Infinity Logistics and Transport Ventures Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1442

SHARE OFFER

Sole Sponsor

建泉融資有限公司
VBG Capital Limited

Joint Bookrunners and Joint Lead Managers

富滙證券 WealthLink Securities Limited

建泉融資有限公司
VBG Capital Limited

元大證券(香港)有限公司
Yuanta Securities (Hong Kong) Co., Ltd.

華業證券有限公司
Grand China Securities Limited

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

Infinity Logistics and Transport Ventures Limited

(incorporated in the Cayman Islands with limited liability)

LISTING ON THE MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED BY WAY OF SHARE OFFER

Total number of Offer Shares	**:**	**500,000,000 Shares**
Number of Public Offer Shares	**:**	**50,000,000 Shares (subject to re-allocation)**
Number of Placing Shares	**:**	**450,000,000 Shares (subject to re-allocation)**
Offer Price	**:**	**Not more than HK$0.34 per Offer Share and expected to be not less than HK$0.28 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full on application and subject to refund)**
Nominal value	**:**	**HK$0.01 per Share**
Stock code	**:**	**1442**

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Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies in Hong Kong" in Appendix VI to this prospectus, has been registered by the Registrar of Companies in Hong Kong as required under section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of this prospectus or any other documents referred to above.

The Offer Price is expected to be fixed by agreement between VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around Friday, 10 January 2020 and, in any event, not later than Monday, 20 January 2020. The Offer Price will be no more than HK$0.34 per Offer Share and is currently expected to be no less than HK$0.28 per Offer Share unless otherwise announced. If, for any reason, the Offer Price is not agreed by Monday, 20 January 2020 between VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) and us, the Share Offer will not proceed and will lapse. VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) may, with our Company's consent, reduce the number of Offer Shares under the Share Offer and/or the Offer Price stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer. In such a case, a notice of reduction in the number of Offer Shares and/or the Offer Price will be published on the website of the Stock Exchange at **www.hkexnews.hk** and website of our Company at **www.infinity.com.my** as soon as is practicable but in any event not later than the Price Determination Date. Details of the arrangement will then be announced by our Company as soon as practicable. Further details are set out in the sections "Structure and conditions of the Share Offer" and "How to apply for the Public Offer Shares".

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered, sold, pledged or transferred, except pursuant to the exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable United States securities laws. The Offer Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulations S.

Prior to making an investment decision, prospective investors should consider carefully all the information set out in this prospectus, including risk factors set out in the section "Risk factors". Pursuant to the Public Offer Underwriting Agreement, VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) has the right in certain circumstances to terminate the obligations of the Public Offer Underwriter at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Further details of such circumstances are set out in the section "Underwriting – Underwriting arrangements and expenses – The Public Offer – Grounds for termination".

30 December 2019

The application for the Public Offer Shares will commence on Monday, 30 December 2019 through Thursday, 9 January 2020. Such time period is longer than the normal market practice of four days. The application monies (including brokerage fees, SFC transaction levy and Stock Exchange trading fee) will be held by the receiving bank on behalf of our Company and the refund monies, if any, will be returned to the applicant(s) without interest on Monday, 20 January 2020. Investors should be aware that the dealings in Shares on the Stock Exchange are expected to commence on Tuesday, 21 January 2020.

If there is any change in the following expected timetable, the Company will issue an announcement on the respective website of the Company at ***www.infinity.com.my*** *and the website of Stock Exchange at* ***www.hkexnews.hk****.*

Public Offer commences and **WHITE** and **YELLOW** Application Forms available from ..... 9:00 a.m. on Monday, 30 December 2019

Latest time for completing electronic applications under **HK eIPO White Form** service through one of the below ways[(2)]:

(1) the **IPO App**, which can be downloaded by searching "**IPO App**" in App Store or Google Play or downloaded at **www.hkeipo.hk/IPOApp** or **www.tricorglobal.com/IPOApp**

(2) the designated website **www.hkeipo.hk** ..... 11:30 a.m. on Thursday, 9 January 2020

Application lists open[(3)] ..... 11:45 a.m. on Thursday, 9 January 2020

Latest time to lodge **WHITE** and **YELLOW** Application Forms ..... 12:00 noon on Thursday, 9 January 2020

Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s)[(2)] ..... 12:00 noon on Thursday, 9 January 2020

Latest time to give **electronic application instructions** to HKSCC[(4)] ..... 12:00 noon on Thursday, 9 January 2020

Latest time to complete payment of **HK eIPO White Form** applications by effecting internet banking transfer(s) or PPS payment transfer(s) ..... 12:00 noon on Thursday, 9 January 2020

Application lists close[(3)] ..... 12:00 noon on Thursday, 9 January 2020

Expected Price Determination Date[(5)] ..... Friday, 10 January 2020

(a) Announcement of the final Offer Price, the indication of level of interest in the Placing, the results of applications in the Public Offer and the basis of allocation under the Public Offer to be published on the website of our Company at **www.infinity.com.my**; and on the website of the Stock Exchange at **www.hkexnews.hk** on or before(6) . . . . Monday, 20 January 2020

(b) Results of allocations in the Public Offer (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels as described in the section headed "How to apply for the Public Offer Shares – 11. Publication of results" from . . . . Monday, 20 January 2020

A full announcement of the Public Offer containing (a) and (b) above to be published on the website of the Stock Exchange at **www.hkexnews.hk**(6) and our Company's website at **www.infinity.com.my**(7). . . . . Monday, 20 January 2020

Results of allocations in the Public Offer will be available at "Allotment Result" in the **IPO App** or at **www.tricor.com.hk/ipo/result** (alternative, **www.hkeipo.hk/iporesult**) with a "search by ID Number/Business Registration Number" function on . . . . Monday, 20 January 2020

Despatch of share certificates of the Public Offer Shares or deposit of share certificates of the Public Offer Shares into CCASS in respect of wholly or partially successful applications pursuant to the Public Offer on or before(8) . . . . Monday, 20 January 2020

Despatch of **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques in respect of wholly successful (in the event that the final Offer Price is less than initial price per Offer Share payable on application) and wholly or partially unsuccessful applications pursuant to the Public Offer on or before(9)(10) . . . . Monday, 20 January 2020

Dealing in the Shares on the Stock Exchange expected to commence at 9:00 a.m. on . . . . Tuesday, 21 January 2020

Notes:

1. All times and dates refer to Hong Kong local times and dates except as otherwise stated.

2. You will not be permitted to submit your application to the **HK eIPO White Form** Service Provider through the **IPO App** or the designated website at **www.hkeipo.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m. you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

3. If there is a "black" rainstorm warning or a tropical cyclone warning signal number eight or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 9 January 2020, the application lists will not open and close on that day. Please refer to the section headed "How to apply for the Public Offer Shares – 10. Effect of bad weather on the opening of the application lists" in this prospectus. If the application lists do not open and close on Thursday, 9 January 2020, the dates mentioned in this section may be affected. A press announcement will be made by us in such event.

4. Applicants who apply by giving **electronic application instructions** to HKSCC should refer to the section headed "How to apply for the Public Offer Shares – 6. Applying by giving electronic application instructions to HKSCC via CCASS" in this prospectus.

5. The Price Determination Date, being the date on which the final Offer Price is to be determined, is expected to be on or around Friday, 10 January 2020 and in any event, not later than Monday, 20 January 2020. If, for any reason, the final Offer Price is not agreed by 6:00 p.m. on Monday, 20 January 2020 between VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) and our Company, the Share Offer will not proceed and will lapse.

6. The announcement will be available for viewing on the "Main Board – Allotment of Results" page on the website of the Stock Exchange at **www.hkexnews.hk**.

7. None of the information contained on any website forms part of this prospectus.

8. Applicants who apply for 1,000,000 Public Offer Shares or more may collect share certificates (if applicable) and refund cheques (if applicable) in person may do so from our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, 20 January 2020 or any other date as notified by us in the newspapers as the date of despatch of share certificates/e-Auto Refund payment instructions/refund cheques. Applicants being individuals who is eligible for personal collection must not authorise any other person to make their collection on their behalf. Applicants being corporations who is eligible for personal collection must attend by sending their authorised representatives each bearing a letter of authorisation from his/her/its corporation stamped with the corporation's chop. Both individuals and authorised representatives (if applicable) must produce, at the time of collection, evidence of identity acceptable to our Hong Kong Branch Share Registrar, Tricor Investor Services Limited. Applicants who have applied on **YELLOW** Application Forms may not elect to collect their share certificates, which will be deposited into CCASS for credit of their designated CCASS Participants' stock accounts or CCASS Investor Participant stock accounts, as appropriate. Uncollected share certificates and refund cheques will be despatched by ordinary post to the addresses specified in the relevant applications at the applicants' own risk. Further information is set out in the section headed "How to apply for the Public Offer Shares" in this prospectus.

9. Applicants who apply on **WHITE** Application Forms or through the **HK eIPO White Form** service for 1,000,000 or more Public Offer Shares and have provided all information required by the Application Form may collect any refund cheques and/or Share certificates (where applicable) in person from the our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, 20 January 2020 or such other date as notified by us on the website of the Company at **www.infinity.com.my** or the Stock Exchange at **www.hkexnews.hk** as the date of despatch/collection of Share certificates/refund cheques/e-Auto Refund payment instructions. Applicants being individuals who opt for personal collection may not authorise any other person to collect on their behalf. Applicants being corporations which opt for personal collection must attend through their authorised representatives bearing letters of authorisation from their corporation stamped with the corporation's chop. Both individuals and authorised representatives of corporations must produce evidence of identity acceptable to our Hong Kong Branch Share Registrar at the time of collection.

10. e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful application and also in respect of successful applications in the event that the final Offer Price is less than the initial price per Public Offer Share payable on application. Part of your Hong Kong identity card number/passport number or, if you are joint applicants, part of the Hong Kong identity card number/passport number of the first-named applicant, provided by you may be printed on your refund cheque, if any. Such data would also be transferred to a third party to facilitate your refund. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque. Inaccurate completion of your Hong Kong identity card number/passport number may lead to delay in encashment of your refund cheque or may invalidate your refund cheque. Further information is set out in the section headed "How to apply for the Public Offer Shares" in this prospectus.

Share certificates for the Share Offer will only become valid certificates of title at 8:00 a.m. on Tuesday, 21 January 2020 provided that the Share Offer has become unconditional in all respects and neither of the Underwriting Agreements has been terminated in accordance with its terms. Investors who trade Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid certificates of title do so entirely at their own risk.

You should rely only on the information contained in this prospectus to make your investment decision. Our Company has not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained or made in this prospectus must not be relied on by you as having been authorised by our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, affiliates, employees or representatives or any other person or party involved in the Share Offer.

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This summary aims at giving you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirely before you decide to invest in our Shares.

There are risks associated with any investment. Some of the particular risks investing in our Shares are set out in the section headed "Risk factors" in this prospectus. You should read that section carefully before you decide to invest in our Shares.

Various expressions used in this summary are defined in the section headed "Definitions" in this prospectus.

OVERVIEW

Our Group is a logistics service provider based in Malaysia with a strong presence in Southeast Asia and business coverage over 15 countries, providing (i) flexitank solution and related services; (ii) integrated freight forwarding services; (iii) railroad transportation services; and (iv) logistics centre and related services. According to the F&S Report, we are the top fifth player in the flexitank solution and related services market in the world with a market share of 7.1% in terms of flexitank produced by COA certified producers in 2018. We are also the largest landbridge services provider between Malaysia and Thailand with a market share of 61.0% in terms of revenue in 2018. In addition, we are the fourth largest player as a NVOCC in the busiest port in Malaysia, namely the Port Klang, in terms of container throughput and we are one of the largest 20' high cube containers operator in the Southeast Asia. We plan to leverage our market leading position to capture the growing logistics business opportunity in Malaysia arising from, among other things, the Belt and Road Initiative and other PRC related investments initiated or to be initiated by the state-owed enterprises in the PRC.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by business segments for the periods indicated:

	FY2016			**FY2017**			**FY2018**			**For the six months ended 30 June 2018**			**For the six months ended 30 June 2019**		
	Revenue	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**
	RM'000	*RM'000*	*%*	*RM'000*	*RM'000*	*%*	*RM'000*	*RM'000*	*%*	*RM'000*	*RM'000*	*%*	*RM'000*	*RM'000*	*%*
										(unaudited)					
Flexitank solution and related services	47,670	14,565	30.6	51,686	13,665	26.4	63,498	22,544	35.5	30,362	9,053	29.8	31,261	9,752	31.2
Integrated freight forwarding services	52,910	5,814	11.0	62,979	7,677	12.2	68,288	13,025	19.1	33,359	5,627	16.9	34,617	7,397	21.4
Railroad transportation services	12,957	5,822	44.9	14,688	4,157	28.3	15,599	4,736	30.4	7,012	1,913	27.3	9,295	3,101	33.4
Logistics centre and related services	75,716	4,829	6.4	59,260	3,195	5.4	53,798	3,970	7.4	26,052	1,572	6.0	23,541	3,378	14.3
Total	189,253	31,030	16.4	188,613	28,694	15.2	201,183	44,275	22.0	96,785	18,165	18.8	98,714	23,628	23.9

For illustrative purpose, the following table sets forth a breakdown of our revenue, gross profit and gross profit margin in Hong Kong dollar equivalents for the periods indicated:

	FY2016			FY2017			FY2018			For the six months ended 30 June 2018			For the six months ended 30 June 2019		
	Revenue	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**
	HK$'000	*HK$'000*	*%*	*HK$'000*	*HK$'000*	*%*	*HK$'000*	*HK$'000*	*%*	*HK$'000* (unaudited)	*HK$'000*	*%*	*HK$'000*	*HK$'000*	*%*
Flexitank solution and related services	89,143	27,237	30.6	96,653	25,553	26.4	118,741	42,157	35.5	56,777	16,929	29.8	58,458	18,236	31.2
Integrated freight forwarding services	98,942	10,872	11.0	117,771	14,356	12.2	127,699	24,357	19.1	62,381	10,523	16.9	64,734	13,832	21.4
Railroad transportation services	24,229	10,887	44.9	27,467	7,774	28.3	29,170	8,856	30.4	13,113	3,577	27.3	17,382	5,799	33.4
Logistics centre and related services	141,589	9,030	6.4	110,816	5,975	5.4	100,602	7,424	7.4	48,717	2,940	6.0	44,021	6,317	14.3
Total	353,903	58,026	16.4	352,707	53,658	15.2	376,212	82,794	22.0	180,988	33,969	18.8	184,595	44,184	23.9

Our Business

Flexitank solution and related services. We provide customised flexitank solution and related services, such as advisory, installation and emergency response services, to customers for bulk non-hazardous liquid transportation. Our flexitanks are fabricated from food grade polyethylene film that is tested and complied with FDA and EU issued standard. Our flexitanks provide a more cost-effective transportation solution compared to the traditional tankers and ISO tanks. They are mainly used for transporting bulk non-hazardous liquids including oils, juices, latex, wines, and other food grade liquids. The flexitanks we use in our flexitank solution and related services are either produced in our own production plant in Malaysia or by our overseas OEM manufacturers. We are an associate member of the Container Owners Association in Malaysia and one of the 17 flexitank services providers accredited with the Flexitank Certificate of Compliance across the world. Our flexitanks are also Kosher and Halal certified.

For FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, our revenue generated from flexitank solution and related services was approximately RM47.7 million, RM51.7 million, RM63.5 million, RM30.4 million and RM31.3 million, respectively. The steady increase in revenue throughout the Track Record Period was mainly due to the increased demand for flexitank solution and related services resulted from the growing trading activities in Southeast Asia and Malaysian active palm oil export industry.

Integrated freight forwarding services. Our services provided are two folds (i) NVOCC services – we, as carrier, provide full container load shipment and cargo space, mainly to our freight forwarder customers; and (ii) freight forwarding services – we handle import and export shipments, provide cargo space and customs clearance services in Malaysia mainly to the end customers i.e. manufacturers and traders.

Our revenue generated from the integrated freight forwarding services accounted for approximately RM52.9 million, RM63.0 million, RM68.3 million, RM33.4 million and RM34.6 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. Such increase was mainly due to the increase in (i) revenue contributed by our NVOCC services throughout FY2016 to FY2018; and (ii) revenue contributed by our freight forwarding services for the six months ended 30 June 2018 and 2019, both of which were resulted from the improved economics and trading activities in Southeast Asia.

Railroad transportation services. We provide goods transportation services by trains between different rail stations within Malaysia (Landfeeder) and transportation between Malaysia and Thailand (Landbridge). We source wagon spaces from the only railroad cargo freight operator in Malaysia, namely KTMB. Our railroad transportation services cover major train stations in Malaysia, such as Klang and Penang, while the coverage of Thailand stations include Bangkok and Hadyai.

Our revenue generated from the railroad transportation services accounted for approximately RM13.0 million, RM14.7 million, RM15.6 million, RM7.0 million and RM9.3 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. The increase in revenue between FY2016 and FY2017 was mainly due to a new customer, Sritrang Landbridge Co., Ltd. The increases in revenue between FY2017 and FY2018 and the six months ended 30 June 2018 and 2019 were mainly due to the increase in revenue of landbridge services as a result of the increased trade activities between Malaysia and Thailand.

Logistics centre and related services. We provide Warehouse and Ancillary Services including repackaging and labelling, palletising, local transportation services. We also provide container depot services such as storage of empty containers, washing and repair and maintenance of freight containers.

Our revenue generated from Warehouse and Ancillary Services decreased from approximately RM71.5 million for FY2016 to approximately RM55.7 million for FY2017 and further decreased to RM48.6 million for FY2018. The decrease was mainly due to the loss of our major customer, Customer A, during FY2017. Customer A was our largest customer in FY2016 and FY2017 which accounted for approximately RM21.3 million and RM11.6 million, respectively (representing approximately 11.3% and 6.1% of our total revenue for the corresponding years, respectively). On 1 August 2017, Customer A was placed creditors' voluntary winding-up proceedings in Malaysia. As a result, we ceased our business with Customer A since FY2018 and Customer A was no longer our customer accordingly. The revenue generated from Warehouse and Ancillary Services decreased from approximately RM24.0 million for the six months ended 30 June 2018 to approximately RM19.5 million for the six months ended 30 June 2019. Such decrease was mainly due to the loss of business from our customers, in particular the revenue contributed by Customer D for the provision of local transportation services decreased by approximately RM1.5 million between the six months ended 30 June 2018 and 2019.

For details of our financial performance during the Track Record Period, please refer to the section headed "Financial information – Description of selected items from combined statements of profit or loss and other comprehensive income – Revenue" in this prospectus.

Service costs and freight rates charged to customers by business segment

	Service costs				Freight rate			
	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**	**FY2016**	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**
	(RM'000)	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*
Flexitank solution and related services	47,670	51,686	63,498	31,261	N/A	N/A	N/A	N/A
Integrated freight forwarding services	30,155	28,926	32,470	18,218	22,755	34,053	35,818	16,399
Railroad transportation services	1,408	1,286	1,430	814	11,549	13,402	14,169	8,481
Logistics centre and related services	75,716	59,260	53,798	23,541	N/A	N/A	N/A	N/A

Note: We do not provide freighting services in flexitank solution and related services and logistics centre and related services.

The volume handled and freight rate per unit by type of services

	FY2016	FY2017	FY2018	For the six months ended 30 June 2019
Volume handled				
Integrated freight forwarding services				
– NVOCC services	22,069 TEUs	34,287 TEUs	38,425 TEUs	17,282 TEUs
– Ocean freight	11,363 TEUs	11,916 TEUs	13,806 TEUs	4,484 TEUs
– Air freight	118,957 kgs	102,078 kgs	127,041 kgs	34,292 kgs
Railroad transportation services	11,717 TEUs	14,859 TEUs	17,676 TEUs	9,111 TEUs
Freight rate per unit	*RM*	*RM*	*RM*	*RM*
Integrated freight forwarding services				
– NVOCC services	1,593/TEUs	1,325/TEUs	1,258/TEUs	1,420/TEUs
– Ocean freight	884/TEUs	983/TEUs	1,076/TEUs	1,644/TEUs
– Air freight	15/kgs	11/kgs	10/kgs	19/kgs
Railroad transportation services				
– Landbridge	2,562/TEUs	1,386/TEUs	1,213/TEUs	1,373/TEUs
– Landfeeder	386/TEUs	378/TEUs	339/TEUs	296/TEUs

For the discussion of the fluctuation of our service costs, freight rate and volume handled, please refer to the section headed "Business – Our services" in this prospectus.

