (“**2926 Holdings**”), which is incorporated in the British Virgin Islands (the “**BVI**”). The ultimate controlling parties of the Group are Dato’ Seri Chan Kong Yew and Dato’ Kwan Siew Deeg (collectively referred to as the “**Ultimate Controlling Parties**”). The registered office of the Company is situated at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The Company’s principal place of business is situated at Room 1910, 19th Floor, C C Wu Building, 302-308 Hennessy Road, Wan Chai, Hong Kong and the Group’s headquarter is situated at No. 2, Jalan Kasuarina 8, Bandar Botanic, 41200 Klang, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding and the subsidiaries of the Company are principally engaged in the provision of (i) integrated freight forwarding services; (ii) logistics centre and related services; (iii) land transportation services; (iv) flexitank solution and related services; and (v) fourth-party logistics (“**4PL**”) services.

2. STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”), which collective term includes all applicable individual IFRSs, International Accounting Standards (“**IASs**”) and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

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

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2022 consolidated financial statements except for the adoption of the new/revised IFRSs that are relevant to the Group and effective from the current year as set out below.

Adoption of new/revised IFRSs

The Group has applied, for the first time, the following new/revised IFRSs:

Amendments to International Accounting

Standards (IAS) 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates
IFRS 17	Insurance Contracts
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of the above new/revised IFRSs that are relevant to the Group and effective from the current year had no significant effects on the results and financial position of the Group for the current and prior years.

3. FUTURE CHANGES IN IFRSs

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new/revised IFRSs that are not yet effective for the current year, which the Group has not early adopted:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current ^[1]
Amendments to IAS 1	Non-current Liabilities with Covenants ^[1]
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ^[1]
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements ^[1]
Amendments to IFRS 21	Lack of Exchangeability ^[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^[3]

^[1] Effective for annual periods beginning on or after 1 January 2024

^[2] Effective for annual periods beginning on or after 1 January 2025

^[3] The effective date to be determined

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 Group's consolidated financial statements.

4. 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) 4PL services segment: provision of 4PL services and 4PL handling services.

Segment revenue and results

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

Segment results represent the gross profit incurred by each segment without allocation of other income, administrative and other operating expenses, reversal of 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 RM'000	Logistics centre and related services RM'000	Land transportation services RM'000	Flexitank solution and related services RM'000	4PL services RM'000	Total RM'000
Year ended 31 December 2023						
Revenue from contracts with customers within IFRS 15	90,492	75,695	70,869	114,300	13,035	364,391
Revenue from other source	—	6,714	—	—	—	6,714
	<u>90,492</u>	<u>82,409</u>	<u>70,869</u>	<u>114,300</u>	<u>13,035</u>	<u>371,105</u>
Segment results	<u>20,286</u>	<u>19,286</u>	<u>2,160</u>	<u>20,721</u>	<u>6,488</u>	<u>68,941</u>
<i>Unallocated income and expenses</i>						
Other income						536
Administrative and other operating expenses						(32,567)
Provision of loss allowance of trade receivables, net						(165)
Finance costs						(12,245)
Share of results of associates						15
Profit before tax						24,515
Income tax expenses						(6,136)
Profit for the year						<u>18,379</u>
<i>Other information:</i>						
Depreciation (Note i)	492	15,788	5,156	1,067	—	22,503
Provision for leakage claims	—	—	—	307	—	307
Additions to property, plant and equipment (Note ii)	1,210	4,158	7,178	1,532	—	14,078
Payments made on behalf of a customer in respect of 4PL services (Note 11(b))	—	—	—	—	47,396	47,396

	Integrated freight forwarding services RM'000	Logistics centre and related services RM'000	Land transportation services RM'000	Flexitank solution and related services RM'000	4PL services RM'000	Total RM'000
<u>Year ended 31 December 2022</u>						
Revenue from contracts with customers within IFRS 15	109,068	63,587	62,940	93,690	20,374	349,659
Revenue from other source	—	7,211	—	—	—	7,211
	<u>109,068</u>	<u>70,798</u>	<u>62,940</u>	<u>93,690</u>	<u>20,374</u>	<u>356,870</u>
Segment results	<u>16,840</u>	<u>15,467</u>	<u>6,560</u>	<u>23,789</u>	<u>13,980</u>	76,636
<i>Unallocated income and expenses</i>						
Other income						3,473
Administrative and other operating expenses						(36,530)
Provision for loss allowance of trade receivables, net						(922)
Finance costs						(8,800)
Share of results of associates						16
Profit before tax						33,873
Income tax credit						2,009
Profit for the year						<u>35,882</u>
<i>Other information:</i>						
Depreciation (Note i)	873	12,156	3,614	858	—	17,501
Provision for leakage claims	—	—	—	824	—	824
Additions to property, plant and equipment (Note ii)	—	131,216	25,811	993	—	158,020
Payments made on behalf of a customer in respect of 4PL services (Note 11(b))	—	—	—	—	50,774	50,774

Notes:

- (i) Depreciation not included in the measure of segment results during the year ended 31 December 2023 amounted to approximately RM3,210,000 (2022: RM3,075,000).
- (ii) Additions to property, plant and equipment not allocated to the segments during the year ended 31 December 2023 amounted to approximately RM2,248,000 (2022: RM7,131,000).

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.

	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
<i>Revenue from external customers:</i>		
China	412	369
Indonesia	37,513	27,492
Malaysia	214,051	208,826
Netherlands	3,614	3,967
Singapore	68,880	65,476
South Korea	7,068	4,010
Thailand	13,948	23,860
Vietnam	3,016	2,990
Others	22,603	19,880
	371,105	356,870

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

Information about major customers

No external customers individually contributed 10% or more of the Group's total revenue during the years ended 31 December 2023 and 2022.

5. REVENUE

	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
<u>Revenue from contracts with customers within IFRS 15</u>		
Integrated freight forwarding services business		
Air freight services income	6,727	3,145
Ocean freight services income	43,664	49,109
Forwarding services income	18,396	20,023
NVOCC services income	21,705	36,791
	<u>90,492</u>	<u>109,068</u>
Logistics centre and related services business		
Warehousing and container depot services income	<u>75,695</u>	<u>63,587</u>
Land transportation services business		
Income from land transportation	38,379	47,426
Landbridge transportation services income	13,844	8,901
Landfeeder transportation services income	18,646	6,613
	<u>70,869</u>	<u>62,940</u>
Flexitank solution and related services business		
Income from flexitank solution	<u>114,300</u>	<u>93,690</u>
4PL services business		
4PL handling income	165	1,065
4PL services income	12,870	19,309
	<u>13,035</u>	<u>20,374</u>
	<u>364,391</u>	<u>349,659</u>
<u>Revenue from other source</u>		
Logistics centre and related services business		
Rental income from warehouses	<u>6,714</u>	<u>7,211</u>
	<u>371,105</u>	<u>356,870</u>

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

	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
<i>Timing of revenue recognition:</i>		
– at a point in time		
Income from flexitank solution	114,300	93,690
4PL handling income	165	1,065
	<u>114,465</u>	<u>94,755</u>
– over time		
Air freight services income	6,727	3,145
Ocean freight services income	43,664	49,109
Forwarding services income	18,396	20,023
NVOCC services income	21,705	36,791
Warehousing and container depot services income	75,695	63,587
Income from land transportation	38,379	47,426
Landbridge transportation services income	13,844	8,901
Landfeeder transportation services income	18,646	6,613
4PL services income	12,870	19,309
	<u>249,926</u>	<u>254,904</u>
	<u>364,391</u>	<u>349,659</u>

6. OTHER INCOME

	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
Bank interest income	56	34
Gain on disposal of property, plant and equipment, net	–	1,627
Gain on lease modification	9	847
Sundry income	471	965
	<u>536</u>	<u>3,473</u>

7. PROFIT BEFORE TAX

This is stated after charging:

	2023 <i>RM'000</i>	2022 <i>RM'000</i>
Finance costs		
Interest on bank overdrafts	579	708
Interest on interest-bearing borrowings	5,596	1,975
Interest on lease liabilities	6,070	6,117
	<u>12,245</u>	<u>8,800</u>
Staff costs (including directors' emoluments)		
Salaries, allowances, bonus and other benefits in kinds	49,878	43,498
Contributions to defined contribution plans	4,790	4,649
	<u>54,668</u>	<u>48,147</u>
Other items		
Auditors' remuneration		
– Audit services	390	534
– Non-audit services	–	117
Cost of inventories	93,579	69,901
Depreciation (charged to “cost of services and goods sold” and “administrative and other operating expenses”, as appropriate)	25,713	20,576
Realised exchange loss, net	93	2,320
Expenses recognised under short-term leases (charged to “cost of services and goods sold” and “administrative and other operating expenses”, as appropriate) (<i>Note</i>)	3,513	2,252
Expenses recognised under leases of low-value assets (charged to “cost of services and goods sold” and “administrative and other operating expenses”, as appropriate) (<i>Note</i>)	270	308
Legal and professional fees for a potential acquisition of a company	–	1,043
Provision for leakage claims	307	824
	<u>307</u>	<u>824</u>

Note:

The Group does not recognise right-of-use assets and corresponding lease liabilities under short term lease and lease of low-value assets during the years ended 31 December 2023 and 2022.