COMPETITIVE STRENGTHS

We believe that we have a number of key strengths that distinguish us from our competitors:

- our established track record of over 16 years in serving the logistics industry allows us to understand and adapt to our customers' needs;
- we are the fifth largest flexitank solution and related services provider in the world, in term of flexitank produced by COA certified producers in 2018;
- we are one of the largest 20' high cube containers operator in the Southeast Asia;
- we have an extensive coverage for logistic supporting network; and
- we have an experienced and professional management team.

For details, please refer to the section headed "Business – Competitive strengths" in this prospectus.

BUSINESS STRATEGIES

Our key strategies are to:

- capture the growing logistics centre and related services business opportunity in Malaysia;
- capture the growing logistics business opportunity arising from the Belt and Road Initiative and expansion of major infrastructures in Malaysia; and
- leverage our market position in flexitank solution and related services market to attract customers in different regions in Asia, such as North Asia.

For details, please refer to the section headed "Business – Business strategies" in this prospectus.

Our customers

We have built a diverse customer portfolio. Our customers base comprises end customers, freight forwarder customers and overseas agents. During the Track Record Period, (i) we had maintained business relationship with over 1,600 customers; (ii) our five largest customers accounted for approximately 28.3%, 21.9%, 16.7% and 18.7% of our total revenue, respectively; (iii) our largest customer accounted for approximately 11.3%, 6.1%, 6.1% and 6.3% of our total revenue, respectively.

The following table sets forth our revenue, gross profit and gross profit margin by customer type during the Track Record Period:

	FY2016				FY2017				FY2018				For the six months ended 30 June 2019			
	Revenue (RM'000)	% of total revenue (%)	Gross profit (RM'000)	Gross profit margin (%)	Revenue (RM'000)	% of total revenue (%)	Gross profit (RM'000)	Gross profit margin (%)	Revenue (RM'000)	% of total revenue (%)	Gross profit (RM'000)	Gross profit margin (%)	Revenue (RM'000)	% of total revenue (%)	Gross profit (RM'000)	Gross profit margin (%)
End customers	132,828	70.2	20,033	15.1	133,587	70.9	19,814	14.8	140,538	69.8	29,981	21.3	68,074	69.0	16,169	23.8
Freight forwarder customers	31,961	16.9	4,354	13.6	34,775	18.4	4,098	11.8	35,129	17.5	5,972	17.0	16,125	16.3	2,845	17.6
Overseas agents	24,464	12.9	6,643	27.2	20,251	10.7	4,781	23.6	25,516	12.7	8,321	32.6	14,515	14.7	4,614	31.8
Total	189,253	100.0	31,030	16.4	188,613	100.0	28,693	15.2	201,183	100.0	44,274	22.0	98,714	100.0	23,628	23.9

For illustrative purpose, the following table sets forth our revenue, gross profit and gross profit margin by customer type in Hong Kong dollars equivalents during the Track Record Period:

	FY2016				FY2017				FY2018				For the six months ended 30 June 2019			
	Revenue (HK$'000)	% of total revenue (%)	Gross profit (HK$'000)	Gross profit margin (%)	Revenue (HK$'000)	% of total revenue (%)	Gross profit (HK$'000)	Gross profit margin (%)	Revenue (HK$'000)	% of total revenue (%)	Gross profit (HK$'000)	Gross profit margin (%)	Revenue (HK$'000)	% of total revenue (%)	Gross profit (HK$'000)	Gross profit margin (%)
End customers	248,388	70.2	37,462	15.1	249,808	70.9	37,052	14.8	262,806	69.8	56,064	21.3	127,298	69.0	30,236	23.8
Freight forwarder customers	59,767	16.9	8,142	13.6	65,029	18.4	7,663	11.8	65,691	17.5	11,168	17.0	30,154	16.3	5,320	17.6
Overseas agents	45,748	12.9	12,422	27.2	37,869	10.7	8,941	23.6	47,715	12.7	15,560	32.6	27,143	14.7	8,628	31.8
Total	353,903	100.0	58,026	16.4	352,706	100.0	53,656	15.2	376,212	100.0	82,792	22.0	184,595	100.0	44,184	23.9

Further details of our customers and our overseas agents are set forth in the section headed "Business – Our customers" and "Business – Overseas agents" in this prospectus.

Our suppliers

Our suppliers mainly include port operators, railway operator, flexitank OEM manufacturers, freight forwarder, subcontractor and our overseas agents. During the Track Record Period, (i) we had maintained business relationship with over 1,300 suppliers; (ii) our five largest suppliers accounted for approximately 25.1%, 28.2%, 28.7% and 29.6% of our total purchases, respectively; and (iii) our largest supplier accounted for approximately 8.5%, 9.3%, 9.6% and 8.7% of our total purchases, respectively. Further details of our supplier are set forth in the section headed "Business – Our suppliers" in this prospectus.

Our flexitank production facilities

We operate a flexitank production plant in Port Klang with three production lines. Our flexitank manufacturing facilities and operations activities are certified by HACCP, FSSC 22000 and ISO 9001:2015; and our flexitanks are Kosher and Halal certified. We have also obtained the Flexitank Certificate of Compliance issued by the Container Owners Association which encompassed compliances with Container Owners Association's code of practice, materials test, installation operating and training instruction manual, rail impact test and PAS1008:2016.

Third party payment

During the Track Record Period, Customer C, who is our third largest customer in FY2016, second largest customer in FY2017 and largest customer in FY2018 and the six months ended 30 June 2019, settled certain payments through third parties (the "**Third Party Payors")** by cash deposit at the banks and bank transfer (the "**Third Party Payments**"). Since March 2019, we ceased allowing our customers to settle amounts due to us through Third Party Payors. To further enhance our internal control measures and to safeguard our interests against risks associated with Third Party Payments, our Group (i) issued a memorandum to our customers informing them that the payments made by third parties including entities and individuals, or in the form of cash would not be accepted; (ii) issued an internal notice to all our employees to prohibit them from accepting Third Party Payments; (iii) included a clear statement in our sales invoices that all customers shall settle their payments to us directly and that any Third Party Payments will be rejected by us; and (iv) our finance department would conduct random check on overseas settlement to ensure that there are no re-occurrence of Third Party Payments. Based on the quarterly review conducted in June 2019, no re-occurrence of third party settlement had been identified.

SALES AND MARKETING

Our Directors, together with our sales and customer service team, have been maintaining a stable and harmonious business relationship with our customers. Where appropriate, our sales and customer service team is encouraged to cross-sell our related Logistics Services across different business segments.

Our pricing policy

Our Group provides quotations to our clients according to the type of services requested, the complications and degree of service of their requests. Our pricing to clients is primarily based on the cost incurred. We also takes into account a variety of factors, including labour cost and material costs, type and value of consignments, market condition, cost of services, volume of cargo space ordered, reputation of the customer within the industry, and past relationship and future business opportunity with clients.

For further details, please refer to the section headed "Business – Sales and marketing – Pricing policy" in this prospectus.

LITIGATION COMPLIANCE

As advised by our Malaysian Legal Advisers, save for the litigation cases disclosed in the section headed "Business – Litigation" in this prospectus, we do not have any pending or threatened litigation, arbitration or administrative proceeding against our Group or our Directors during the Track Record Period, which could have a material adverse effect on our financial condition or result of operations. Please refer to the section headed "Business – Litigation" in this prospectus for further details.

SUMMARY OF RESULTS OF OPERATIONS

The following table sets out a summary of the results of operation for our Group during the Track Record Period. For further details of our financial performance, please refer to the Accountants' Report in Appendix I to this prospectus.

Highlights of combined statements of profit or loss and other comprehensive income

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	(RM'000)	*(HK$'000)*	*(RM'000)*	*(HK$'000)*	*(RM'000)*	*(HK$'000)*	*(RM'000)*	*(HK$'000)*	*(RM'000)*	*(HK$'000)*
							(Unaudited)			
Revenue	189,253	353,903	188,613	352,706	201,183	376,212	96,785	180,988	98,714	184,595
Gross profit	31,030	58,026	28,694	53,658	44,275	82,794	18,165	33,969	23,628	44,184
Profit before tax	12,723	23,792	10,649	19,914	26,179	48,955	9,896	18,506	10,834	20,260
Profit for the year/period	11,817	22,098	8,933	16,705	22,503	42,081	7,951	14,868	8,531	15,953
Total comprehensive income for the year/period	12,557	23,482	8,037	15,029	22,612	42,284	7,403	13,844	8,245	15,418

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our revenue amounted to approximately RM 189.3 million, RM188.6 million, RM201.2 million and RM98.7 million, respectively, while the total comprehensive income for the respective years/periods were approximately RM12.6 million, RM8.0 million, RM22.6 million and RM8.2 million, respectively. Our gross profit increased from approximately RM28.7 million for FY2017 to RM44.3 million for FY2018, representing an increase of approximately RM15.6 million or 54.4%. The increase was mainly due to the increase in revenue contributed by our flexitank solution and related services segment which generally has higher gross profit and gross profit margin when compared with our other business segments.

During FY2016, FY2017 and FY2018, our gross profit for flexitank solution and related services amounted to approximately RM14.6 million, RM13.7 million and RM22.5 million, respectively and the gross profit margin was approximately 30.6%, 26.4% and 35.5% for the same period. The fluctuation of gross profit and gross profit margin of flexitank solution and related services is in line with the change in provision for or reversal of provision for leakage claim during the Track Record Period. We recorded a net provision for leakage claim of approximately RM1.3 million for FY2016 and RM2.8 million for FY2017; while we recorded a net reversal of provision of leakage claim of approximately RM1.7 million for FY2018. The gross profit margin of our flexitank solution and related services decreased between FY2016 and FY2017 was mainly due to the one-off provision for leakage claims of approximately RM2.0 million recognised as cost of inventories in profit or loss. During FY2017, we encountered two leakage disputes from two customers. Based on the management estimation, we made a one-off provision of approximately RM2.0 million. Subsequently, one dispute was settled by our insurer and we declined another dispute as no fault on our own. As a result, the provision for leakage claim was fully reversed during FY2018 and resulted in the increase in gross profit margin between FY2017 and FY2018. Without taking into account of the provision for and reversal of leakage claims recognised in profit or loss during FY2017 and FY2018, respectively, our Directors consider that the gross profit margin and gross profit of our flexitank solution and related services remained stable and in line with the growth in revenue in this segment throughout the Track Record Period.

Our gross profit increased from approximately RM18.2 million for the six months ended 30 June 2018 to RM23.6 million for the six months ended 30 June 2019, representing an increase of approximately RM5.4 million or 29.7%. The increase was mainly due to the improvement of our gross profit of our integrated freight forwarding services and logistics centre and related services.

Our profit for the year decreased by approximately RM2.9 million or approximately 24.6% from approximately RM11.8 million for FY2016 to approximately RM8.9 million for FY2017. Such decrease is a combined effect of (i) the decrease in revenue of approximately RM0.7 million; (ii) the increase in cost of services and goods sold of approximately RM1.7 million; (iii) the decrease in administrative and other operating expenses of approximately RM1.8 million; (iv) the increase in finance costs of approximately RM0.9 million; and (v) the increase in income tax expenses of approximately RM0.8 million.

Our profit for the year increased by approximately RM13.6 million or approximately 152.8% from approximately RM8.9 million for FY2017 to approximately RM22.5 million for FY2018. Such increase is a combined effect of (i) the increase in revenue of approximately RM12.6 million; (ii) the decrease in cost of services and goods sold of approximately RM3.0 million; (iii) the increase in other income of approximately RM0.4 million; (iv) the increase in finance costs of approximately RM0.4 million; (v) the increase in listing expenses of approximately RM1.9 million; and (vi) the increase in income tax expenses of approximately RM2.0 million. Also, we recorded an increase in profit before tax of approximately 145.8% between FY2017 and FY2018, our income tax expense increased in a slower rate of approximately 117.6% mainly because of the tax incentive of approximately RM2.1 million resulted from the pioneer status of Infinity Bulk Logistics (MY) granted on 5 January 2018.

Our profit for the period increased by approximately RM0.5 million or approximately 6.3% from approximately RM8.0 million for the six months ended 30 June 2018 to RM8.5 million for the six months ended 30 June 2019. Such increase is a combined effect of (i) the increase in revenue of approximately RM1.9 million; (ii) the decrease in cost of services and goods sold of approximately RM3.5 million; (iii) the increase in other income of approximately RM1.6 million; (iv) the increase in administrative and other operating expenses of approximately RM1.4 million; (v) the increase in listing expenses of approximately RM5.4 million; and (vi) the increase in income tax expenses of approximately RM0.4 million.

For further details of the discussion of the year/period to year/period comparison, please refer to the section headed "Financial information – Year/period to year/period comparison of results of operations" in this prospectus.

Our cost structure

The following table sets forth a breakdown of the major cost components composing our cost of services and goods sold during the Track Record Period:

	FY2016			FY2017			FY2018			For the six months ended 30 June 2018			For the six months ended 30 June 2019		
	RM'000	*HK$'000*	*%*	*RM'000*	*HK$'000*	*%*	*RM'000*	*HK$'000*	*%*	*RM'000*	*HK$'000* (Unaudited)	*%*	*RM'000*	*HK$'000*	*%*
Cost of inventories	33,105	61,906	20.9	38,021	71,099	23.8	40,954	76,584	26.1	21,309	39,848	27.1	21,509	40,222	28.6
Transportation and haulage charges	33,404	62,465	21.1	24,577	45,959	15.4	19,304	36,098	12.3	9,269	17,333	11.8	6,750	12,623	9.0
Freight charges	24,160	45,179	15.3	40,245	75,258	25.2	40,142	75,066	25.6	20,281	37,925	25.8	17,156	32,082	22.8
Staff cost (excluding the staff cost incurred in cost of inventories)	16,431	30,726	10.4	14,680	27,452	9.2	13,231	24,742	8.4	6,817	12,748	8.7	5,610	10,491	7.5

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our total cost of services and goods sold amounted to approximately RM158.2 million, RM159.9 million, RM156.9 million and RM75.1 million, respectively; while (i) cost of inventories; (ii) transportation and haulage charges; (iii) freight charges; and (iv) staff cost were the major components which accounted for 67.7%, 73.5%, 72.4% and 68.0% of the cost of services and goods sold for the corresponding period, respectively. Further details on the breakdown of our cost of services and goods sold are set forth in the section headed "Financial Information – Results of operations – Cost of services and goods sold" in this prospectus.

Highlights of combined statements of financial position

	As at 31 December						As at the		As at	
	2016		2017		2018		30 June 2019		31 October 2019	
	(RM'000)	*(HK$'000)*	*(RM'000)*	*(HK$'000)*	*(RM'000)*	*(HK$'000)*	*(RM'000)*	*(HK$'000)*	*(RM'000)*	*(HK$'000)*
									(Unaudited)	
Total non-current assets	65,516	122,515	89,655	167,655	103,360	193,283	120,675	225,662	143,445	268,242
Total current assets	71,117	132,989	81,114	151,683	91,692	171,464	75,945	142,017	73,146	136,783
Total non-current liabilities	26,797	50,110	43,714	81,745	52,500	98,175	61,925	115,800	61,628	115,244
Total current liabilities	53,897	100,787	63,317	118,403	59,809	111,843	60,970	114,014	75,192	140,609
Net current assets (liabilities)	17,220	32,201	17,797	33,280	31,883	59,621	14,975	28,003	(2,046)	(3,826)
Net assets	55,939	104,606	63,738	119,190	82,743	154,729	73,725	137,865	79,771	149,172

Our net current assets position increased from approximately RM17.8 million as at 31 December 2017 to approximately RM31.9 million as at 31 December 2018, representing an increase of approximately RM14.1 million. Such increase was mainly due to (i) the increase in bank balances and cash of approximately RM15.5 million; (ii) the decrease in trade and other payables of approximately RM10.9 million; and (iii) the decrease in current portion of lease liabilities of approximately RM1.2 million and partially offset by (i) the decrease in trade and other receivables of approximately RM4.5 million; (ii) the increase in bank overdrafts and current portion of interest-bearing borrowings of approximately RM5.9 million; and (iii) the increase in income tax payables of approximately RM2.7 million.

Our net current assets position decreased from approximately RM31.9 million as at 31 December 2018 to approximately RM15.0 million as at 30 June 2019, representing a decrease of approximately RM16.9 million or approximately 53.0%. Such decrease was mainly due to (i) the increase in current portion of interest-bearing borrowings of approximately RM4.2 million; (ii) the decrease in trade and other receivables of approximately RM13.8 million; (iii) the decrease in bank balance and cash of approximately RM2.7 million; and (iv) the increase in income tax payables of approximately RM2.0 million and partially offset by (i) the decrease in trade and other payables of approximately RM2.6 million; (ii) the decrease in bank overdrafts of approximately RM2.2 million; and (iii) the increase in inventories of approximately RM0.7 million.

Our net assets position decreased from approximately RM82.7 million as at 31 December 2018 to approximately RM73.7 million as at 30 June 2019, representing a decrease of approximately RM9.0 million or approximately 10.9%. Such decrease was mainly due to (i) the decrease in net currents assets between 31 December 2018 and 30 June 2019 as discussed above; and (ii) the increase in non-current liabilities of approximately RM 9.4 million mainly attributed to the increase in interest-bearing borrowings in our non-current portion, which was partially offset by the increase in non-current assets mainly attributed to the increase in our property, plant and equipment and our prepayment for acquisition of property, plant and equipment. Further, the decline in net assets was also attributable to the payment of dividends of approximately RM17.3 million during the six months ended 30 June 2019.

For further details in relation to the trade receivables and trade payables, please refer to "Financial information – Discussion on selected balance sheet items – Trade and other receivables" and "Financial information – Discussion on selected balance sheet items – Trade and other payables".

Highlights of combined statements of cash flows

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	RM'000	*HK$'000*	*RM'000*	*HK$'000*	*RM'000*	*HK$'000*	*(RM'000)*	*HK$'000*	*(RM'000)*	*HK$'000*
							(Unaudited)			
Net cash generated from operating activities	30,171	56,420	6,096	11,399	33,790	63,187	16,702	31,233	23,995	44,871
Net cash used in investing activities	(24,813)	(46,400)	(19,127)	(35,767)	(11,926)	(22,302)	(14,269)	(26,683)	(15,628)	(29,225)
Net cash (used in)/generated from financing activities	(2,841)	(5,313)	12,619	23,598	(11,859)	(22,176)	(7,775)	(14,539)	(8,874)	(16,594)
Net increase/(decrease) in cash and cash equivalents	2,517	4,707	(412)	(770)	10,005	18,709	(5,342)	(9,989)	(507)	(948)
Cash and cash equivalents at the beginning of the year/period	4,137	7,736	6,661	12,456	5,974	11,171	5,974	11,171	15,987	29,896
Effect on exchange rate changes	7	13	(275)	(515)	8	15	(77)	(144)	(12)	(23)
Cash and cash equivalents at the end of the year/period	6,661	12,456	5,974	11,171	15,987	29,896	555	1,038	15,468	28,925

For the details of movement of our cash flow during he Track Record Period, please refer to the section headed "Financial information – Liquidity and capital resources – Cash flow" in this prospectus.