8. INCOME TAX EXPENSES (CREDIT)

	2023 <i>RM'000</i>	2022 <i>RM'000</i>
Current tax		
Malaysia CIT		
Current year	3,199	3,152
Over-provision in prior years	<u>(1,221)</u>	<u>(70)</u>
	<u>1,978</u>	<u>3,082</u>
Labuan CIT		
Current year	–	–
Over-provision in prior years	<u>–</u>	<u>(108)</u>
	<u>–</u>	<u>(108)</u>
Deferred tax		
Changes in temporary differences	<u>4,158</u>	<u>(4,983)</u>
	<u><u>6,136</u></u>	<u><u>(2,009)</u></u>

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

Hong Kong Profits Tax has not been provided as the Group had no assessable profits in Hong Kong for the years ended 31 December 2023 and 2022.

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 years ended 31 December 2023 and 2022.

During the years ended 31 December 2023 and 2022, Malaysian (except for Labuan) subsidiaries participating in a promoted activity or of producing a promoted product and intending that a factory be constructed, or where the factory is already in existence, be occupied in Malaysia for that purpose, are eligible to make application for pioneer status and investment tax allowance (the “**ITA**”). Malaysian (except for Labuan) subsidiaries under pioneer status were granted tax exemption on 70% of the statutory income for 5 years. The balance 30% of the statutory income will be taxed at the standard rate as detailed above. Malaysian (except for Labuan) subsidiaries under ITA were granted an allowance of 60% on its qualifying capital expenditures incurred within five years from the date the first qualifying capital expenditure is incurred and such allowance is allowed to offset against 70% of the statutory income until the allowance is fully utilised. Upon the time of the allowance is utilised, the balance 30% of the statutory income will be taxed at the standard rate as detailed above.

Infinity Bulk Logistics Sdn. Bhd. has obtained the pioneer status effective from 5 January 2018. A pioneers status company is eligible for exemption from Malaysia CIT on eligible activities and products for 5 years since the effective date. The pioneer status has expired during the year ended 31 December 2023.

Infinity Logistics & Transport Sdn. Bhd. 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.

CIT has not been provided for group entities incorporated in Labuan of Malaysia which had no chargeable profits for the year ended 31 December 2023 (2022: CIT was charged at 0% on the chargeable profits).

Singapore CIT is calculated at 17% of the assessable profits in Singapore for the years ended 31 December 2023 and 2022. The Group's entities incorporated in Singapore can also enjoy 75% tax exemption on the first Singapore Dollars ("SGD") 10,000 of normal chargeable income and a further 50% tax exemption on the next SGD190,000 of normal chargeable income for the years ended 31 December 2023 and 2022. Singapore CIT has not been provided as the Group had no assessable profits in Singapore for the years ended 31 December 2023 and 2022.

Reconciliation of income tax expenses (credit)

	2023	2022
	RM'000	RM'000
Profit before tax	24,515	33,873
Income tax at applicable tax rate	4,522	9,079
Non-deductible expenses	7,204	4,712
Tax exempt revenue	(32)	(314)
Tax incentive	–	(15,308)
Under-provision of deferred tax	(4,337)	–
Over-provision in prior years	(1,221)	(178)
Income tax expenses (credit)	6,136	(2,009)

9. EARNINGS PER SHARE

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

	2023	2022
	RM'000	RM'000
Profit for the year attributable to the owners of the Company, used in basic and diluted earnings per share calculation	18,391	36,018

	Number of shares	
	2023	2022
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 years ended 31 December 2023 and 2022.