Selected key financial ratios

	As at/for the year ended 31 December			As at/for the six months ended 30 June
	2016	2017	2018	2019
Current ratio (times) *(Note 1)*	1.3	1.3	1.5	1.2
Gearing ratio (%) *(Note 2)*	68.3	85.7	82.8	108.5
Interest coverage ratio (times) *(Note 3)*	9.9	5.6	10.6	7.6
Return on assets (%) *(Note 4)*	9.3	5.8	12.3	4.4
Return on equity (%) *(Note 5)*	21.8	14.9	30.7	10.9
Gross profit margin (%) *(Note 6)*	16.4	15.2	22.0	23.9
Net profit margin (%) *(Note 7)*	6.2	4.7	11.2	8.6

Notes:

1. Current ratio is calculated by dividing current assets by current liabilities.
2. Gearing ratio is calculated by dividing total debt by total equity multiplied by 100%. Total debt is defined as the sum of lease liabilities, bank overdrafts and interest-bearing borrowings.
3. Interest coverage ratio is calculated by dividing profit/(loss) before interest and tax by interest expense.
4. Return on total assets ratio is calculated by dividing the profit/(loss) for the year/period by average total assets and multiplied by 100%.
5. Return on equity ratio is calculated by dividing profit/(loss) for the year/period by average total equity and multiplied by 100%.
6. Gross profit margin is calculated by dividing gross profit for the year/period by the total revenue.
7. Net profit margin is calculated by dividing profit/(loss) for the year/period by the total revenue.

Our gearing ratio amounted to approximately 68.3%, 85.7%, 82.8% and 108.5% as at 31 December 2016, 2017, 2018 and the six months ended 30 June 2019, respectively. The increase between 31 December 2016 and 2017 was mainly attributable to the increase of interest-bearing borrowing of our non-current portion between 31 December 2016 and 2017. The gearing ratio increased to 108.5% as at 30 June 2019 which was due to the increase in interest-bearing borrowings of approximately RM15.3 million in the six months ended 30 June 2019.

Our interest coverage ratio amounted to approximately 9.9 times, 5.6 times and 10.6 times for FY2016, FY2017 and FY2018, respectively. The decrease between FY2016 and FY2017 was mainly attributable to the increase in finance costs of our Group arising from bank overdrafts, interest-bearing borrowings and lease liabilities. The increase between FY2017 and FY2018 was mainly attributable to the increase of our profit before tax. Our interest coverage ratio decreased to approximately 7.6 times for the six months ended 30 June 2019 which was mainly due to the decrease in profit before tax for the six months ended 30 June 2019.

Return on assets was approximately 9.3%, 5.8% and 12.3% for FY2016, FY2017 and FY2018, respectively. The decrease between 31 December 2016 and 2017 was primarily due to (i) the decrease of our profit from approximately RM11.8 million for FY2016 to RM8.9 million for FY2017; and (ii) the increase of our property, plant and equipment from approximately RM65.4 million as at 31 December 2016 to approximately RM89.5 million as at 31 December 2017. The increase of our return on assets between FY2017 and FY2018 was primarily due to the increase of our profit for the year from approximately RM8.9 million for FY2017 to RM22.5 million for FY2018. The decrease of our return on assets to approximately 4.4% for the six months ended 30 June 2019 was primarily due to the decrease of our profit for the year to RM8.5 million for the six months ended 30 June 2019.

Return on equity was approximately 21.8%, 14.9%, 30.7% and 10.9% for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. The fluctuation of our return on equity between for FY2016, FY2017, FY2018 and the six months ended 30 June 2019 was in line with the significant change in our profit for the year/period during the Track Record Period.

For the discussion of the fluctuation of our gross profit margin and net profit margin, please refer to the sections headed "Financial information– Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin" and "Financial information – Year/period to year/period comparison of results of operation" in this prospectus. For the discussion of fluctuation of our key financial ratio, please also refer to the section headed "Financial information – Major financial ratio" in this prospectus.

OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), 2926 Holdings, an investment holding company which is owned as to 63.9% by Dato' Chan and 36.1% by Dato' Kwan, will be interested in approximately 70.875% of the issued share capital of our Company. By virtue of the Concert Parties Confirmatory Deed, Dato' Chan and Dato' Kwan will be deemed to be interested in the Shares held by 2926 Holdings under the SFO. Each of 2926 Holdings, Dato' Chan and Dato' Kwan will be our Controlling Shareholders and will together form a group of Controlling Shareholders who are entitled to control 70.875% of the issued share capital of our Company immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme).

LISTING EXPENSES

Assuming the Offer Price of HK$0.31 per Offer Share, being the mid-point of the indicative Offer Price range, the total amount of Listing expenses and commissions in connection with the Share Offer is estimated to be approximately RM20.2 million (equivalent to HK$37.7 million).

Of the aggregate Listing expenses of RM20.2 million (equivalent to HK$37.7 million), RM9.2 million (equivalent to HK$17.2 million) directly attributable to the issue of new Shares will be accounted for as a deduction from equity upon Listing. Listing expenses of approximately RM1.9 million (equivalent to HK$3.6 million) and RM5.4 million (equivalent to HK$10.1 million) were charged to the profit or loss for FY2018 and the six months ended 30 June 2019, respectively and the remaining amount of approximately RM3.7 million (equivalent to HK$6.9 million) will be charged to the profit or loss for the year ending 31 December 2019. Expenses in relation to the Listing are non-recurring in nature.

REASONS FOR THE LISTING IN HONG KONG

Our Directors have considered and evaluated different listing venues including Hong Kong and Malaysia and have concluded that, notwithstanding that our business is primarily based in Malaysia, Hong Kong is the suitable venue for us to pursue a listing because listing in Hong Kong would help to strengthen our positioning and enhance our brand name in Asia and other regions in the world. For further details, please refer to the section headed "Future plans and use of proceeds – Reasons for the Listing in Hong Kong" in this prospectus.

OFFER STATISTICS

	Based on the minimum Offer Price of HK$0.28 per Offer Share	**Based on the maximum Offer Price of HK$0.34 per Offer Share**
Market capitalisation upon the Listing *(Note 1)*	HK$560 million	HK$680 million
Unaudited pro forma adjusted combined net tangible assets attributable to equity owners of our Company per Share *(Note 2)*	HK$0.129	HK$0.144

Notes:

1. The calculation of the market capitalisation of our Shares is based on 2,000,000,000 Shares in issue immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares that may be allotted and issued upon the exercise of any option which may be granted under the Share Option Scheme).

2. The unaudited pro forma adjusted combined net tangible assets attributable to equity owners of our Company per Share has been arrived with reference to certain estimation and adjustment. Please refer to Appendix II to this prospectus for further details.

DIVIDEND

Our Company currently does not have a dividend policy and may distribute dividends by way of cash or by other means that our Directors consider appropriate. No dividend was paid or declared by our Company since its date of incorporation. Dividend of RM9.1 million, RM0.5 million, RM3.6 million and RM17.3 million was declared and fully settled by our subsidiaries to its then shareholders during FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively.

Payment of any future dividends will be made at the discretion of our Board and will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors consider relevant. The declaration, payment and amount of any future dividends will be subject to our constitutional documents including, where necessary, the approval of our Shareholders. Investors should note that historical dividend distributions are not indicative of our future dividend distribution policy.

Further details are set forth in the section headed "Financial information – Dividend" in this prospectus.

FUTURE PLAN AND USE OF PROCEEDS

We estimate the net proceeds from the Share Offer, based on the Offer Price of HK$0.31 per Offer Share, will be approximately RM62.7 million (equivalent to HK$117.3 million), after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Share Offer. We intend to use the net proceeds of the Share Offer for the following purposes:

- approximately RM46.0 million (equivalent to HK$86.0 million) or approximately 73.3% of the net proceeds, will be used to set up the Proposed Westports FZ Warehouses in the Westports Free Zone in Port Klang, Malaysia;
- approximately RM5.0 million (equivalent to HK$9.4 million) or approximately 8.0% of the net proceeds, will be used to purchase haulage prime movers and trailers for our haulage services in our logistics centre and related services;
- approximately RM3.0 million (equivalent to HK$5.6 million) or approximately 4.8% of the net proceeds, will be used to replace our aged forklifts and acquire additional forklifts for our logistics centre and related services;
- approximately RM3.0 million (equivalent to HK$5.6 million) or approximately 4.8% of the net proceeds, will be used to purchase containers comprising general purpose containers and high cube containers for increasing our capacity of our NVOCC services;
- approximately RM2.0 million (equivalent to HK$3.8 million) or approximately 3.2% of the net proceeds, will be used to further enhance our Group's operational efficiency, technical capability and enhance the user experience for our flexitank customers by upgrading the information technology and system for operation, management and accounting purposes, to cope with the expected growth in the logistics industry; and
- approximately RM3.7 million (equivalent to HK$6.9 million) or 5.9% will be used for working capital of our Group.

Further details of our use of proceeds from the Share Offer are set forth in the section headed "Future plans and use of proceeds" in this prospectus.

RISK FACTORS

Our Group's business and financial performance may be affected by a number of the major risks that may materially and adversely affect our business, financial results of operation include: (i) our Group may face difficulty in providing its logistics services if it fails to renew or obtain its licences and permissions; (ii) we are dependent on our customers' business performance and their continuing demand for our services; (iii) our major customers who were our overseas agents; (iv) we are subject to various risks relating to third party payments; (v) we may not be able to maintain our business relationship with Westports Malaysia and Penang Port Sdn Bhd; (vi) we rely on the expertise and experience of our key management personnel; and (vii) our cash flow may deteriorate due to our failure to collect trade receivables that are long overdue from our customers or potential mismatch in time between receipt from our customers and payments to our suppliers. Further details of the risks we are exposed to are set out in the section headed "Risk factors" in this prospectus.

PROPERTY VALUATION

Savills (Malaysia) Sdn Bhd, an independent property valuer (the "**Property Valuer**"), has valued our property interests as of 30 November 2019 and is of the opinion that the aggregate value of our property interests as of such date was RM38.0 million. The full text of the letter, summary of valuation and valuation certificates with regard to such property interests are set out in Appendix III to this prospectus.

Investors are advised that the appraised value of our property interests should not be taken as their actual realisable value or a forecast of their realisable value. Further details are set forth in the section headed "Risk factors – Risks relating to our business – The appraisal value of our properties may be different from their actual realisable values and are subject to uncertainty or change" in this prospectus.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

In May 2017, we leased a parcel of land in Pulau Indah, Malaysia from the management company of the Port Klang Free Zone. In October 2018, we appointed a construction company to construct our PKFZ II Warehouse on the above-mentioned land. In August 2019, we entered into an agreement to provide long term warehouse services in the entire PKFZ II Warehouse with an Independent Third Party for two years with an option to renew for further terms of one year. In September 2019, the construction of the PKFZ II Warehouse was completed with the issuance of the certificate of completion and compliance by the architect in charge. The PKFZ II Warehouse commenced operation in November 2019.

Our Directors confirm that, save for the expenses in connection with the Listing, up to the date of this prospectus, there had been no material adverse change in our financial or trading position or prospects since 30 June 2019 (being the date to which the latest audited combined financial statements of our Group were prepared) and there has been no event since 30 June 2019 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus. As a result of the Listing expenses of approximately RM5.4 million which was charged to the profit or loss for the six months ended 30 June 2019 and approximately RM3.7 million which will be charged to the profit or loss for the year ending 31 December 2019, our Directors expect a decline in profit for the year ending 31 December 2019.

In this prospectus, unless the context otherwise requires, the following expressions have the following meanings.

"2926 Holdings"	2926 Holdings Limited, a company incorporated in the BVI on 11 February 2019 with liability limited by shares, which is owned as to approximately 63.9% and 36.1% by each of Dato' Chan and Dato' Kwan and is our Controlling Shareholder
"Accountants' Report"	the accountants' report of our Group prepared by Mazars CPA Limited and Mazars LLP dated 30 December 2019, the text of which is set out in Appendix I to this prospectus
"affiliate"	any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Andaman Coastal (MY)"	Andaman Coastal Sdn. Bhd., formerly known as Andaman Transport Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 6 January 2003 and as at the date of disposal it was owned as to 70% by Mr. Khaw and 30% by an Independent Third Party
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) and **GREEN** Application Form(s), or where the context so requires, any of them
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company adopted on 14 December 2019 and effective on the Listing Date as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
"Asia Global (MY)"	Asia Global Connection NP Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 24 July 2017 and owned as to 40% by Infinity L&T (MY) and 60% by an Independent Third Party
"associate(s)"	has the meaning ascribed thereto it under the Listing Rules
"Audit Committee"	The audit committee of the Board

"AWH Infinity (MY)"	AWH Infinity Logistics Sdn. Bhd., formerly known as Infinity Landbridge Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 25 June 2010 and as at the date of disposal it was owned as to 30% by an Independent Third Party, 23% by Mr. Tan Pang Wee, one of the former directors of Optimus Flexitank (MY), and 47% in aggregate by two former employees of our Group
"BLS Infinity (MY)"	BLS Infinity Sdn Bhd, formerly known as Infinity Haulage (Malaysia) Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 24 March 2003 and as at the date of disposal it was owned as to 100% in aggregate by two former employees of our Group
"Board" or "Board of Directors"	the board of Directors of our Company
"business day"	any day (other than a Saturday, and Sunday or public holidays in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"BVI"	the British Virgin Islands
"CAGR"	compounded annual growth rate
"Capitalisation Issue"	the issue of 1,499,998,000 Shares to be made upon capitalisation issue of part of the amount standing to the credit of our share premium account as referred to in the section headed "A. Further information about our Company – 3. Written resolutions of our Shareholders" in Appendix V to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person permitted to participate in CCASS as a direct clearing participant or general clearing participant
"CCASS Custodian Participant"	a person permitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation

"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"Companies Law" or "Cayman Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemented from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, modified and supplemented from time to time
"Company", "our Company", "we" or "us"	Infinity Logistics and Transport Ventures Limited, an exempted company incorporated in the Cayman Islands with limited liability on 7 March 2019
"Concert Parties Confirmatory Deed"	the confirmatory deed dated 29 May 2019, entered into by our Controlling Shareholders, namely Dato' Chan and Dato' Kwan, to acknowledge and confirm, among other things, that they are parties acting in concert in relation to our Group, details of which are set out on the paragraphs headed "History, Development and Reorganisation – Parties acting in concert" of this prospectus
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction"	has the meaning ascribed to it under the Listing Rules
"Container depot A"	Our container depot located at No. P.T A, Bandar Butterworth, Seksyen 4, Daerah Seberang Perai Utara, H.S. (D) 9813
"Container depot B"	Our container depot located at H.S. (D) 28522, PT 1, Bandar Prai in the district of Seberang Prai Tengah, State of Pulau Pinang
"Controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules and, unless the context requires otherwise, collectively refers to 2926 Holdings, Dato' Chan and Dato' Kwan who, together, will control the exercise of 30% or more of the voting rights in the general meeting of our Company immediately after the Share Offer

"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Corporate Governance Code"	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
"Datin Lo"	Datin Lo Shing Ping, spouse of Dato' Chan and our executive Director
"Dato' Chan"	Dato' Chan Kong Yew, our executive Director, one of our Controlling Shareholders and spouse of Datin Lo
"Dato' Kwan"	Dato' Kwan Siew Deeg, our executive Director and one of our Controlling Shareholders
"Deed of Indemnity"	the deed of indemnity dated 14 December 2019 given by our Controlling Shareholders in favour of our Company regarding certain indemnities, details of which are set out in the section headed "E. Other information – 1. Tax and other indemnities" in Appendix V to this prospectus
"Deed of Non-competition"	the deed of non-competition dated 14 December 2019 given by our Controlling Shareholders in favour of our Company regarding certain non-competition undertakings, details of which are set out in the section headed "Relationship with our Controlling Shareholders – Non-competition undertakings" in this prospectus
"Director(s)"	the director(s) of our Company
"Emirates (MY)"	Emirates Supply Chain Services Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 4 December 2019 and owned as to 30% by Infinity L&T (MY) and 70% by an Independent Third Party
"EPF"	the Employees Provident Fund of Malaysia
"EU"	the European Union
"Existing Warehouses"	includes PKFZ Warehouse, PKFZ II Warehouse, Freight Village warehouse, Freight Village Bonded Warehouse, Warehouse J, Warehouse K, Warehouse L and Warehouse M

"Freight Village Bonded Warehouse"	our Existing Warehouse located at Lot 54, Jalan Sungai Pinang 5/7/KS11, Taman Perindustrian Pulau Indah 2, 42920 Port Klang, Selangor, Malaysia. Freight Village Bonded Warehouse is a designated area, approved by the Royal Malaysian customs under section 65 of the Customs Act 1967 for storing dutiable goods
"Freight Village Warehouse"	our existing warehouse located at Lot 54, Jalan Sungai Pinang 5/7/KS11, Taman Perindustrian Pulau Indah 2, 42920 Port Klang, Selangor
"FY2016"	the financial year ended 31 December 2016
"FY2017"	the financial year ended 31 December 2017
"FY2018"	the financial year ended 31 December 2018
"F&S"	Frost & Sullivan GIC Malaysia Sdn Bhd, an independent industry consultant, which is an independent third party
"F&S Report"	a market research report commissioned by us and prepared by F&S on the overview of the industry in which our Group operates
"GDP"	gross domestic product
"**GREEN** Application Form(s)"	the application form(s) to be completed by **HK eIPO White Form** Service Provider
"Group", "we, "us" or "our"	our Company and our subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of our present subsidiaries, our present subsidiaries and the businesses operated by such subsidiaries (as the case may be)
"**HK eIPO White Form**"	the application for Public Offer Shares to be issued in the applicant's own name by submitting an application online through the **IPO App** or at the designated website at **www.hkeipo.hk**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** Service Provider designated by our Company, as specified in the **IPO App** or on the designated website at **www.hkeipo.hk**

"HKD" or "HK$" and "cents"	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominees"	HKSCC Nominees Limited
"Hong Kong", "HKSAR" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited, our Hong Kong branch share registrar and transfer office
"IBL 2926"	IBL 2926 Ventures Limited, a company incorporated in the BVI on 19 February 2019 with liability limited by shares, and a direct wholly-owned subsidiary of our Company after the Reorganisation
"ILNT 2926"	ILNT 2926 Ventures Limited, a company incorporated in the BVI on 19 February 2019 with liability limited by shares, and a direct wholly-owned subsidiary of our Company after the Reorganisation
"ILNT Holding (MY)"	Infinity Logistics & Transport Holding Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 25 January 2019 and an indirect wholly-owned subsidiary of our Company
"Independent Third Party(ies)"	an individual(s) or a company(ies) who or which is/are not connected person(s) (within the meaning of the Listing Rules) of our Company
"Infinity Bulk Logistics (Labuan)"	Infinity Bulk Logistics Ltd, a private company limited by shares incorporated in Labuan, Malaysia on 12 May 2014 and an indirect wholly-owned subsidiary of our Company
"Infinity Bulk Logistics (MY)"	Infinity Bulk Logistics Sdn. Bhd., formerly known as TSM Marketing Sdn. Bhd. and IBL Flexitank Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 24 March 2003 and an indirect wholly-owned subsidiary of our Company

"Infinity Bulk Logistics (Thailand)"	Infinity Bulk Logistics (Thailand) (Hadyai) Co, Ltd, formerly known as Flexibulk Regional (Thailand) Co., Ltd., a private company limited by shares incorporated in Thailand on 22 February 2008
"Infinity Flexitank Holding (MY)"	Infinity Flexitank Holding Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 19 February 2019 and an indirect wholly-owned subsidiary of our Company
"Infinity Lines (MY)"	Infinity Lines Sdn. Bhd., formerly known as Infinity Logistics Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 3 October 2003 and an indirect wholly-owned subsidiary of our Company
"Infinity L&T (Labuan)"	Infinity Logistics & Transport Ltd, a private company limited by shares incorporated in Labuan, Malaysia on 9 May 2014 and an indirect wholly-owned subsidiary of our Company
"Infinity L&T (MY)"	Infinity Logistics & Transport Sdn. Bhd., formerly known as Matrix Logistics Management Sdn. Bhd. and Infinity Asia Pacific Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 7 November 2000 and an indirect wholly-owned subsidiary of our Company
"Infinity L&T (SG)"	Infinity Logistics & Transport (S) Pte. Ltd., a private company limited by shares incorporated in Singapore on 8 November 2010 and an indirect wholly-owned subsidiary of our Company
"Infinity L&T (Thailand)"	Infinity L&T (Thailand) Logistics & Transport (Thailand) CO, LTD, a private company limited by shares incorporated in Thailand on 11 October 2010
"Infinity Shipping (Thailand)"	Infinity Shipping (Thailand) Co Ltd, a private company limited by shares incorporated in Thailand on 11 August 2004 and beneficially owned as to 85% in aggregate by two Independent Third Parties
"IPO App"	the mobile application for **HK eIPO White Form** service which can be downloaded by searching "**IPO App**" in App Store or Google Play or downloaded at **www.hkeipo.hk/IPOApp** or **www.tricorglobal.com/IPOApp**