10. DIVIDENDS

The directors of the Company do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

11. TRADE AND OTHER RECEIVABLES

	<i>Notes</i>	2023 <i>RM'000</i>	2022 <i>RM'000</i>
Trade receivables			
From third parties		72,671	70,840
From related companies		—	145
		<u>72,671</u>	<u>70,985</u>
Less: Loss allowance		<u>(1,565)</u>	<u>(1,400)</u>
	<i>11(a)</i>	<u>71,106</u>	<u>69,585</u>
Other receivables			
Deposits paid		2,587	2,521
Payments made on behalf of a customer in respect of 4PL services	<i>11(b)</i>	47,396	50,774
Other receivables		4,872	2,122
Prepayments		<u>17,211</u>	<u>5,582</u>
		<u>72,066</u>	<u>60,999</u>
		<u>143,172</u>	<u>130,584</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.

11(a) Trade receivables

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

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

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

	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
Within 30 days	27,827	32,289
31 to 90 days	33,604	16,687
Over 90 days	11,240	22,009
	72,671	70,985
Less: Loss allowance	(1,565)	(1,400)
	71,106	69,585

11(b) Payments made on behalf of a customer in respect of 4PL services

At 31 December 2023 and 2022, the amounts represented the payments specifically made on behalf of a customer under 4PL services business for the purchase of certain commodities by the customer in the ordinary course of 4PL services business. The amounts are repayable from the customer within the credit period of 14 days and are collateralised and secured by the commodities with market value which is not materially different from the payments made on behalf of a customer. In the opinion of the management of the Group, the Group did not entitle to the commodities as the Group solely acts as an agent on behalf of the customer and has no rights of direction to the commodities.

The management of the Group expected the credit risk in respect of the payments is minimal after taking into account the value of collaterals held. In the event of default, the Group retrieves the collaterals. Besides, the management of the Group closely monitors the payments and considers no forward-looking factors that give rise to significant default risk on the payments at the end of the reporting period. Save as aforementioned, the management of the Group estimates that any ECL against for these amounts is considered to be insignificant at the end of the reporting period.

The management of the Group assessed that the payments contain no significant financing component which the customer is provided with no significant benefit of financing the transfer of goods and services provided. As the period of financing is less than one year and the payment is collateralised and secured, the Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

12. TRADE AND OTHER PAYABLES

	<i>Notes</i>	2023 <i>RM'000</i>	2022 <i>RM'000</i>
Trade payables			
To third parties		39,733	25,094
To related companies		281	148
		<hr/>	<hr/>
	<i>12(a)</i>	40,014	25,242
		<hr/>	<hr/>
Other payables			
Accruals and other payables			
– Salary and other benefit payable		4,214	1,883
– Bonus payable		7,728	6,537
– Other accruals and other payable		17,460	5,366
Other payables for acquisition of property, plant and equipment		5,100	11,004
Provision for leakage claims	<i>12(b)</i>	930	856
Amount due to directors		2,803	–
		<hr/>	<hr/>
		38,235	25,646
		<hr/>	<hr/>
		78,249	50,888
		<hr/> <hr/>	<hr/> <hr/>

12(a) Trade payables

The trade payables to third parties are interest free with normal credit terms up to 30 days.

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:

	2023 <i>RM'000</i>	2022 <i>RM'000</i>
Within 30 days	23,694	19,752
31 to 90 days	12,247	3,433
Over 90 days	4,073	2,057
	<hr/>	<hr/>
	40,014	25,242
	<hr/> <hr/>	<hr/> <hr/>

12(b) Provision for leakage claims

	2023	2022
	<i>RM'000</i>	<i>RM'000</i>
At the beginning of the reporting period	856	525
Provision	307	824
Utilisation	(233)	(493)
	<hr/>	<hr/>
At the end of the reporting period	930	856
	<hr/> <hr/>	<hr/> <hr/>

In the ordinary course of business, the Group will rectify any defects arising within two years from the date of provision of flexitank solution and related services. Provision is therefore made for the best estimate of the expected settlement under these agreements in respect of provision of flexitank solution and related services made within two years prior to the end of each reporting period. The amount of provision takes into account the Group's recent claims experience.

13. SHARE CAPITAL

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

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL OVERVIEW

The Group is pleased to report the results for the year ended 31 December 2023. During the year ended 31 December 2023, the Group recorded a revenue of approximately RM371,105,000 (2022: approximately RM356,870,000), representing an increase of approximately 4.0% over the same period last year. The Group recorded a gross profit of approximately RM68,941,000 for the year ended 31 December 2023 (2022: approximately RM76,636,000), representing a decrease of approximately 10.0% over the same period last year. The gross profit margin of the Group decreased from approximately 21.5% for the year ended 31 December 2022 to approximately 18.6% for the year ended 31 December 2023. The Group recorded a net profit of approximately RM18,379,000 for the year ended 31 December 2023 (2022: approximately RM35,882,000).