"Johor Warehouse I"	one of our existing warehouses located at HS (D) 303868 PTD 2423, Mukim Tanjung Jupang, District of Johor Bahru, State of Johor, Malaysia
"Johor Warehouse II"	one of our existing warehouses located at HS (D) 303868 PTD 2423, Mukim Tanjung Jupang, District of Johor Bahru, State of Johor, Malaysia
"Joint Bookrunners" or "Joint Lead Managers"	VBG Capital Limited, Wealth Link Securities Limited, Yuanta Securities (Hong Kong) Company Limited and Grand China Securities Limited
"KNS Infinity (MY)"	KNS Infinity Sdn. Bhd., formerly known as Infinity Bulk Logistics Manufacturing Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 28 March 2011 and an indirect wholly-owned subsidiary of our Company
"KTMB"	Keretapi Tanah Melayu Berhad, a public limited liability company, incorporated and domiciled in Malaysia which engages in railway transportation and the provision of related railway services in Malaysia, Thailand and Singapore
"Latest Practicable Date"	22 December 2019, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information in this prospectus
"Listing"	listing of the Shares on the Main Board
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about 21 January 2020, on which dealings in the Shares first commence on the Main Board
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified and supplemented from time to time
"Logistics Services"	referring to our flexitank solution and related services, integrated freight forwarding services, railroad transportation services and logistics centre and related services

"Main Board"	the Main Board of the Stock Exchange
"Malaysia"	the Federation of Malaysia
"Malaysia Stock Exchange"	Bursa Malaysia Securities Berhad
"Malaysian Legal Advisers"	David Lai & Tan, the legal advisers to our Company as to laws of Malaysia
"Memorandum of Association" or "Memorandum"	the amended and restated memorandum of association of our Company adopted on 14 December 2019 and effective on the Listing Date as amended from time to time, a summary of which is set out in Appendix IV to this prospectus
"Mr. Khaw"	Mr. Khaw Jit Aik, a former director and shareholder of Supply Stream Management prior to the Reorganisation
"Mr. Teo"	Mr. Teo Guan Kee, one of our Shareholders
"Ms. Kwan"	Ms. Kwan Siew Mun, the sister of Dato' Kwan and a director of Infinity L&T (MY)
"Nomination Committee"	the nomination committee of our Board
"Offer Price"	the final price per Offer Share in Hong Kong dollars (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%) at which the Offer Shares are to be subscribed for or issued pursuant to the Share Offer, to be determined in the manner further described in the section headed "Structure and conditions of the Share Offer" in this prospectus
"Offer Share(s)"	the Public Offer Shares and the Placing Shares
"Optimus Flexitank (MY)"	Optimus Flexitank Solutions Sdn. Bhd., formerly known as Infinity Intermodal Sdn. Bhd. and Beyond Cargo Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 7 January 2004 and an indirect wholly-owned subsidiary of our Company
"Penang Port Sdn Bhd"	Penang Port Sdn Bhd, a company incorporated in Malaysia and a port operator of Penang Port. Penang Port Sdn Bhd is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad

"Peninsular Malaysia"	western part of Malaysia which lies on the Malay Peninsular and surrounding islands
"PKFZ Warehouse"	one of our Existing Warehouses located at Precint 6, Jalan FZ5-P6, Part of P630, Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan
"PKFZ II Warehouse"	one of our Existing Warehouses located at Precint 8, Part of P806, P808, P832 & P833, Port Klang Free Zone/KS 12, 42920 Pulau Indah, Selangor Darul Ehsan, The PKFZ II Warehouse commenced operation in the forth quarter of 2019
"Placing"	the conditional placing of the Placing Shares by the Placing Underwriters at the Offer Price to selected professional, institutional and private investors as set out in the section headed "Structure and conditions of the Share Offer" in this prospectus
"Placing Shares"	the 450,000,000 Shares being initially offered by our Company for subscription pursuant to the Placing (subject to re-allocation as described in the section headed "Structure and conditions of the Share Offer" in this prospectus)
"Placing Underwriter(s)"	the underwriters of the Placing, who are expected to enter into the Placing Underwriting Agreement to underwrite the Placing Shares
"Placing Underwriting Agreement"	the conditional underwriting and placing agreement relating to the Placing expected to be entered into on an about 10 January 2020 by, among others, our Company and the Placing Underwriters, particulars of which are summarised in the section headed "Underwriting" in this prospectus

"Port Klang Free Zone"	Port Klang Free Zone is a commercial and industrial zone established in Malaysia. It is a regional distribution hub as well as a trade and logistics centre offering extensive distribution and manufacturing facilities. The Port Klang Free Zone offers various investment incentives to investors such as tax exemptions on most products and services, subsidies, allowing wholly foreign-owned enterprises, free repatriation of capital and profits and incentives for research and development, training and export
"Ports"	Port Klang and Penang Port
"PRC" or "China"	The People's Republic of China, which for the purpose of this prospectus and for geographical reference only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
"Predecessor Companies Ordinance"	the predecessor Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as in force from time to time before 3 March 2014
"Price Determination Agreement"	the agreement to be entered into by VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) and our Company on the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date, expected to be on or around 10 January 2020, or such other date as may be agreed between our Company and VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters), in any event no later than 20 January 2020, on which the Offer Price is determined by entering into the Price Determination Agreement
"Principal Share Registrar"	Estera Trust (Cayman) Limited, our Cayman Islands principal share registrar and transfer office
"Proposed Westports FZ New Site"	a parcel of land in free zone located in Westports, Port Klang, Malaysia which is proposed to be leased by our Group from Westports Malaysia, with a gross floor area of approximately 800,000 sq.ft.

"Proposed Westports FZ Warehouses"	the two warehouses with a total gross floor area of approximately 480,000 sq.ft. proposed to be built in free zone located in the Proposed Westports FZ New Site by using the Proceeds from the Share Offer
"Public Offer"	the offer of the Public Offer Shares for subscription by the members of the public in Hong Kong for cash at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%), payable in full on application, and subject to the terms and conditions described in this prospectus and the Application Forms
"Public Offer Shares"	the 50,000,000 Shares initially being offered for subscription under the Public Offer, subject to re-allocation as described in the section headed "Structure and conditions of the Share Offer" in this prospectus
"Public Offer Underwriters"	the underwriters of the Public Offer whose names are set out in the section headed "Underwriting – Public Offer Underwriters" in this prospectus
"Public Offer Underwriting Agreement"	the conditional underwriting agreement dated 27 December 2019 relating to the Public Offer entered into between, among others, our Company and the Public Offer Underwriters, particulars of which are summarised in the section headed "Underwriting" in this prospectus
"Reorganisation"	the corporate reorganisation of our Group in preparation for the Listing as described in the section headed "A. Further information about our Company – 4. Corporate Reorganisation" in Appendix V to this prospectus
"Reorganisation Agreement"	the reorganisation agreement dated 13 December 2019 entered into between our Company, 2926 Holdings, Mr. Teo, Dato' Chan and Dato' Kwan, pursuant to which our Company acquired the entire issued share capital of ILNT 2926 and IBL 2926 from 2926 Holdings and Mr. Teo
"RM" or "Malaysian dollar(s)"	Malaysian ringgit, the lawful currency of Malaysia
"Savills"	Savills (Malaysia) Sdn Bhd, a property valuer, which is an Independent Third Party
"SFC"	the Securities and Futures Commission of Hong Kong

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) with par value of HK$0.01 each in the share capital of our Company
"Share Offer"	the Public Offer and the Placing
"Share Option Scheme"	the share option scheme conditionally adopted by our Company on 14 December 2019, the principal terms of which are summarised in the section headed "D. Share option scheme" in Appendix V to this prospectus
"Shareholder(s)"	holder(s) of the Share(s)
"Singapore"	the Republic of Singapore
"Singapore dollars", "S$" or "SGD"	Singapore dollars, the lawful currency of Singapore
"Sole Sponsor"	VBG Capital Limited, the sole sponsor for the Listing and a licensed corporation to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activity under the SFO
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"Substantial Shareholder"	has the meaning ascribed thereto in the Listing Rules and details of our Substantial Shareholders are set out in the section headed "Substantial Shareholders" in this prospectus
"Supply Stream Management (MY)"	Supply Stream Management Sdn. Bhd., a private company limited by shares incorporated in Malaysia on 18 September 2001 and an indirect wholly-owned subsidiary of our Company
"Takeovers Code"	The Codes on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
"THB"	Thai Baht, the lawful currency of Thailand

"Track Record Period"	the period comprising the years ended 31 December 2016, 2017, 2018 and the six months ended 30 June 2019
"Underwriters"	the Public Offer Underwriters and the Placing Underwriters, details of which are set out in the section headed "Underwriting" in this prospectus
"Underwriting Agreements"	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
"US$" or "USD"	United States dollars, the lawful currency of the United States of America
"Warehouse and Ancillary Services"	our services being provided in a warehouse, including but not limited to, storage of goods, cargo consolidation/ deconsolidation and container stuffing/unstuffing services
"Warehouse J"	one of our existing warehouse located at Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia
"Warehouse K"	one of our existing warehouse located at Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia
"Warehouse L"	one of our existing warehouse located at Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia
"Warehouse M"	one of our existing warehouse located at Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia
"Westports Malaysia"	Westports Malaysia Sdn Bhd, a company incorporated in Malaysia and a port operator of Port Klang. Westports Malaysia is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad
"**WHITE** Application Form(s)	the application form(s) to be completed in accordance with the instructions in the paragraph headed "How to apply for the Public Offer Shares" in this prospectus
"YELLOW Application Form(s)"	the application form(s) to be completed in accordance with the instructions in the paragraph headed "How to apply for the Public Offer Shares" in this prospectus

"sq.ft"	square foot
"sq.m"	square meter
"%"	per cent

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown in totals in certain tables may not be the arithmetic aggregation of the figures preceding them.

The English translation of the PRC entities, enterprises, nationals, facilities, regulations in Chinese or another language included in this prospectus is for identification purposes only. To the extent there is any inconsistency between the Chinese names of the PRC entities, enterprises, nationals, facilities, regulations and their English translations, the Chinese names shall prevail.

This glossary contains explanations of certain terms used in this prospectus. These terms and their meanings may or may not correspond to standard industry meaning or usage of these terms.

"airway bill"	a non-negotiable document that applies to shipment by air freight, serving as a contract between the shipper and the air freight carrier, a receipt by the carrier for goods shipped, and a non-negotiable document of title to the goods which evidences the contract between the shipper and carrier(s) for the carriage of goods over routes of the carrier(s)
"Belt and Road Initiative" or "BRI"	a global development strategy adopted by the PRC government involving infrastructure development and investment across Asia, Europe and Africa
"bonded warehouse"	a designated area, approved by the Royal Malaysian Customs under Section 65 of the Customs Act 1967, for storing dutiable goods
"carrier"	the individual or organization who transports passengers or goods for a profit
"COA" or "Container Owners Association"	an international organisation established in 2004 which represents the common interests of all owners of freight containers. The principle aims of the COA are to provide global expertise, to promote common standards and to facilitate international lobbying. The COA is committed to safe, reliable and sustainable container operations and engages with leading global flexitank manufacturers and operators to implement the COA Code of Practice and strive for the highest industry standards
"COA-certified producer"	a flexitank manufacturer who is a member of the Container Owners Association (COA) of the United Kingdom which successfully completed the quality procedures as required by the Code of Practice set out by the COA and is awarded a compliance certificate
"consignee"	one to whom a consignment is made i.e. the person named on a bill of lading or airway bill to whom or to whose order the bill promises delivery

"consignment"	goods or property sent by the aid of a common carrier from one person in one place to another person in another place
"FCL" or "full container load"	full container load, a standard (twenty or forty-foot) container that is loaded and unloaded under the risk and account of the shipper or consignee
"FDA"	a federal agency of the United States Department of Health and Human Services, one of the United Sates federal executive departments
"feeder operators"	the logistics services providers who operate feeder vessel regionally which usually feed cargo to other vessel from smaller ports to large ports for exports and from larger ports to smaller ports for import
"freight forwarder"	one who assembles and consolidates shipment and performs or provides for break-bulk and distribution operations of shipments. A freight forwarder may act as a principal who assumes responsibility for the transportation from the place of receipt to the place of delivery by issuing his own house bill of lading to individual shippers whose goods he is consolidating, or as an agent, who is entrusted by shippers and consignees to handle transportation of goods or related business in the names of the shippers and consignees
"FSSC 22000"	Food Safety System Certification, a food safety management certification scheme that consists of three components: ISO 22000, sector specific Pre-Requisite Programs and additional requirements. Besides these three components there is a FSSC 22000-Quality option based on the additional requirements of ISO 9001
"GPS"	Global Positioning System, a space-based global navigation satellite system that provides location and time information anywhere on earth

"GSAs"	general sales agent(s) appointed by an airline which typically exclusively or non-exclusively authorises such general sales agent to represent the airline in a region or territory where that airline does not have a principal place of business or representative office in relation to that airline's particular segment of business, e.g. air cargo space or passengers tickets, and where the term refers to the business undertaken by such an agent, it stands for general sales agency
"HACCP"	a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product
"Halal certified"	a Halal Certification which recognises that the products are permissible under Islamic law and these products are edible, drinkable and usable by Muslims
"haulage"	the transportation of containers by road
"incoterms"	a set of pre-defined commercial terms used for international transactions
"ISO 9001"	an international standard that specifies requirements for a quality management system (QMS). Organizations use the standard to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements
"ISO/TS 22002-4"	an international standard that specifies requirements for establishing, implementing and maintaining prerequisite programmes (PRPs) to assist in controlling food safety hazards in the manufacture of food packaging
"ISO tank"	a tank container which is built to the International Organisation for Standardisation
"Kosher certified"	a Kosher Certification which verifies that the ingredients and the production process used in the production are complied with the Kosher requirements and Jewish dietary law; and it is approved by a Kosher Certification agency

"Landbridge"	Goods transportation between different rail stations across Malaysia and Thailand by train
"Landfeeder"	Goods transportation between different rail stations within Malaysia by train
"LCL" or "less than container load"	less than container load, cargo that is insufficient either in quantity or in weight to qualify for the freight rates that applied to a standard shipping container
"NVOCC"	non-vessel operating common carrier, which means a carrier which does not own or operate vessels and is engaged in the provision of shipping services
"OEM"	original equipment manufacturing, a type of manufacturing under which products are manufactured in accordance with the specifications of the customers and are then marketed and sold under the customers' brand names
"pick & pack"	part of a complete supply chain management process that is commonly used in, but not limited to, the retail distribution of goods. It entails processing small to large quantities of product, often truck or train loads and disassembling them, picking the relevant product for each destination and repackaging with shipping label affixed and invoice included
"shipper"	person or firm (usually the sellers) named in the shipping documents as the party responsible for initiating a shipment to a consignee (usually the buyer) named in the shipping documents
"TEU"	"Twenty-foot Equivalent Unit", a standard of measurement used in container transport for describing the volume of trade and the capacity of container ships, and for other statistical purposes, as well as for freight quotations
"tonnes"	metric tonnes, where one metric tonne equals 1,000 kilograms
"trading partner"	a freight forwarder with whom our Group has an established relationship
"trucking"	delivery of non-container cargoes by trucks

This prospectus contains certain forward-looking statements and information relating to our Company and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this prospectus, the words "aim", "anticipate", "believe", "could", "consider", "estimate", "expect", "going forward", "intend", "is/are likely to", "may", "ought to", "plan", "project", "prospects", "seek", "should", "will", "would" and the negative of these words and other similar expressions, as they relate to our Group or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including the risk factors as described in the section headed "Risk factors" in this prospectus. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospects;
- our future debt levels and capital needs;
- future developments, trends and conditions in the industry and markets in which we operate;
- our business strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which we operate;
- changes to the regulatory environmental and general outlook in the industry and markets in which we operate;
- the effects of the global financial markets and economic crisis;
- our ability to reduce costs;
- our dividend policy;
- our capital expenditure plans;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and

- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends.

Subject to the requirements of applicable laws, rules and regulations, we do not have any and undertake no obligation to update or otherwise revise the forward-looking statements in this prospectus, whether as a result of new information, future events or otherwise. As a result of these and other risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus might not occur in the way we expect or at all. Accordingly, you should not place undue reliance on any forward-looking statements and information.

In this prospectus, statements of or references to our intentions or those of our Directors are made as at the date of this prospectus. Any such information may change in light of future developments. All forward-looking statements and information contained in this prospectus are qualified by reference to the cautionary statements set out in this section.

Prospective investors should consider carefully all the information set forth in this prospectus and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to the Share Offer. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of our Group. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This prospectus contains certain forward-looking statements regarding our plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results could differ materially from those discussed in this prospectus. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this prospectus. The trading price of the Offer Shares could decline due to any of these risks, and you may lose all or part of your investment.

RISKS RELATING TO THE BUSINESS

Our Group may face difficulty in providing its Logistics Services if it fails to renew or obtain its licences and permissions

The logistics industry in Malaysia are regulated by specific legislations regulating freight forwarding or customs clearance, warehousing, and transportation. To undertake such business, various registrations, approvals and licences are required to be obtained from regulatory authorities in Malaysia. In providing services in Malaysia, our Group has obtained various permissions, certificates, licences and approvals, including forwarding agent licence, shipping agent licence, approval to carry out commercial activity in a free commercial zone, operator's licence for group vehicles, business licence and pioneer status certificate. These licences and permissions are subject to renewal.

In the event that our Group fails to renew or obtain its relevant licences and permissions, even if our Group may be able to subcontract relevant services, there is no assurance that our Group can locate suitable subcontractors in a timely manner or on reasonable commercial terms, and the subcontractor will at all times perform in a satisfactory level. Therefore, our Group's business, reputation, prospects, results of operations and financial condition may be materially and adversely affected.

We are dependent on our customers' business performance and their continuing demand for our services

Our Group principally engage in the provision of Logistics Services in Malaysia. We serve our customers' needs along their respective supply chain including cargo handling services and land transportation services. We are indirectly and largely dependent on our customers' business performance and developments in their markets and industries.

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our revenue attributable to the provision of logistics centre and related services amounted to approximately RM75.7 million for FY2016, representing approximately 40.0% of our total revenue. Our revenue attributable to the provision of integrated freight forwarding services amounted to approximately RM63.0 million, RM68.3 million and RM34.6 million for FY2017, FY2018 and the six months ended 30 June 2019, respectively, representing approximately 33.4%, 33.9% and 35.1% for the same period. During the Track Record Period, our revenue from our five largest customers in aggregate amounted to approximately RM53.6 million, RM41.2 million, RM33.5 million and RM18.5 million, respectively, representing approximately 28.3%, 21.9%, 16.7% and 18.7% of our total revenue for the same period. If our customers' sales in Malaysia served by us decline, such decline will likely lead to a corresponding decrease in demand for our services. In addition, adverse changes in their outsourcing decisions could materially and adversely affect our business, financial condition and results of operations.

Save for the agreements entered into with Customer B and our overseas agents as disclosed in the section headed "Business – Our Customers", we generally provide services to our customers on a job-by-job basis and we do not enter into any long-term agreement with our customers. Upon completion of each job on hand, our customers are not obliged to engage us again in other jobs. Our revenue derived from our services is as such not recurring in nature. Furthermore, adverse developments in our customers' business performance could reduce their demand for the services we are providing and hence materially and adversely affect our business, financial condition and results of operations. Our customers' business performance could likely be affected by factors such as global or regional economic conditions, trade restrictions, changes in trade policies, tariff regulations or embargoes. If our customers' business performance is affected by these factors, their demand for our services will be accordingly affected.

Our major customers who were our overseas agents and there is no assurance that we will be able to maintain our relationship with our overseas agents

During the Track Record Period, some of our overseas agents were our five largest customers such as Customer C. We principally provided flexitank solution and related services and integrated freight forwarding services to our overseas agents. Revenue from the Customer C accounted for approximately 4.4%, 5.7%, 6.1% and 6.3% of our total revenue during the Track Record Period, respectively. As at the Latest Practicable Date, we had 23 overseas agents. Although our Group had developed stable business relationships with our overseas agents, we cannot assure you that all of our overseas agents, will continue to engage our services in the future at all or at the same level as during the Track Record Period. If these overseas agents reduces the volume of flexitank solution and related services and NVOCC services they order from our Group or terminates the business relationship with our Group entirely, there is no assurance that our Group will be able to secure a replacing agent or new business from other customers in respect of similar amount of flexitank solution and related services and NVOCC services or on commercially comparable terms. In that event, our Group's business, prospects, financial position and results of operations may be materially and adversely affected.

We may not be able to maintain our business relationship with Westports Malaysia and Penang Port Sdn Bhd

Westports Malaysia and Penang Port Sdn Bhd exercise certain level of control over the businesses of all companies operating within Port Klang and Penang Port, respectively, since all port and logistics companies must obtain related licences from Westports Malaysia and Penang Port Sdn Bhd in order to carry out relevant activities within Port Klang and Penang Port. During the Track Record Period, we have entered into long-term agreements with Westports Malaysia and Penang Port Sdn Bhd. Westports Malaysia is our largest supplier accounted for 8.5%, 9.3%, 9.6% and 8.7% of our total purchases for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively; while Penang Port is one of our five largest suppliers during the Track Record Period. Considering the importance of Westports Malaysia and Penang Port Sdn Bhd in our business model, our Directors therefore believe that it is crucial to maintain the business relationship with Westports Malaysia and Penang Port Sdn Bhd. We cannot assure that there will not be any dispute with Westports Malaysia and Penang Port Sdn Bhd, or that we will be able to maintain business relationships with them, or that there will not be any unfavourable changes in our current arrangements. If Westports Malaysia or Penang Port Sdn Bhd decide to engage other licensees or to expand their scope of services to cover similar services we are currently providing, our business and financial condition may be materially and adversely affected.

Our business operations require the entry into restricted areas within the Ports. For our staff to carry out our cargo handling activities, and container hauliers activities, etc. within the Port Klang and Penang Port, we are required to hold various licences granted by Westports Malaysia and Penang Port Sdn Bhd. The Port Operators could revoke access and/or licences previously granted to us at their discretion for matters such as breaches or violations of the Westports Malaysia and Penang Port Sdn Bhd's safety rules. If critical access and/or permits were to be revoked, we would not be able to perform our business operations or to complete our customers' job orders, our business, financial condition, results of operations and future prospects may be materially and adversely affected.

We rely on the expertise and experience of our key management personnel

We consider that our executive Directors and senior management are important to us as they have extensive management and industrial experience and they have been with us for a significant period of time. In particular, we rely on the management and leadership of Dato' Chan, Dato' Kwan and Datin Lo, our executive Directors, who has approximately 23 years, 18 years and 15 years of industry experience respectively, and they are responsible for the overall strategic management and development of our Group's business operations. If any of our executive Directors or members of senior management ceases to serve our Group in the future and we are unable to find suitable replacement in a timely manner, our future development, business operations and our relationships with our major customers may be adversely affected. Any deterioration in our relationships with our major customers or loss of any major customer may lead to an adverse impact on our business, results of operation and financial performance.

Our cash flow may deteriorate due to our failure to collect trade receivables that are long overdue from our customers or potential mismatch in time between receipt from our customers and payments to our suppliers

As at 31 December 2016, 2017, 2018 and six months ended 30 June 2019, our trade receivables amounted to approximately RM40.4 million, RM48.7 million, RM48.4 million and RM38.4 million, respectively, and we recorded impairment loss allowance of trade receivables of approximately RM3.0 million, RM3.8 million, RM3.0 million and RM2.0 million, respectively. The increase in long-aged outstanding balance was primarily attributable to Customer A as it was placed creditors' voluntary winding-up proceedings in Malaysia on 1 August 2017. As at the Latest Practicable Date, all trade receivables from Customer A was fully settled.

We generally offer our customers a credit term of 30 to 60 days from the date of invoice during the Track Record Period and our trade receivables turnover days are approximately 82.2 days, 86.3 days, 88.1 days and 79.6 days for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. We cannot assure that we will be able to collect all trade receivables, in particular, those overdue by more than 60 days from our customers. Any default or delay in payment by out customers or our failure to collect trade receivables from them may cause provisions for trade receivables to be made in the future and may adversely affect our cash flow position and results of operations.

The Group's suppliers generally offer us a credit period of up to 30 days, while our Group generally grants its customers a credit period of between 30 and 60 days from the invoice date. The longer credit period granted to the customers compared to that offered by the suppliers is a potential risk in cash flow mismatch. There can be no assurance that our Group will not experience any significant cash flow mismatch in the future. Further, there can be no assurance that our Group's cash flow management measures will function properly or at all. If we fail to properly manage the possible cash flow mismatch, our cash flows, financial position and results of operations could be materially and adversely affected.

Significant increases in freight charges may affect the Group's business, financial condition and results of operations

The carriers used to provide freight forwarding service are owned by Independent Third Parties. In the event that they increase freight rates and usage fee rates, our Group will transfer the costs to our customers which may adversely affect the Group's pricing and costs. Our Group incurs significant costs in procuring cargo space from ocean carriers, railroad operator and airlines. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our freight charges amounted to RM24.2 million, RM40.2 million, RM40.1 million and RM17.2 million, respectively. Freight charges are significantly affected by a variety of factors, including fuel prices, exchange rate, the imposition of, or increases in, import or export taxes, the supply of cargo space, market conditions and other factors, many of which are beyond our control. Our Group prices its services based on the cost incurred, by reference to the types of services provided, costs of cargo spaces, fees of third party service providers etc. The inability to pass on to customers of our Group any significant increases in freight and transportation costs could therefore materially and adversely affect the business, financial condition and results of operations of our Group.

We rely on our ability to manufacture flexitank that meet our customers' requirements and specifications

We cannot assure you that we will be able to successfully meet all our customers' requirements and specifications on flexitank in the future. Inability to meet our customers' changing requirements and specifications may cause our existing and/or prospective customers to approach other similar manufacturers or service providers, which could cause our market share to decline, and our sales and profitability to be adversely affected.

We may face price fluctuations or shortages of raw materials

Our flexitank are made from raw materials including polyethylene film, polypropylene woven and valve. We usually maintain one to two months of inventory for raw materials frequently used in the production of our flexitank. During the Track Record Period, our cost of inventories accounted for approximately 20.9%, 23.8%, 26.1% and 28.6%, respectively, of our cost of services and goods sold. The raw material is subject to crude prices fluctuations and significant price fluctuations could affect our financial performances. Furthermore, as we have not entered into long-term contracts for purchase of raw materials with our suppliers, we cannot ensure that we are able to obtain sufficient raw materials from our suppliers for the manufacture of our flexitank. Any shortage of raw materials could cause a delay in our production and, in turn, have an adverse effect on our profitability.

We rely on our subcontractors to handle certain local transportation services. Any delay or defects in their services or unavailability of subcontractor(s) may adversely affect our operations and financial results

During the Track Record Period, we engaged subcontractors in Malaysia mainly for trucking services in our local transportation services to (i) minimise our need to employ and maintain a large workforce; (ii) reduce our effort on driver management and supervision and traffic related litigation; and (iii) increase flexibility and cost effectiveness in carrying out our services. We monitor the services provided by the subcontractors but we may not be able to control the quality of services provided by the subcontractors to the same extent as services provided by our employees. If the performance of our subcontractors for local transportation services fails to meet the requirements of our Group or those of our customers, we may experience delay or failure in delivering our services to our customers which may result in a loss of revenue and may damage our relationships with our customers and/or exposing us to litigation and claims from our customers. In addition, if the cost of subcontracting increases and we are unable to pass on such higher costs to our customers, our profit margin may be significantly reduced, thereby adversely affecting the financial condition and results of our operation. There is no assurance that our subcontractor will comply with our requirements or the quality of their services will be satisfactory. Any quality problems to our subcontractor, if undetected, may adversely affect our business and reputation.

On the other hand, notwithstanding our proven business relationship with our subcontractors, there is no assurance that we would be able to maintain such relationship with them in the future. Since we have not entered into any long-term service agreement with our subcontractors, there is no assurance that we would be able to find alternative subcontractors with the requisite expertise, experience and capability that meet our service needs and work requirements on time and at competitive prices.

Our results of operations, financial condition and prospects may be adversely affected by fair value changes in our financial assets at fair value through profit or loss.

During the Track Record Period, we had invested in unlisted investments in money market funds placed with a bank in Malaysia. The funds mainly invested in money market instruments, including negotiable instruments of deposits, bills of acceptance, commercial papers and fixed deposits. As at 31 December 2016, 2017, 2018 and 30 June 2019, our financial assets at fair value through profit or loss amounted to approximately RM5.8 million, nil, nil and nil, respectively.

The values of financial assets at fair value through profit or loss are marked to market, and net changes in their fair value are recorded as our other income, and therefore directly affects our results of operations. During the Track Record Period, our investment income arising from financial assets at fair value through profit or loss were approximately RM0.2 million, RM92,000, RM0.1 million and nil. We did not incur any fair value losses for financial assets at fair value through profit or loss during the Track Record Period. However, we cannot assure you that we will not incur any such fair value losses in the future. If we incur such fair value losses, our results of operations, financial condition and prospects may be adversely affected.

Our historical results may not be indicative of our future revenue and profit margin

Our Group reported gross profit margin of approximately 16.4%, 15.2%, 22.0% and 23.9% during the Track Record Period; and net profit margin of approximately 6.2%, 4.7%, 11.2% and 8.6% correspondingly. We may not be able to sustain our historical gross profit margin and net profit margin for various reasons, including but not limited to, our Group's ability to cope with the changing demand and requirements from customers, market competition, global and local economic conditions, the fuel prices and other costs of sale.

Furthermore, during the Track Record Period, our revenue amounted to approximately RM189.3 million, RM188.6 million, RM201.2 million and RM98.7 million, respectively. Such trend of the historical financial information of our Group is only an analysis of our past performance. It does not have any positive implication, nor would it necessarily reflect our financial performance in the future, which will largely depend on our capability to secure new orders, control our costs and expenditures. The profit margins and income of our Group's services may fluctuate, and the historical revenue from the provision of our products in the past may not be indicative of our future revenue or profitability. Prospective investors should be aware of the risk of our Group's failure to secure future purchase orders when considering our Group's financial results.

Our Group may incur losses if we cannot utilise our warehouses sufficiently

As part of our logistics centre and related services in Malaysia, we offered Warehouse and Ancillary Services in seven of our warehouses to our customers during the Track Record Period. We intend to set up the Proposed Westports FZ Warehouses in the Westports following the Listing. Our continued growth depends on our ability to open and profitably operate new warehouses. The timing of new warehouses actually opened and its associated contribution to our growth are subject to a number of risks and uncertainties, including but not limited to our ability to: (i) obtain adequate funding for development; (ii) accurately estimate the customer demand in new warehouses; (iii) successfully promote our new warehouses; (iv) hire and retain skilled management and employees, especially qualified warehouse managers through our training and promotion, on commercially reasonable terms. Adverse changes in the economic conditions and any material decline in demand of our Warehouse and Ancillary Services may lead to excess warehouse capacity. If we are unable to utilise excess warehouse capacity on hand, we may incur losses which could materially and adversely affect our business, financial condition and results of operations.

The appraisal value of our properties may be different from their actual realisable values and are subject to uncertainty or change

The property valuation report set out in Appendix III to this prospectus with respect to the appraised value of our properties is based on various assumptions, certain of which are subjective and uncertain in nature. Details of assumptions that used by Savills (Malaysia) Sdn Bhd, an independent property valuer, in the valuation of our property interests, please refer to Appendix III to this prospectus.

We cannot assure you that the assumptions used in the valuation of our property interests will be realised. Such assumptions may exceed the corresponding parameters in the current market and/or corresponding historical parameters associated with our properties. Hence, the appraised value of our properties should not be taken as their actual realisable value or a forecast of their realisable value. Unexpected changes to our properties and to the national and local economic conditions may affect the value of these properties. You should not place undue reliance on such appraised value in the property valuation report to our properties.

We are exposed to potential product liability claims

We are exposed to risks associated with product liability claims as we are subject to prescribed industry technical and food standards in relation to the manufacture of flexitank. Our flexitank is an important component used in non-hazardous bulk liquid transportation such as wine and palm oil, any defect or malfunction in our products or the failure of our flexitank to meet our customers' specifications could lead to damages or losses to our customers. The possible consequences include leakage that in turn could lead to damage and loss of property, as well as personal injuries. If such consequences result from defects in our products, we could be required to compensate our customers and victims for such losses, damages or personal injuries.

We may also have to spend a significant amount of resources to defend ourselves in the event where claims or legal proceedings are instituted against us.

We may be involved in disputes, legal and other proceedings arising out of our operations from time to time and may face legal liabilities as a result

During the course of our business, we may be involved in disputes with our customers and suppliers from time to time in relation to various matters including damages to the cargoes being handled by us, complaints about the quality of products purchased. Further, disputes may arise between us and our customers as to the value of services performed by us in a particular period and the service fee that we are entitled to in the relevant period. In the event that we disagree with such measurement results, contractual disputes with our customers may arise. There is no assurance that we are able to resolve every occasion of disputes amicably by way of negotiation and/or mediation with the relevant parties. If we fail to do so, it may lead to legal and other proceedings against us, and consequently we may have to incur extensive expenditure in defending ourselves in such actions. If we fail to obtain favourable outcome in such proceedings, we may be liable to pay significant sums of damages which may adversely affect our operations and financial results.

We may fail to identify referral shipments which carry goods of dangerous or illicit nature

Containers and cargoes entering Malaysia are generally subject to customs clearance whereby we have no control over, and no comprehension of the goods our customers carry other than as declared in relevant declaration forms. It is possible that actual containers and cargo handled by us may differ from that what is described in the declarations. Should there be discrepancies or illegal activities occurring on the part of the customers and we fail to identify their nature, these containers and cargoes may end up being impounded by customs, or give rise to any unexpected accidents, where we may be subject to investigations for breaking local laws and be fined by authorities. In such event, our reputation, business and results of operations may be materially and adversely affected.

Our business is dependent on information technology, failure in our IT systems could adversely affect our operations

Our services is highly dependent on our ability to communicate with our customers and manage information and instructions on incoming and outgoing cargoes such that we can perform our works effectively and within the time required by our customers. Any failure in the IT systems due to faulty interaction with the systems of our customers or other logistics industry players, viruses, unauthorised access, wear and tear, failures on the part of internet service providers or other unforeseeable factors could have adverse impact on our operation performance.

Prolonged disruptions of business operations due to work stoppages or strikes could adversely affect our business

We employ a large workforce. As at the Latest Practicable Date, we had 478 full-time employees. Industrial action or other labour unrest against us, could directly or indirectly prevent or hinder our normal operating activities, and if not resolved in a timely manner, could lead to delays in satisfying our client orders and decreases in our revenue. These actions are impossible for us to predict or control. Further, we cannot assure you that labour unrest will not affect general labour market conditions or result in changes to labour laws, which in turn could materially and adversely affect our business, financial condition and results of operations.

Our insurance may be insufficient to cover all losses associated with our business operations

We have subscribed the insurances which are mandatory under the law of Malaysia such as fire insurances, motor vehicles insurances and Hospitalisation and Surgical Scheme Policy and Foreign Workers Compensation Scheme Policy for each and every foreign workers employed. Further, we have also subscribed the other insurances such as burglary insurances, group health insurance, equipment insurance and general liability insurance. Our existing insurance coverage may be insufficient to cover all the risks associated with our business and operations. In the case of an uninsured loss or a loss in excess of insured limits, including those caused by natural disasters and other events beyond our control, we may be required to pay for losses, damages and liabilities out of our own funds, which could materially and adversely affect our business, financial condition and results of operations. Even if our insurance coverage is adequate to cover our direct losses, we may not be able to take remedial actions or other appropriate measures to prevent the occurrence of the same. Furthermore, our claim records may affect the premiums which insurance companies may charge us in the future.

We are subject to various risks relating to third party payments

During the Track Record Period, there were five entities, including our second largest and largest customers in FY2017 and FY2018, respectively (the "**Relevant Customers**"), settled certain payments through third parties (the "**Third Party Payments**"). Our aggregate revenue from the Relevant Customers settled through Third Party Payments were approximately RM4.5 million, RM9.7 million, RM10.3 million and nil for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively, representing approximately 2.4%, 5.1%, 5.1% and nil of our total revenue for the corresponding periods.

Since there is no contractual relationship between us and the third party payors, we may be subject to various risks, such as (i) we may be asked to return funds we receive from them; (ii) we could also be subject to potential claims from liquidators of third party payors if the third party payors become insolvent or were presented a winding up or a bankruptcy petition; and (iii) we may be expose to potential money laundering risks as we have limited knowledge about the source and purpose of the funds utilised by the third party payors. For further details, please refer to the section headed "Business – Third Party Payments" in this prospectus.

If there is any claim from a third party payor or its liquidators or if legal proceedings (whether criminal or civil) are instituted or brought against us in respect of these payments or for violation or non-compliance of laws and regulations in Malaysia or elsewhere, we may have to spend significant financial and managerial resources to defend against such claims and legal proceedings. Moreover, if we were to be involved in legal proceedings for money laundering charges, our reputation may be adversely affected and we may face difficulties in maintaining our existing customers or attracting new customers, which may cause a decrease in our operating profit. We cannot assure you that our business, financial condition, results of operations and prospects will not be materially and adversely affected by a successful claim or prosecution against us.

We ceased allowing our customers to settle amounts by way of the Third Party Payments in March 2019, and all sales transactions entered into thereafter are settled by direct payments. We have notified the Relevant Customers of the cessation of allowing Third Party Payments and any payments or transfer of funds to settle their payment owed to us through third parties will be rejected. The Relevant Customers historically engaged Third Party Payors due to various reasons and they may not be able or willing to settle payments with us directly going forward. If the Relevant Customers ceases to place orders or reduce its orders with us, and to the extent that we are unable to maintain our existing level of business with other customers and/or identify new customers, our business and results of operations may be adversely affected.

We had net current liabilities position as at 31 October 2019

As at 31 October 2019, we had net current liabilities of approximately RM2.0 million. We recorded net current liabilities principally because of the payable for acquisition of property, plant and equipment as at 31 October 2019. Please refer to the section headed "Financial Information – Net current assets" for details. We cannot assure you that we will not have a net current liabilities position in the future. The net current liabilities position, if recur in the future, would expose us to liquidity risk which could restrict our ability to make necessary capital expenditure or develop business opportunities, and our business, operating results and financial condition could be materially and adversely affected.

We may not be able to achieve our expected breakeven point and investment payback period of the development of the Proposed Westports FZ New Site as scheduled

The expected breakeven and investment payback period are estimated based on the historical trend and the management's estimation. The historical results may vary from period to period, in response to a variety of factors beyond our control and management's apprehension, including but not limited to, (i) the market conditions of the industry; (ii) the terms and conditions of the lease agreement entered between Westports Malaysia and our Group; (iii) the outcome of the negotiation between the potential customers and our Group; (iv) the timely completion of the construction of the Proposed Westports FZ Warehouses; and (v) the operating costs and expenses.