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) 4PL services. The sustained performance of the Group is attributable to strategic portfolios of integrated logistics services offered to varied customers and industries across Malaysia and neighbouring countries.

Revenue from logistics centre and related services increased by approximately 16.4% to approximately RM82,409,000 for the year ended 31 December 2023, primarily due to higher demand for depot services. As a result, the gross profit contribution from this segment increased by approximately 24.7% to approximately RM19,286,000 for the year ended 31 December 2023, which is generally in line with the revenue growth.

Revenue from land transportation services increased by approximately 12.6% to approximately RM70,869,000 for the year ended 31 December 2023, primarily due to an increase in demand from our landbridge and landfeeder services. However, the gross profit contribution from this segment experienced a significant decline of approximately 67.1% to approximately RM2,160,000 for the year ended 31 December 2023. The decrease in gross profit is attributable to an increase in depreciation expenses and staff costs.

Revenue from integrated freight forwarding services decreased by approximately 17.0% to approximately RM90,492,000 for the year ended 31 December 2023, mainly attributable to a reduction in revenue generated from non-vessel operating common carrier (“NVOCC”) services caused by a slowdown in global trade and increased competition leading to a drop in the volume of shipments. However, the gross profit contribution from this segment increased by approximately 20.5% to approximately RM20,286,000 for the year ended 31 December 2023, as the Group managed to improve its customer profit margin to offset the decline in revenue.

Revenue from flexitank solution and related services increased by approximately 22.0% to approximately RM114,300,000 for the year ended 31 December 2023. However, the gross profit contribution from this segment witnessed a decrease by approximately 12.9% to approximately RM20,721,000 for the year ended 31 December 2023. The decline can be attributable to various factors, including a rise in staff costs and higher operational expenses resulting from increased material storage costs.

Revenue from 4PL services experienced a significant decrease of approximately 36.0% to approximately RM13,035,000 for the year ended 31 December 2023. The decline can be attributable to a reduction in the handling of customer shipments within this services category. Accordingly, the gross profit contribution from this segment also underwent a substantial reduction of approximately 53.6% to approximately RM6,488,000 for the year ended 31 December 2023, aligning with the downward trend observed in the segment's overall revenue.

The Group's operational costs totalled approximately RM302,164,000 for the year ended 31 December 2023, representing an increase of approximately RM21,930,000 or 7.8% as compared to the last year. The Group's other income amounted to approximately RM536,000 for the year ended 31 December 2023, representing a decrease of approximately RM2,937,000 or 84.6% as compared to the last year. Such a decrease is mainly attributable to a net gain on the disposal of warehouse and a higher gain on lease modification recorded last year.

COMPANY PROSPECT

In line with our commitment in our core principles, in the coming year we will see the Group's move towards a more comprehensive approach towards the adoption and application of the following: –

- **PEOPLE** – Empowerment and upskilling the workforce of the organisation with digitalisation towards a diamond shape organisation.
- **DIGITALISATION** – Investment in digitalisation, automation and embracing new technologies in our daily operations for increased efficiency, effectiveness and improve overall customer experience.
- **SUSTAINABILITY** – Embracing sustainable practices in our daily operations including investments in solar technology, electrical material handling equipment and proactive steps to reduce carbon emission.

The coming year will be an important year for the Group to show its commitment to achieve its goals and aspirations, including taking on new challenges to grow and expand the business whilst enhancing its core principles.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group held bank balances and cash of approximately RM50,769,000 at 31 December 2023 (2022: approximately RM39,572,000). The Group leases various properties, lands, containers, and motor vehicles with lease liabilities of approximately RM89,223,000 (2022: approximately RM105,637,000) with rental contracts typically made for fixed periods of two to thirty years (2022: two to thirty-two years). The Group had interest-bearing borrowings from various banks of approximately RM128,086,000 (2022: approximately RM83,120,000) which are repayable ranging from within one year to over eight years (2022: within one year to over five years) since inception. Also, the Group had other bank overdrafts of approximately RM14,308,000 at 31 December 2023 (2022: approximately RM14,776,000). At 31 December 2023, the weighted average effective interest rate on interest-bearing borrowings was approximately 5.05% (2022: approximately 3.66%) per annum. The carrying amounts of bank borrowings were denominated in Ringgit Malaysia. The Group's gearing ratio at 31 December 2023, calculated based on the total borrowings to the equity attributable to owners of the Company, was approximately 0.69 (2022: approximately 0.66). The Directors believe that the Group's cash position, liquid asset value, future revenue and available banking facilities will be sufficient to fulfill the working capital requirements of the Group. There has been no material change in the capital structure of the Company during the year ended 31 December 2023. The capital of the Company comprises the shares and other reserves.