Furthermore, the expected breakeven and payback period as mentioned in the Business section of this prospectus is based on the estimated utilisation rate of the Proposed Westports FZ Warehouses, which is calculated based on the enquiries of the potential customers on the services and our management's estimation. We cannot assure you that utilisation rate of the development of the Proposed Westports FZ New Site will reach the estimated target. If we fail to secure the business with the potential customers, it will affect our Group's future operations and financial performance. In addition, the Proposed Westports FZ Warehouses are expected to be completed around 24 months after Listing and expected to commence operation in around January 2022. There is no assurance that the Proposed Westports FZ Warehouse will be completed without any delay. If the Proposed Westports FZ Warehouses cannot be completed in time, the commencement and the operation of our Proposed Westports FZ New Site will be delayed.

Also, any changes in the above-mentioned factors could delay the expected breakeven point and investment payback point, as a result of which our business, results of operations and financial condition may be adversely affected.

Our Group may face difficulty in implementing its business strategies

The successful implementation of our business strategies and future plans as described in the paragraph headed "Business – Business strategies" and "Future plans and use of proceeds" in this prospectus are (i) based on circumstances currently prevailing and bases and assumptions that certain circumstances will or will not occur; and (ii) depend on a number of factors including the availability of funds, increasing demand for our services, our ability to expand our business and to retain and recruit competent management and employees. Some of the factors are beyond our control and by nature, are subject to uncertainty, such as the general market conditions in Malaysia and Southeast Asia, the change in Malaysia Government's policy or regulatory regime of the logistics industry in Malaysia. There is no assurance that our business strategies and future plans can be implemented successfully. Any failure or delay in the implementation of any or all of these strategies and plans may have a material adverse effect on the profitability and prospects of our Group.

We may not achieve our future expansion plans in time, within budget, or at all

Our future success depends on our ability to implement the future expansion plans upon the Listing and to increase our market share through organic growth. Our future expansion plans require substantial capital expenditures and dedicated management attention. We cannot assure that these plans will be implemented in time, within budget, or at all, or may result in the anticipated benefits even if implemented successfully. If we fail to successfully expand our business, our business operation, financial condition and results of operations could be adversely affected. Details of our future expansion plans are set forth in the section headed "Future Plans and Use of Proceeds" of this prospectus.

Additional capital expenditure incurred as a result of our expansion plan may significantly increase our depreciation charge and there is no guarantee that the new purchases will be utilised for our business as expected

We intend to expand our operations by (i) setting up the Proposed Westports FZ Warehouses in the Westports Free Zone, Malaysia; (ii) replacing our aged forklifts and acquiring additional forklifts; (iii) purchasing haulage prime movers and trailers; (iv) purchasing containers comprising general purpose containers and high cube containers; (v) upgrading the information technology and system; and (vi) expanding and strengthening our Group's manpower. As discussed in the section headed "Future plans and use of proceeds" in this prospectus, we intend to apply approximately RM46.0 million, representing 73.3% of the net proceeds from the Share Offer (based on the mid-point of the indicative Offer Price range) to set up the Proposed Westports FZ Warehouses in the Westports Free Zone Malaysia; approximately RM3.0 million, representing 4.8% of the net proceeds to replace our aged forklifts, acquire additional forklifts and hiring four additional forklifts drivers; approximately RM5.0 million, representing 8.0% of the net proceeds to purchase haulage prime movers and trailer; and approximately RM3.0 million, representing 4.8% of the net proceeds to purchase containers. Such machinery and property may increase our depreciation expenses, and may therefore adversely affect our Group's future results of operations and financial expense performance. Further, there is no assurance that the intended new purchases can be utilised at a rate comparable to that during the Track Record Period or meet with customers' demand. In the event that the new purchases cannot be utilised for our business, the profitability and financial performance of our Group may be adversely affected.

Damage to our Group's brand name or failure to protect its brand name may affect the attractiveness of our services

Our Group's business is sensitive to customers' perception of the reliability and quality of our services. Our Group operates under the name "Infinity" and as at the Latest Practicable Date, we are the registered owner of two trademarks and one domain name. However, if there is any misuse by third parties of our brand name or if our Group is unable to detect, deter and prevent misbehaviour and misconduct by our employees or if we fail to effectively protect our brand and trademark, our Group's reputation could be damaged and our business and financial performance may be materially and adversely affected.

RISKS RELATING TO THE INDUSTRY

Our Group operates in a highly fragmented and competitive industry

According to F&S Report, the logistics industry in Malaysia is highly fragmented. Players typically compete in terms of pricing, product and service offering provided to their customers. Our ability to compete also depends on a number of factors which may be beyond our control, including the prices of the comparable products offered by our competitors in the market and our responsiveness to changes in our customers' needs. Owing to the intense competition, the logistics industry in which we operate, we cannot assure you that we can maintain our current position in the industry at all times. In the event that our competitors lower their product prices, we might have to follow their act in order to maintain our market shares, competitiveness, or to lower our inventory level. There is no assurance that our attempts to remain competitive in the market will succeed. If our attempts to remain competitive fails and our market share shrinks, our overall performance may be adversely affected.

An increase in fuel prices may reduce profitability

Fuel represents a sizable cost to the industry as it affects operations of companies through the land, ocean and air freight rates and hence an increase in fuel prices may increase the Group's costs. In the event that our Group fails to transfer the costs to our customers, the Group's profitability may be adversely affected. The cost of fuel can fluctuate significantly and is subject to many economic and political factors that are beyond the Group's control, including but not limited to the political instability in oil-producing regions.

The Group's results of operations are affected by international trade volume, global and regional economic conditions

A majority of the Group's revenue is derived from transportation of cargo from or to Malaysia. The Group's results of operations are thus affected by global trade volume, in particular, the trade volume of Malaysia. The global trade volume and Malaysian trade volume are affected by changes or developments in global economic, financial and political conditions. Our Group is also affected by economic cycles and changes in its customers' business cycles. Other factors, such as impositions of trade restrictions, sanctions, boycotts and other measures, trade disputes, currency appreciation or depreciation and work stoppages, particularly in the logistics industry, could adversely affect Malaysian trade volume and lead to a material decline in the demand for the Group's services and the Group's results of operations may be adversely affected.

RISK RELATING TO CONDUCTING BUSINESS IN MALAYSIA

Changes in the political, economic and social conditions, laws, regulation and policies of Malaysia may have an adverse effect on our Group.

Our business prospects, financial condition and prospects of the industries in which we operate in will depend, to some degree, on the developments of the political, economic and regulatory front in Malaysia. Any adverse developments in the political, economic and regulatory environment including prolonged and/or widespread economic slowdown in Malaysia would affect our business and profitability. Any uncertainty in the global and local economies would affect investors' confidence, which will correspondingly have a negative impact on the logistics industry in Malaysia. Similarly, any widespread and/or prolonged economic slowdown would decrease economic activities in Malaysia, which in turn could materially and adversely affect our business, financial conditions, results of operations and/or prospects.

Currency conversion and exchange rate risks

Since a substantial amount of income and profit of our Group is denominated in RM, any fluctuations in the value of RM may adversely affect the amount of dividends, if any, payable to the Shares in HK$ to our Shareholders.

The Central Bank of Malaysia had, in the past, intervened in the foreign exchange market to stabilise the RM, and it pegged the RM to the US$ in September 1998. On 21 July 2005, the Central Bank of Malaysia adopted a managed float system which benchmarked the RM to a currency market to ensure that the RM remains close to its fair value. Our Group cannot assure you that the Malaysian government will not impose more restrictive or additional foreign exchange controls. Any imposition, variation or removal of exchange controls may lead to less independence in the Malaysian government's conduct of its domestic monetary policy and increased exposure of the Malaysian economy to the potential risks and vulnerability of external developments in the international markets.

Furthermore, fluctuations in the RM's value against other currencies will create foreign currency translation gains or losses and may have an adverse effect on our Group's business, financial condition and results of operations. We recorded exchange differences arising from the translation of foreign operations for combinations recognised in other comprehensive income or loss during the Track Record Period. For FY2016 and FY2018, we recorded exchange differences on combinations with an approximate gain of RM0.7 million and RM0.1 million, respectively, while we recorded loss of approximately RM0.9 million and RM0.3 million for FY2017 and the six months ended 30 June 2019. For the details of foreign currency translation, please refer to "Foreign currency translation" in note 3 to the Accountants' Report set out in Appendix I to this prospectus.

In addition, we had exchange loss of approximately RM0.1 million, RM0.5 million and RM0.2 million for FY2016 and FY2017 and the six months ended 30 June 2019, respectively, while we had net foreign exchange gain of RM0.4 million for FY2018. Any imposition, variation or removal of foreign exchange controls may adversely affect the value, translated or converted into HK$, of our Group's net assets, earnings or any declared dividends. Consequently, this may adversely affect our Group's ability to pay dividends or satisfy other foreign exchange requirements.

Further, foreign exchange fluctuations may have a significant positive or negative effect on our results of operations. We are exposed to foreign currency risk related to selling and purchasing in currencies other than the local currencies in which we or our subsidiaries operate, we face foreign currency transaction risk to the extent that the amounts and relative proportions of various currencies in which our costs and liabilities are denominated deviate from the amounts and relative proportions of the various currencies in which our sales and assets are denominated. The currencies that may give rise to significant currency mismatch are US$ and SGD. The sensitivity analysis in relation to foreign currency risk of foreign currency denominated assets and liabilities is set out in "Financial risk management objectives and policies" in note 30 to the Accountants' Report included in Appendix I to this prospectus.

Our ability to receive dividends and other payments from our subsidiaries in Malaysia may be restricted

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered according to the Foreign Exchange Administration Rules as promulgated by the Central Bank of Malaysia. The foreign exchange policies apply to both residents and non-residents. Under the current Foreign Exchange Administration Rules issued by the Central Bank of Malaysia, non-residents are free, at any time, to repatriate any amount of investment proceeds, including capital, divestment proceeds, profits, dividends, or any income arising from investments in Malaysia, subject to the applicable reporting requirements and any withholding tax, provided that repatriation of funds must be made in a foreign currency.

If the Central Bank of Malaysia introduces any new foreign exchange policies which restrict such proceeds from being repatriated in the future, the ability to repatriate dividends or distributions to our Company could adversely affect our business, results of operations and financial condition.

Our Group's principal subsidiaries are incorporated in Malaysia and their main assets are located in Malaysia. It could be difficult to enforce a foreign judgment against our Malaysian subsidiaries, our Directors and the management in Malaysia

Our Group's principal subsidiaries are incorporated under the laws of Malaysia. The majority of our Directors and members of management are residents of Malaysia and a substantial portion of the assets and the assets of our Directors and management are located in Malaysia. Enforceability of certain foreign judgment in Malaysia is by virtue of the Reciprocal Enforcement of Judgments Act 1958, in which a foreign judgment must be registered before it can be enforceable. The registration of such foreign judgments is only possible if the judgment is given by a superior court from a country listed in the First Schedule of the Reciprocal Enforcement of Judgment Act 1958, which includes United Kingdom, Hong Kong, Singapore, New Zealand, Republic of Sri Lanka, India and Brunei Darussalam. In the event the foreign judgment is not from a country listed in the First Schedule of the Reciprocal Enforcement of Judgements Act 1958, the only method of enforcement at common law is by securing a Malaysian judgment. As a result, it could be difficult to enforce a foreign judgment against our Malaysian subsidiaries, our Directors or the management in Malaysia.

Natural disasters, acts of war, terrorist attacks, political unrest and other events may have negative impact on our business

Natural disasters and other acts of god which are beyond our control may materially and adversely affect the economy and livelihood of the people in Malaysia. Our operations and financial condition may be adversely affected, especially when such events occur in regions in which our operations and suppliers are located.

Acts of war, terrorists' attacks and political unrest may cause damage or disruption to our facilities, our employees, our suppliers and our markets, any of which could materially and adversely affect our overall results of operations and financial condition.

RISKS RELATING TO THE SHARE OFFER AND OUR SHARES

There has been no prior public market for the Shares and the liquidity, market price and trading volume of the Shares may be volatile

Prior to the Listing, there is no public market for the Shares. The listing of, and the permission to deal in, the Shares on the Stock Exchange do not guarantee the development of an active public market or the sustainability thereof following completion of the Share Offer. Factors such as variations in the Group's revenues, earnings and cash flows, strategic alliances or acquisitions made by our Group or our competitors, industrial or environmental accidents suffered by our Group, loss of key personnel, litigation or fluctuation in the market prices for the Group's products or services, the liquidity of the market for the Shares, the general market sentiment regarding the industry could cause the market price and trading volume of the Shares to change substantially. In addition, both the market price and liquidity of the Shares could be adversely affected by factors beyond the Group's control and unrelated to the performance of the Group's business, especially if the financial market in Hong Kong experiences a significant price and volume fluctuation. In such cases, you may not be able to sell the Shares at or above the Offer Price.

Future sales of a substantial number of our Shares by our existing Shareholders in the public market could affect the prevailing market price of our Shares

Future sales of a substantial number of our Shares by our current Shareholders could negatively impact the market price of our Shares and our ability to raise equity capital in the future at a time and price that we deem appropriate. The Shares held by our Controlling Shareholders are subject to certain lock-up undertakings after Listing, details of which are set out in the paragraphs headed "Underwriting – Undertakings to the Stock Exchange under the Listing Rules" and "Underwriting – Undertakings pursuant to the Public Offer Underwriting Agreement" in this prospectus. While we are not aware of any intention of our Controlling Shareholders to dispose of significant amounts of her Shares after the expiration of the lock-up periods, we are not in a position to give any assurance that they will not dispose of any of their Shares in the future.

Dividends paid in the past may not be indicative of the amounts of future dividend payments or our future dividend policy

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, we declared and paid dividends of RM9.1 million, RM0.5 million, RM3.6 million and RM17.3 million, respectively. Historical dividend distributions by our subsidiaries are not indicative of our future distribution policy and we give no assurance that dividends of similar amounts or at similar rates will be paid in the future. Any future dividend declaration and distribution by us will be at the discretion of our Directors and will depend on our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors deem relevant. Any declaration and payment as well as the amount of dividends will also be subject to our constitutional documents and the Companies Law as well as (where required) the approval of Shareholders. In addition, our future dividend payments will depend upon the availability of dividends received from our subsidiaries as described in the section headed "Financial Information – Dividend" in this prospectus.

Shareholders' interests in our Company may be diluted in the future

Our Group may issue additional Shares upon exercise of share options to be granted under the Share Option Scheme. In addition, our Group may need to raise additional funds in the future to finance business expansion, which may relate to existing operations, new business developments and/or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company, other than on a pro rata basis to existing Shareholders, then (i) the percentage ownership of those existing Shareholders may be reduced and they may experience dilution of their proportionate interest in our Company; and/or (ii) such newly issued securities may have rights, preferences or privileges superior to those of the Shares of the existing Shareholders.

The interests of our Controlling Shareholders may differ from those of other Shareholders

The interests of our Controlling Shareholders may differ from the interests of other Shareholders. If the interests of our Controlling Shareholders conflict with the interests of other Shareholders, or if our Controlling Shareholder cause our business to pursue strategic objectives that conflict with the interests of other Shareholders, you could be disadvantaged by the actions that our Controlling Shareholders choose to cause us to pursue. Our Controlling Shareholders could have significant influence in determining the outcome of any corporate transaction or other matters submitted to the Shareholders for approval, such as mergers, acquisitions and disposal of all of our assets, election of directors, and other significant corporate actions. Our Controlling Shareholders have no obligation to consider the interests of our Company or the interests of other Shareholders.

You may face difficulties in protecting your interests under the laws of the Cayman Islands

Our corporate affairs are governed by, among other things, our Memorandum of Association, Articles of Association, the Companies Law and common law of the Cayman Islands. The rights of Shareholders to take action against our Directors, actions by minority shareholders and the fiduciary responsibilities of our Directors to us under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. The laws of the Cayman Islands relating to the protection of the interests of minority shareholders may differ in some respects from those in other jurisdictions. Such differences may mean that the remedies available to the minority shareholders may be different from those they would have under the laws of other jurisdictions. A summary of the Companies Law on protection of minorities and shareholders suits is set out in Appendix IV to this prospectus.

We have significant discretion as to how we will use the net proceeds from the Listing, and you may not necessarily agree with how we use them

We plan to use the net proceeds from the Listing to expand our operations. For details of our intended use of proceeds, please see the section headed "Future Plans and Use of Proceeds" in this prospectus. However, our management will have discretion as to the actual application of our net proceeds. You are entrusting your funds to our management, upon whose judgment you must depend, for the specific uses of the net proceeds from the Listing.

There can be no guarantee as to the accuracy of facts and other statistics contained in this prospectus with respect to the economies and the industry in which we operate

Certain facts and other statistics in this prospectus are derived from various sources including the F&S Report and various official government publications that we believe to be reliable and appropriate for such information. However, we cannot guarantee the quality or reliability of such source materials. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. Whilst our Directors have taken all reasonable care in the reproduction of the information, they have not been prepared or independently verified by us, the Sole Sponsor and the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective directors, affiliates or advisers. Therefore, we make no representation as to the accuracy of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics referred to or contained in this prospectus may be inaccurate or may not be comparable to statistics produced for other publications or purposes and should not be relied upon. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. In all cases, investors should give consideration as to how much weight or importance they should attach to, or place on, such information or statistics.

You should read the entire prospectus carefully (including the risks disclosed) and we strongly caution you not to place any reliance on any information in press articles, other media and/or research analyst reports regarding us, our business, our industry and the Listing

There may be, prior to the publication of this prospectus, and subsequent to the date of this prospectus but prior to the completion of the Listing, press, media and/or research analyst coverage regarding us, our business, our industry and the Listing. You should rely solely upon the information in this prospectus in making your investment decisions regarding the Shares but note that undue reliance should not be placed on any forward looking statements contained in this prospectus which may not occur in the way we expect or may not materialise at all as set out in the section headed "Forward-looking statements" in this prospectus. We do not accept any responsibility for the accuracy or completeness of the information in such press articles, other media and/or research analyst reports nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press, other media and/or research analysts regarding the Shares, the Listing, our business, our industry or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information, forecasts, views or opinions expressed or any such publications. To the extent that such statements, forecasts, views or opinions are inconsistent or conflict with the information in this prospectus, we disclaim them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information in this prospectus only and should not rely on any other information.

Certain facts and statistics included in this prospectus may not be relied upon

Certain information and statistics contained in the section headed "Industry overview" in this prospectus are derived from the F&S Report compiled by F&S and other publicly available sources. While reasonable care has been exercised in the reproduction of such information, it has not been independently verified by us, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any of their respective affiliates or advisers and may not be accurate, complete or up-to-date. Our Directors make no representation as to the correctness or accuracy of such information and, accordingly, such information should not be unduly relied upon.

In addition, certain information and data contained in this prospectus are derived from market data provided by F&S. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact that would render such information false or misleading has been omitted. However, the information has not been independently verified by us, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or their respective directors, affiliates or advisers or any other party involved in the Listing and no representation is given as to its accuracy.

The current market condition may not be reflected in the statistical information included in this prospectus

The historical information set out in this prospectus relating to market conditions and valuation may not reflect the current market situation due to rapid changes in the global economy. In order to provide context to the industries in which we operate, and greater understanding of our market presence and performance, various statistics and facts have been provided throughout this prospectus. However, this information may not reflect current market condition as the recent economic upturn may not be fully factored into these statistics, and the availability of the latest data may lag behind of this prospectus. As such, any information relating to market shares, sizes and growth, or performance in these markets and other similar industry data should be viewed as historical figures that may have little value in determining future trends and results.

Investors should note that one or more of these risks or uncertainties may materialise, or one or more of the underlying assumptions may prove incorrect.

In preparation for the Share Offer, our Company has sought the following waiver from strict compliance with the relevant provisions of the Listing Rules:

CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into certain transactions with connected persons that are expected to continue after the Listing, which will constitute continuing connected transactions of our Company under the Listing Rules upon the Listing. We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the announcement requirement under Chapter 14A of the Listing Rules for certain continuing connected transactions. For further details of such continuing connected transactions and waiver, please refer to the section headed "Connected Transactions" in this prospectus.

MANAGEMENT PRESENCE

Pursuant to Rule 8.12 of the Listing Rules, we must have a sufficient management presence in Hong Kong. This normally means that at least two of our executive Directors must be ordinarily resident in Hong Kong. For the purpose of the proposed Listing, our Company will establish a principal place of business in Hong Kong and register as a non-Hong Kong company under Part 16 of the Companies Ordinance before the Listing. However, the principal business operations, offices and factories of our Group are primarily located, managed and conducted in Malaysia, and all the executive Directors are not ordinarily residents in Hong Kong. We believe it would be more effective and efficient for most of our executive Directors and our senior management to remain based in Malaysia where we have significant operations. We also believe that it would not be in the best interests of our Group and our Shareholders as a whole to additionally appoint two executive Directors who are ordinarily resident in Hong Kong but do not fully understand or familiarise with our business operations, activities and development for the sole purpose of satisfying the requirements of Rule 8.12 of the Listing Rules. Therefore, our Company does not and will not in the foreseeable future have two executive Directors residing in Hong Kong for the purposes of satisfying the requirement under Rule 8.12 of the Listing Rules.

As a result, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 8.12 of the Listing Rules, subject to the following conditions:

1. our Company will appoint two authorised representatives pursuant to Rule 3.05 of the Listing Rules, who will act as our Company's principal channel of communication with the Stock Exchange. Our Company will appoint Mr. Lau Wai Piu Patrick, the company secretary of our Company, who is ordinarily resident in Hong Kong, and Dato' Chan, as the two authorised representatives of our Company (the "**Authorised Representatives**"). Each of the Authorised Representatives will be available to meet with the Stock Exchange in Hong Kong within a reasonable period of time upon request and will be readily contactable by their respective mobile phone number, office phone number, e-mail address and facsimile number (if available). Each of the

two Authorised Representatives has been duly authorised to communicate on our behalf with the Stock Exchange. Our Company will keep the Stock Exchange up to date in respect of any change to such details;

2. both of the Authorised Representatives of our Company will have means to contact all members of the Board (including the independent non-executive Directors) and of the senior management team promptly at all times as and when the Stock Exchange wishes to contact our Directors and senior management team for any matters;

3. to enhance the communication between the Stock Exchange, the Authorised Representatives and our Directors, our Company will implement a policy whereby (a) each Director will have to provide his/her respective mobile phone numbers, office phone numbers, fax numbers (if available) and email addresses to the authorised representatives; (b) each executive Director will endeavour to provide valid phone number or means of communication to the authorised representatives when he/she is traveling; and (c) each Director will provide his/her mobile phone numbers, office phone numbers, fax numbers (if available) and email addresses to the Stock Exchange;

4. our Company shall promptly inform the Stock Exchange of any changes on the Authorised Representatives and/or the compliance adviser in accordance with the requirements of the Listing Rules;

5. if circumstances require, meetings of the Board can be summoned and held in such manner as permitted under the Articles of Association at short notice to discuss and address any issue which the Stock Exchange is concerned in a timely manner;

6. our Company have appointed a compliance adviser pursuant to Rule 3A.19 of the Listing Rules who will have access at all times to our Authorised Representatives, Directors and senior management to ensure that they are in a position to provide prompt responses to any query or request from the Stock Exchange in respect of our Company and will act as an additional channel of communication with the Stock Exchange for a period commencing on the Listing Date and ending on the date on which our Company distributes the annual report for the first full financial year after the Listing Date (the "**Engagement Period**") in accordance with Rule 13.46 of the Listing Rules; and

7. each of our Directors (including the independent non-executive Directors) who is not ordinarily resident in Hong Kong possesses or is able to apply for valid travel documents to visit Hong Kong and will be able to meet with the relevant members of the Stock Exchange within a reasonable period of time, when required.

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Company Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to our Company. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement in this prospectus misleading.

INFORMATION ON THE SHARE OFFER

The Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Share Offer or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorised by us, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Share Offer.

Details of the structure of the Share Offer, including its conditions, are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus, and the procedures for applying for the Public Offer Shares are set out in the section headed "How to Apply for the Public Offer Shares" in this prospectus and in the relevant Application Forms.

Neither the delivery of this prospectus nor any subscription or acquisition made under it shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus or that the information in it is correct as of any subsequent time.

UNDERWRITING

This prospectus is published solely in connection with the Public Offer which forms part of the Share Offer. Details of the terms of the Share Offer are described in the section "Structure and Conditions of the Share Offer" and in the related Application Forms.

The Listing is sponsored by the Sole Sponsor and the Share Offer is lead managed by the Joint Lead Managers. The Public Offer is fully underwritten by the Public Offer Underwriters and Placing is expected to be fully underwritten by the Placing Underwriters.

RESTRICTIONS ON SALE OF THE OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, and without limitation to the following, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any such circumstances such offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation.

The distribution of this prospectus or the related Application Forms and the offering and sales of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. In particular, the Offer Shares have not been offered and sold, and will not be offered or sold, directly or indirectly, in the PRC or the United States, except in compliance with the relevant laws and regulations of each of such jurisdictions.

No action has been taken to register or qualify the Offer Shares or the Share Offer, or otherwise to permit a public offering of the Offer Shares, in any jurisdiction outside Hong Kong. The distribution of this prospectus and the related Application Forms in jurisdictions outside Hong Kong may be restricted by law and therefore persons into whose possession this prospectus or any of the related Application Forms comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the applicable securities laws.

Each person acquiring the Offer Shares will be required to confirm, or be deemed by his or her or its acquisition of the Offer Shares to have confirmed, that he or she or it is aware of the restrictions on offer of the Offer Shares described in this prospectus.

Prospective applicants for the Offer Shares should consult their financial advisors and seek legal advice, as appropriate, to inform themselves of, and to observe, all applicable laws, rules and regulations of any relevant jurisdiction. Prospective applicants for the Offer Shares should also inform themselves as to the relevant legal requirements and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

Our Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Share Offer (including any Shares which may be issued pursuant to the exercise of any option which may be granted under the Share Option Scheme).

No part of the share or loan capital of our Company is listed, traded or dealt in on any stock exchange and save as disclosed herein, no such listing or permission to deal is being or proposed to be sought.

Under Section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Offer Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the approval of the listing of, and permission to deal in, the Shares and the Company's compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or, under contingent situation, any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. If investors are unsure about the details of CCASS settlement arrangement and how such arrangements will affect their rights and interests, they should seek the advice of their stockbroker or other professional adviser.

HONG KONG BRANCH SHARE REGISTRAR AND STAMP DUTY

Our Company's principal share register will be maintained by our Principal Share Registrar, Estera Trust (Cayman) Limited, in Cayman Islands and our Company's Hong Kong branch share register will be maintained by our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, in Hong Kong.

All the Offer Shares will be registered on the Hong Kong branch register of members to be maintained by Tricor Investor Services Limited. Dealings in the Offer Shares registered on the Company's branch register of members maintained in Hong Kong will be subject to Hong Kong stamp duty. Dealings in the Shares registered on the principal register of members of the Company maintained by Estera Trust (Cayman) Limited in the Cayman Islands will not be subject to the Cayman Islands stamp duty.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential applicants for the Share Offer are recommended to consult their professional advisers if they are in doubt as to the taxation implications of the subscription for, holding, purchase, disposal of or dealing in the Shares or exercising their rights thereunder. It is emphasised that none of our Company, our Directors, the Sole Sponsor, the Underwriters, their respective directors or any other person involved in the Share Offer accepts responsibility for any tax effects on, or liabilities of, holders of Shares resulting from the subscription for, holding, purchase, disposal of or dealing in the Offer Shares or the exercise of their rights thereunder.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations of certain RM or SG$ or RMB or USD into HK$, respectively at specified rates. For illustration purpose only, you may make conversion of RM, SG$, USD and RMB into HK$ in this prospectus based on the exchange rate as at the Latest Practicable Date set out below:

US$1.00 = HK$7.82
RM1.00 = HK$1.87
RMB1.00 = HK$1.13
SG$1.00 = HK$5.74

Such conversion shall not be construed as representations that amount of such currency was or may have been converted into HK$ and vice versa at such rates or any other exchange rates.

LANGUAGE

If there is any inconsistency between the English version and the Chinese translation of this prospectus, the English version shall prevail. Translated English names of Chinese laws and regulations, governmental authorities, departments, entities (including certain of our subsidiaries), institutions, natural persons, facilities, certificates, titles and the like included in this prospectus and for which no official English translation exists are unofficial translations for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

ROUNDING

Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancies in any table or chart between totals and sums of amounts listed therein are due to rounding.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Dato' Chan Kong Yew	12 Jalan Impian 6A/KS6 Bandar Botanik 2 41200 Klang Selangor Malaysia	Malaysian
Dato' Kwan Siew Deeg	3, Jalan Setia Tropika U13/24B Setia Eco Park 40170 Shah Alam Selangor Malaysia	Malaysian
Datin Lo Shing Ping	12 Jalan Impian 6A/KS6 Bandar Botanik 2 41200 Klang Selangor Malaysia	Malaysian
Independent non-executive Directors		
Mr. Chan Leng Wai	60 Jalan Meranti Bukit Sierramas West 47000 Sungai Buloh Selangor Malaysia	Malaysian
Mr. Li Chi Keung	Flat H, 2/F, Block 2 Park Mediterranean 9 Hong Tsuen Road Sai Kung New Territories Hong Kong	Chinese
Mr. Tan Poay Teik	1-14-1 Horizon Towers Tanjung Bnga Park 11200 Tanjong Bungah Pulau Pinang Malaysia	Malaysian

For detailed information of our Directors, please refer to the section headed "Directors and senior management" in this prospectus.

PARTIES INVOLVED

Sole Sponsor	**VBG Capital Limited** *(A licensed corporation carrying on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO)* 18/F Prosperity Tower 39 Queen's Road Central Hong Kong
Joint Bookrunners, Joint Lead Managers and Public Offer Underwriters	**VBG Capital Limited** *(A licensed corporation carrying on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO)* 18/F Prosperity Tower 39 Queen's Road Central Hong Kong **Wealth Link Securities Limited** *(A licensed corporation carrying on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO)* Suite 1504, 15/F Bangkok Bank Building 28 Des Voeux Road Central Central Hong Kong

Yuanta Securities (Hong Kong) Company Limited
(A licensed corporation carrying on type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO)
23/F, Tower 1 Admiralty Centre
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As to Malaysian Law
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Joint auditors and reporting accountants*

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50480 Kuala Lumpur, Malaysia

* Mazars CPA Limited and Mazars LLP have been appointed as the joint auditors of our Group until the conclusion of the first annual general meeting of our Company after the Listing.

Property valuer	**Savills (Malaysia) Sdn Bhd** Level 9, Menara Milenium Jalan Damanlela Bukit Damansara 50490 Kuala Lumpur Malaysia
Compliance adviser	**VBG Capital Limited** *(A licensed corporation carrying on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO)* 18/F Prosperity Tower 39 Queen's Road Central Hong Kong
Receiving bank	**DBS Bank (Hong Kong) Limited** 16/F, The Center 99 Queen's Road Central Hong Kong

Registered office	PO Box 1350 Clifton House 75 Fort Street Grand Cayman KY1-1108 Cayman Islands
Principal place of business in Hong Kong registered under Part 16 of the Companies Ordinance	Unit B, 13th Floor Winsan Tower 98 Thomson Road Wan Chai Hong Kong
Headquarters and principal place of business in Malaysia	No. 2, Jalan Kasuarina 8 Bandar Botanic 41200 Klang Selangor Darul Ehsan Malaysia
Company secretary	**Mr. Lau Wai Piu Patrick** *(Fellow of the Hong Kong Institute of Certified Public Accountants)* Unit B, 13th Floor Winsan Tower 98 Thomson Road Wan Chai Hong Kong
Authorised representatives (for the purpose of the Listing Rules)	**Dato' Chan Kong Yew** No. 2, Jalan Kasuarina 8 Bandar Botanic 41200 Klang Selangor Darul Ehsan Malaysia **Mr. Lau Wai Piu Patrick** *(Fellow of the Hong Kong Institute of Certified Public Accountants)* Unit B, 13th Floor Winsan Tower 98 Thomson Road Wan Chai Hong Kong
Members of audit committee	Mr. Chan Leng Wai *(Chairman)* Mr. Li Chi Keung Mr. Tan Poay Teik

Members of remuneration committee	Mr. Li Chi Keung *(Chairman)* Dato' Kwan Siew Deeg Mr. Tan Poay Teik
Members of nomination committee	Dato' Chan Kong Yew *(Chairman)* Mr. Chan Leng Wai Mr. Li Chi Keung
Cayman Islands principal share registrar and transfer office	**Estera Trust (Cayman) Limited** PO Box 1350 Clifton House 75 Fort Street Grand Cayman KY1-1108 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 bank	**Malayan Banking Berhad** Level 14, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Malaysia
Company's website	**www.infinity.com.my** *(information of this website does not form part of this prospectus)*

The information that appears in this section has been prepared by Frost & Sullivan and reflects the estimates of market conditions based on publicly available sources and trade opinion surveys, and is prepared primarily as a market research tool. Our Directors believe that the sources of information contained in this section are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. Our Directors have no reason to believe that such information is false or misleading or that any material fact has been omitted that would render such information false or misleading.

The information prepared by Frost & Sullivan and set out in this section has not been independently verified by our Group, our Company, the Sole Sponsor, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our or their respective directors, officers or representatives or any other party involved in the Share Offer and none of them gives any representations as to its accuracy, correctness and completeness thereof, other than Frost & Sullivan. The relevant information and statistics may not be consistent with such other information and statistics complied within or outside Malaysia. Accordingly it should not be relied upon in making, or refraining from making, any investment decision.

SOURCE OF INFORMATION, ASSUMPTIONS, AND PARAMETERS

Our Group has commissioned Frost & Sullivan, an independent market research company, to conduct an analysis of, and to produce a report on the logistics industry in Southeast Asia and Malaysia, for use in this document. Founded in 1961, Frost & Sullivan has 40 offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan's services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy. The information from Frost & Sullivan including the logistics industry in Southeast Asia and Malaysia as well as other economic data is extracted from the Frost & Sullivan Report, a report commissioned by our Group for a fee of RM220,000 (equivalent to HK$411,400) and is disclosed with the consent of Frost & Sullivan.

In compiling and preparing the study, Frost & Sullivan conducted primary research encompassing interviews with industry experts and participants, and secondary research involving a review of company reports, independent research reports, and information from Frost & Sullivan research database. Projected data was obtained from historical data assumed that the social, economic, and political environments in the relevant markets are likely to remain stable over the forecast period from 2019 to 2023, which ensures the stable and healthy development of the logistics industry in Southeast Asia and Malaysia.

Unless otherwise stated, all of the data and forecasts contained in this section are derived from the Frost & Sullivan Report. Our Directors confirm that, after taking reasonable care, the sources and information used in this section are reliable and not misleading, and they are not aware of any adverse change in market information since the date of the Frost & Sullivan Report which may qualify, contradict or adversely impact the quality of the information in this section.

1 Overview of the Logistics Sector in Southeast Asia and Malaysia

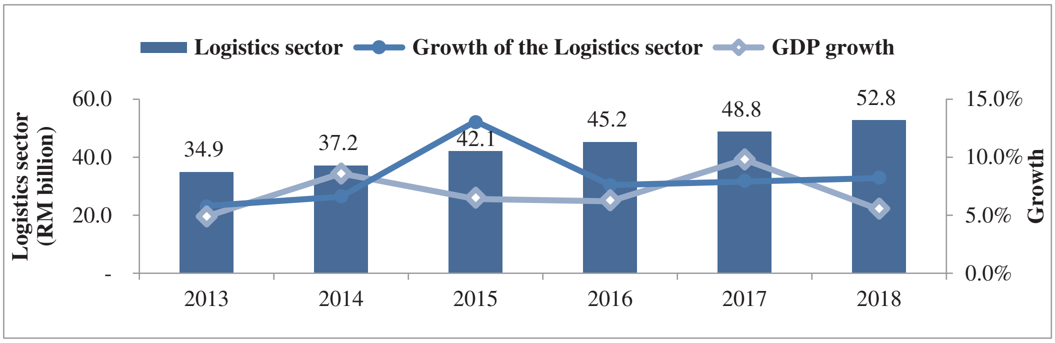
Our business operations are based in Malaysia with our presence predominantly located in Southeast Asia. Malaysia aspires at becoming the preferred logistics gateways to Asia due to its strategic location, regional supply chains and strength of transport modes. Accordingly, Port Klang ranked 12th[1] in terms of total cargo throughput in 2018 in the world.

The logistics industry in Malaysia has been growing steadily and its contribution to the GDP (in terms of value added) grew from RM34.9 billion in 2013 to RM52.8 billion in 2018 at a CAGR of 8.6% and it is expected to grow at a CAGR of 9.2% in the period from 2018 to 2023. The logistics industry in Malaysia[2], which is highly fragmented, is estimated at RM130.6 billion in 2018 in terms of value of gross output, of which our Group accounted for approximately 0.2% in 2018.

1 *Lloyd's, Maritime Intelligence: One Hundred Ports 2018*

2 *Logistics refers to "Transportation and Storage" sector of the economy. The 2018 value of gross output is estimated based on the value of gross output at RM120.7 billion recorded in 2017.*

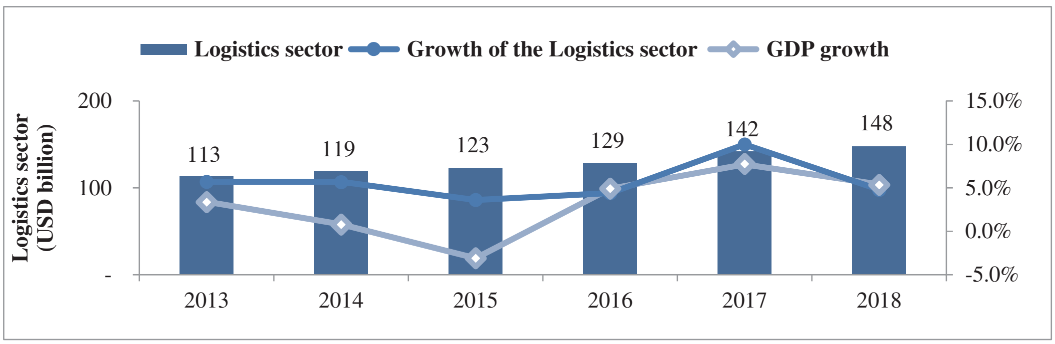
Chart 1-1: Logistics sector, growth rate, and GDP growth, Malaysia, 2013–2018



Note: Logistics sector refers to "Transportation and Storage". Data of the contribution (value added) to GDP at current prices, not representative of the revenue of industry players.

Source: IMF, Frost & Sullivan; Department of Statistics Malaysia (DOSM)

Chart 1-2: Logistics sector, growth rate, and GDP growth, Southeast Asia, 2013–2018



Note: Logistics sector refers to "Transportation and Storage"/"Transportation"/"Transportation and Warehousing" sector in each Southeast Asia country. Data of the contribution to GDP (value added) at current prices, not representative of the revenue of industry players.