Treasury policies

The Group has adopted a prudent financial and surplus funds management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the year ended 31 December 2023. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that sufficient financial resources are available to meet its funding requirements and commitment timely.

Hedging and exchange rate exposure

The majority of the transactions, assets and liabilities of the Group was denominated in RM, United States Dollars and Hong Kong Dollars. During the year ended 31 December 2023, no financial instruments were used for hedging purposes, and the Group did not commit to any financial instruments to hedge its exposure to exchange rate risk, as the expected exchange rate risk is not significant. The Directors and senior management will continue to monitor the foreign exchange exposure and will consider applicable derivatives when necessary. The Group did not have any derivatives for hedging against the foreign exchange rate risk at 31 December 2023.

Capital expenditure

During the year ended 31 December 2023, the Group's total capital expenditure amounted to approximately RM16,326,000 (2022: approximately RM165,151,000).

Charge on group assets

At 31 December 2023, the Group's leasehold lands and buildings with a total carrying amount of approximately RM109,911,000 (2022: approximately RM113,089,000) were pledged to secure bank facilities granted to the Group.

Contingent liabilities

At 31 December 2023, the Group did not have any significant contingent liabilities.

Material acquisitions or disposals

Save as disclosed in the announcement of the Company dated 29 December 2023, the Group did not have any material acquisition or disposals of subsidiaries or associated companies for the year ended 31 December 2023.

Significant events after the reporting date

There are no significant events affecting the Group which have occurred after the end of the reporting period and up to the date of this announcement.

Employees

As at 31 December 2023, the Group had a total of 908 employees (2022: 657) in Malaysia. Staff costs (including directors' emoluments) for the year ended 31 December 2023 amounted to approximately RM54,668,000 (2022: approximately RM48,147,000). The Group ensures that the pay levels of its employees are competitive and according to market trends and its employees are rewarded on a performance related basis and within the general framework of the Group's salary and bonus system.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: Nil).

ANNUAL GENERAL MEETING

As of the date of this announcement, the Company had not fixed a date for its forthcoming annual general meeting. When such date is fixed, a circular containing the notice of annual general meeting, together with the proxy form and annual report of the Company for the year ended 31 December 2023, will be despatched to the shareholders of the Company (the “**Shareholders**”) in due course.

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 Listing Rules for the year ended 31 December 2023, except for the following deviations:

Pursuant to code provision C.5.1 of the CG Code, the board of the directors of the Company (the “**Board**”) should meet regularly and board meeting should be held at least four times a year at approximately quarterly intervals. During the Reporting Period, only two regular board meetings were held to review and discuss various matters, including the annual results for the year ended 31 December 2022 and the interim results for the six months ended 30 June 2023. 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 CG 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 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.

Except for the above, the Company has adopted the applicable code provisions in the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules during the year ended 31 December 2023.

DIRECTORS' SECURITIES TRANSACTIONS

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 of the Company. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the year ended 31 December 2023.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2023 and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

REVIEW BY THE AUDIT COMMITTEE

The audit committee of the Company has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2023.

SCOPE OF WORK OF THE COMPANY'S AUDITOR ON THE RESULTS ANNOUNCEMENT

The figures in respect of the consolidated financial statements of the Group and the related notes thereto for the year ended 31 December 2023 as set out in this announcement have been agreed by the Company's auditor, Kreston John and Gan, *Chartered Accountants, Malaysia* to the amounts set out in the audited consolidated financial statements of the Group for the year ended 31 December 2023. The work performed by the Company's auditor in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on this announcement.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to offer my gratitude to our business partners and Shareholders for their continuous support. The management team and all staff members should also be lauded for their tireless efforts and dedication to the Group.

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

Hong Kong, 25 March 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 Ms. Yeung Hoi Yan Monica.