Source: DOSM; BPS; NESDB; PSA; MMSIS; LSB; SINGSTAT; DEPD; GSO; NIS; IMF; Frost & Sullivan

Table: Growth rate of the logistics sector and of GDP, Malaysia and Southeast Asia, 2013–2023F

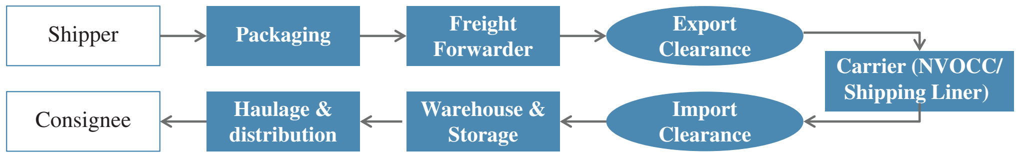
Country / Region	Data	CAGR 2013–2018	CAGR 2018–2023F
Malaysia	Logistics Sector (growth rate)	8.6%	9.2%
	GDP (growth rate)	7.0%	6.5%
Southeast Asia	Logistics Sector (growth rate)	5.7%	8.9%
	GDP (growth rate)	3.2%	6.7%

Note: Logistics sector refers to "Transportation and Storage"/"Transportation"/"Transportation and Warehousing" sector in each Southeast Asia country. Data of the contribution to GDP (value added) at current prices (in local currency RM for the analysis of the Malaysian market, and in international currency USD for the analysis of the Southeast Asian market). The data for the "logistics sector" is not representative of the revenue of industry players.

Source: DOSM; BPS; NESDB; PSA; MMSIS; LSB; SINGSTAT; DEPD; GSO; NIS; IMF; Frost & Sullivan

The logistics industry includes sourcing, packaging, freight forwarding, transportation, warehousing and storage, haulage, ports and terminals operations and customs clearance support.

Figure 1-1: Value chain of the logistics sector



Note: Our Group is involved in the activities highlighted in the value chain (packaging, freight forwarder, export/import clearance, carrier, warehouse and storage, haulage and distribution), to deliver goods from the shipper to the consignee.

Source: Frost & Sullivan

KEY TRENDS AND DRIVERS

Rising demand for products and services in ASEAN due to the vast and increasing population with growing disposable income levels

ASEAN's population is projected to record a 1.2% compound annual growth rate (CAGR) in the period 2017–2023. ASEAN has a relatively young population, with the median age being 28.8 years as at 2017. ASEAN countries are also undergoing rapid economic development and urbanisation. The favourable fiscal climate is contributing to an expanding middle-income class and demand for logistics activities.

Expansion of Malaysia's trade activities

Malaysia's export market has been growing steadily from RM720.0 billion in 2013 to RM998.0 billion in 2018 at a CAGR of 6.7%. In 2019 Malaysian exports are forecast to grow by 3.4% compared to 2018[3]. Such economic environment is creating more opportunities for the logistics industry and overall transportation services, in facilitating the trade activities. Furthermore, the significant export contribution from industries such as palm oil, which accounted for RM38.6 billion or 3.9% of the country's total export in 2018, is likely to drive the demand for flexitank solution and related services.

Growing regional integration and regional infrastructural projects

China's Belt and Road Initiative (BRI), launched in 2013 to connect Asia with African and European countries through ocean, air, land, and rail links, aims to improve regional integration and connectivity, increase cross border trade movements, and stimulate economic growth with other trade countries. Several key BRI projects involving road, rail, and power projects have been initiated since. The number of Chinese construction-related investments in Malaysia grew over the years, with the amount of ongoing projects as of mid-2018 at over RM242 billion[4].

In November 2016, Malaysia and China signed 14 business-to-business agreements and memorandums totaling to approximately RM144 billion[5]. Nine out of the 14 business-to-business agreements and memorandums were partnership and financing arrangements focusing on construction, infrastructure, and area developments. These developments will benefit and create more business opportunities for the logistics industry in Malaysia due to the increasing demand for importing, storing and local delivery of construction materials, equipment and machinery for the abovementioned Belt and Road Initiative related developments.

Table 1-1: Key BRI Projects Development in Malaysia, May 2019

No	Project Name	Type	Country	Status/Completion Date
1	Gemas-Johor Bahru Double Tracking	Railway	Malaysia	Target completion is by 2023.
2	Melaka Gateway	Port	Malaysia	Target completion is by 2025.
3	East Coast Rail Link ("**ECRL**")	Railway	Malaysia	Target completion is by 2026.

Source: CIMB ASEAN Research Institute; Frost & Sullivan

In the short-term, these projects are expected to stimulate the growth of the logistics industry due to importing of construction materials, equipment and machinery into

3 *Bank Negara Malaysia (BNM): Outlook and Policy in 2019*
4 *Ideas.org.my: Impacts of Investment from China in Malaysia on the Local Economy, October 2018*
5 *TheStar: M'sian, Chinese firms sign agreements worth RM144bil, November 2016*

Malaysia, which will simulate the growth of the integrated freight forwarding services and railroad transportation services. In addition, the storing and local delivery of construction materials, equipment and machinery will simulate the growth of the logistic centres and related services. In the long-term, the completion of the BRI related projects is expected to increase investments within the Malaysian logistics industry which is likely to create a spillover effect on the growth of other industries such as manufacturing and oil and gas, among others.

Linkages between Malaysia and China

The linkages between Malaysia and China extend beyond the BRI projects. Malaysia is expected to be the fourth biggest beneficiary of the US-China trade war ongoing as of May 2019[6]. As a result of China's tariff on the US, key Malaysian products such as scrap alloy, natural gas and benzole, among others, are expected to benefit due to the higher demand from China, contributing to the growth of logistics services between Malaysia and China. On top of it, numerous Chinese companies are recently investing in new production facilities in Malaysia, including paper manufacturers, glass manufacturers and tires manufacturers. FDIs planned by manufacturers from China rose 410.8% from RM3.9 billion in 2017 to RM19.7 billion in 2018, surpassing the 184.9% growth by US companies[7]. The expansion of manufacturing facilities in Malaysia by Chinese companies is expected to further support the demand for logistics services between Malaysia and China. As of 2018, China is Malaysia's largest trading partner for 10 consecutive years, since 2009[8].

Malaysia's strategic location within ASEAN

Malaysia is well-positioned within the ASEAN region between two major international shipping routes in Asia, namely the Straits of Malacca and the South China Sea. This has helped the country in attracting foreign investments and gaining a competitive advantage as a key logistics hub for the ASEAN region.

KEY RISKS AND CHALLENGES: Connectivity, capacity, and efficiency of the logistics industry remain a fundamental bottleneck in the development of Malaysia's freight distribution systems.

Global and regional economic slowdown

Economic deceleration or a global contraction could have adverse impacts on the logistics industry. A slowing economic environment affects the flow of money and credit, reduces consumer demand for goods, and therefore, commercial activities, creating an atmosphere of business uncertainty.

Disruption of gateways

Logistics players that carry out operations at gateways including airports, ports, terminals, are exposed to the risk of disruptions (e.g., accidents, fire, natural disaster, industrial actions, strikes).

2 Overview of the flexitank solution and related services market in Malaysia and globally

Flexitank provides a packing solution for bulk liquid transportation. Shipping of bulk liquid (e.g., wine, palm oil, rubber intermediate materials, juice concentrates, milk)[9] requires a specialised solution to keep product integrity and hygiene during transportation and post-shipment. Innovations in liquid packaging have led to the development of flexitanks, which are generally produced using three different materials: rubber, polyvinyl chloride (PVC), and polyethylene (PE).

Table: Prices of main materials for flexitank, 2013–2017

Value in USD/Kg	2013	2014	2015	2016	2017	CAGR (2013–2017)
Rubber	2.63	1.88	1.50	1.51	1.83	–8.6%
PVC	1.10	1.05	0.87	0.82	0.90	–4.8%
PE	1.59	1.63	1.29	1.16	1.19	–6.8%

6 *TheStar: Nomura: M'sia 4th biggest beneficiary of trade war, June 2019*
7 *Malaysia Ministry of Finance: Press release Mar 16, 2019*
8 *Frost & Sullivan analysis based on the sum of imports and exports by key trading partner: http://www.matrade.gov.my*
9 *Malaysia is a prime commodity exporter, particularly of palm oil and rubber intermediate materials.*

Note: Data for rubber are from the Malaysian Rubber Board Seller's Offer Prices, and are the average between types of rubber "CV", "L", "5", "GP", "10", "20". Data for PVC and for PE are from UNComtrade, and are calculated by dividing value and volume of imported products, referring to HIS code 390410 for PVC and HIS codes 390110 and 390120 for PE.

Source: Malaysia Rubber Board; UNComtrade; Frost & Sullivan

Flexitank is relatively new, with an international Code of Practice first introduced in 2009.[10] Given that the liquid is pumped into the flexitank located inside the container, it allows faster loading and discharging and provides an opportunity for cost savings. The Container Owners Association (COA) of the United Kingdom supervises and formulates flexitank specifications for industrial and logistics practices globally. It provides minimum criteria to maximise transport safety through quality management procedures and safe use operations guidelines[11]. The latest revision in 2016 provides further clarification and material testing requirements to allow flexitank for multimodal transport through rail-impact testing. While the Code of Practice is established, it is still required to be adopted and independently verified[12]. As of June 2019, there are only two COA-certified producers of flexitank units in Malaysia. Our Group is one of the two COA-certified producers of flexitank units in Malaysia.

MARKET SIZE: Overall, the Asian flexitank solution and related services market is highly concentrated. China is estimated to account for a total of 34% of the global flexitank market while the rest of Asia makes up 38%. With the introduction of the Code of Practice by the COA, the volume of flexitank units produced by companies certified by the COA grew at a CAGR of 27.7%, increasing from 250,000 in 2013 to 850,000 in 2018. The volume of production is forecast to rise further at a CAGR of 24.9% from 1,062,000 units in 2019 to 2,582,000 units by 2023 due to the continuous adoption of flexitank as the preferred mode of transport for bulk non-hazardous liquids.

Table 2-1: Flexitank Solution and Related Services Market by Units Produced, Global, 2013–2023F

	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F
'000 units produced	250	400	600	700	800	850	1,062	1,326	1,656	2,068	2,582

Note: Flexitank units produced are used as a reference for the number of flexitanks used/shipped. The number of flexitank units is based on production by companies certified by the COA.

Source: Frost & Sullivan

Malaysia is a prime commodity exporter of palm oil and rubber intermediate materials. The production volume of flexitank units in Malaysia by companies certified by the COA is estimated at 110,000 units in 2018, making the country the second largest flexitank solution and related services market globally, after China, with an estimated production of 550,000 units.

MARKET DRIVERS AND TRENDS:

Competitive edge over substitute products

Flexitank is becoming a preferred mode of transport to carry bulk non-hazardous liquids including food and beverages (e.g., wine, edible oils, malt extracts) as well as chemicals (e.g., latex, detergents, printing ink) due to the reduced risk of contamination, its ability to provide easier set-up process and being more cost-effective as compared to other substitute goods.

Expansion of trading activities in Southeast Asia

The growing trading activities is Southeast Asia, in particular the export of palm oil by Malaysia (RM38.6 billion or 3.9% of Malaysia total export in 2018) are likely to drive the demand for flexitank solution and related services.

Increasing demand in North Asia

Countries in North Asia have high demand for transporting liquid products, such as petrol-chemical and food products, and the manufacturers and traders in those countries use flexitanks as a more cost-effective alternative compared to traditional tankers and ISO tanks.

10 Container to be specified and tested according to ISO 1496 – Part 1.
11 Also known as PAS 1008:2016 being the latest version
12 To obtain the Certificate of Compliance by COA, the manufacturer should complete four audits.

RISKS AND CHALLENGES: A damaged flexitank can result in high cost implications for the cargo owners due to leaking cargo. Furthermore, a leakage incident may also result in environmental pollution, which may in turn, result in financial or legal compensation for the cargo owners imposed by the relevant government or environmental authorities. In view of this, the flexitank solution and related services market recognises the importance of complying with COA criteria as they address the testing of materials, performance, and labelling, and include a test method for determining the flexitank's resistance to impact when installed in an ISO freight container.

COMPETITIVE LANDSCAPE: The competitive landscape and market size of the flexitank solution and related services market is assessed by virtue of companies compliant with the COA's latest Code of Practice in 2016.

To obtain the certificate of compliance, a manufacturer has to undergo stringent quality audits comprising of quality management, material tests, rail impact tests as well as installation, operation and training instruction tests. The four audits are required for each of the manufacturing sites. Additionally, an audit is also required for each type of flexitank manufactured by the manufacturer.

Only a handful of flexitank producers have successfully fulfilled all four audits and obtained the COA Certificate of Compliance; 17 across the world and just two in Malaysia.

Table 2-2: Market Share of Flexitank Solution and Related Services, Units Produced, by COA certified producers in 2018 Global

Ranking	Company name	Market share	Place of operation	Description
1	Company 1	23.5%	China	It focuses in manufacturing and exporting flexitanks, dry bulk liners and IBCs.
2	Company 2	17.6%	United Kingdoms	It provides multi-modal logistics solutions worldwide, including bulk liquid logistics via food grade ISO Tanks and Flexitanks.
3	Company 3	11.8%	Germany	It focuses on logistics services for the transportation of non-hazardous bulk liquids.
4	Company 4	9.4%	China	It manufactures flexitanks, Dry Bulk Container Liners and IBCs for Liquid and Dry products. It provides also logistics solutions.
5	ILNT	7.1%	Malaysia	It provides customised flexitank solution and related services, such as advisory, installation and emergency response services, to customers for bulk non-hazardous liquid transportation.

Source: Companies' Annual Report; Frost & Sullivan

ENTRY BARRIERS: The production of flexitanks that are compliant with the latest COA guidelines requires investments relating to the manufacturing line as well as R&D facilities to improve production techniques and product testing. Furthermore, in the latest COA guideline revision in 2016, the certification process of flexitank will need to fulfill its material testing requirement that is compatible with railroad transportation. Hence, with the ongoing increase in stringency, such guidelines would require relevant manufacturing companies or flexitank operators to possess in-depth technical knowledge and experience that are typically acquired over multiple years of operations to be able to continuously produce COA compliant flexitanks.

MARKET OUTLOOK AND PROSPECTS: The usage of flexitank solution and related services is forecast to grow driven by the increasing global demand for sensitive products such as rubber latex, palm oil, wine, and beer, among others, which are increasingly transported using flexitanks. A growing number of cargo owners prefer flexitanks for their capacity that ensures product integrity and hygiene during transportation and post-shipment. Flexitanks are not only hygienic, but also a safer and cost-effective alternative for shippers, with faster loading and discharging to maximise payload due to its low equipment weight. Given the high growth in demand for flexitank and increasing rail freight alternatives, more manufacturers are likely to ensure compliance with the latest COA's Code of Practice. Products that are COA certified are expected to be in higher demand compared with non-certified products, as cargo owners continuously seek for a safer and reliable delivery of their cargo.

3 Overview of the integrated freight forwarding services market in Malaysia

The integrated freight forwarding services market includes cargo carrier services, freight and forwarding services and customs clearance and document handling services. Market players of integrated freight forwarding services mainly include freight forwarders and Non-Vessel Operating Common Carrier (NVOCCs). NVOCC service providers generally need to provide containers to their customers.

MARKET SIZE: Malaysian companies are increasingly looking at offering multiple services, including ground transportation, warehousing, and contract logistics under one umbrella. To facilitate this transition and incentivise logistics companies, the Malaysian Investment Development Authority ("**MIDA**") provides a tax incentive for companies with core activities covering freight forwarding, warehousing and transportation, as well as other related services.[11] Integrated freight forwarding services encompass multiple logistics activities and the market is highly fragmented. Since integrated freight forwarding services companies need to have the expertise and capacity to manage most aspects of freight movement including freight shipping, customs clearance formalities, multi-country regional network and access to bonded warehouses, the revenue of integrated freight forwarding companies provides an indication of market size for integrated freight forwarding services.

Table 3-1: Size of Integrated Freight Forwarding Services, Malaysia, 2013–2023F

	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F
Revenue *(RM Billion)*	10.7	11.2	11.4	11.6	11.9	12.2	12.6	13.0	13.4	13.9	14.3

Note: Data estimated based on value of gross output and representative of the revenue of market players.

Source: Frost & Sullivan analysis

MARKET DRIVERS AND TRENDS:

Improved competitions and capacity of major ports

State-of-the-art infrastructure and equipment paired with value-added facilities are important to handle freight and logistics operations in ports effectively and efficiently. Among others, Westports (Westports Malaysia is one of the two port operators of Port Klang), is the mega hub for local and transhipment containers in Malaysia and it contributed to over 77% of Port Klang total container handling volume in 2018, while Penang Port (Penang Port Sdn Bhd is the sole port operator of Penang Port) is the first port in Malaysia to have certified Halal container handling services and warehouse facilities.

Economic growth and increasing trading activities in Southeast Asia

Southeast Asian's participation in trade activities (both export and import) increased significantly over the 2013 to 2017 period[12]. This has been due to the continued growth of production activities in the region (including by Chinese companies moving their manufacturing facilities in Southeast Asia due to growing operating cost in China) as well as rising income levels, and therefore, spending, resulting in the growth of exports and imports. Multiple trade agreements inked within the ASEAN[13] community and between individual member countries have also amplified the overall growth of trade from and to the region. The positive economic momentum across all Southeast Asian countries (including Malaysia) is expected to sustain towards 2023, backed by strong GDP growth. Average GDP per capita in the region is also forecast to increase in line with this growth.

Geographical location of Southeast Asia and Malaysia

Southeast Asia's trade activities benefit from its strategic location on the vital sea lanes of the Straits of Malacca, which is the second busiest shipping lane in the world, after the English Channel in Europe[14]. The Straits of Malacca plays a critical role as the main

[11] *Additional activities to include distribution, value added activities and supply chain management.*
[12] *International Trade Centre: based on Export and Import of Key Regions vis-à-vis ASEAN, 2013 – 2017*
[13] *The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.*
[14] *ArcBest, Major Shipping Routes for Global Trade, May 2018*

transit supply route to the fast-growing economies of Asia as it connects the Indian Ocean to the South China Sea and the Pacific Ocean. Due to this reason, Port Klang and Port of Tanjung Pelepas in Malaysia rank among the world's busiest container ports in 2018.

Malaysia is the world's fifth best connected country in terms of shipping liner connectivity in 2018.

RISKS AND CHALLENGES:

Government policies

Infrastructural bottlenecks represent a major risk for the integrated freight forwarding services market. For Malaysia, in particular, as of May 2019, there still exist uncertainties surrounding the investment on some large mega projects signed by the previous administration. Nevertheless, as of May 2019, investments are ongoing to expand port facilities in Port Klang[15]. The Malaysian Government proposed to build a third terminal in Port Klang which is estimated to increase Port Klang throughput capacity by an additional 30 million containers each year[16].

COMPETITIVE LANDSCAPE:

Malaysia has a total of seven major Federal ports, of which, Port Klang is the busiest and largest port in Malaysia and the 12th busiest container port in the world as at 2018[1]. Nevertheless, Port Klang is expected to reach full capacity in 2024[2].

Port Klang, our principal port of business operation, our market share of container throughput among NVOCC is as follows:

Ranking	Company name	Market share	Description
1	Company 5	18.4%	It provides services including dry container solutions, reefer carriage solutions, special projects handling, ISO tank solutions and container freight station.
2	Company 6	8.4%	It provides inland transportation services and shipping operation services such as container handling services, sailing scheduling, reefer services tariff & local charges handling and local regulations support.
3	Company 7	8.3%	It specialises in the shipping of full container loads and special equipment/ project cargo all over Asia.
4	ILNT	6.7%	It provides NVOCC services, freight forwarding services, and other logistics services such as railroad transportation services and logistics centre and related services.
5	Company 8	6.6%	It provides NVOCC services, inland transportation, LCL consolidated, reefer services, project cargo logistics, over dimension cargo and chartering vessel operation.

Source: Companies' Annual Report; Frost & Sullivan

As of 2018 our group is one of the largest 20' high cube containers operator in Southeast Asia. Other large operators are PT. Pelayaran Caraka Tirta Perkasa (CTP), Tuck Sun & Co. (Malaysia) Sdn Bhd, and TA Asia Holdings Pte Ltd.[17] High cube containers are

15 *pmo.gov.my: Press Statement by YAB Prime Minister Tun Dr. Mahathir Bin Mohamad on East Coast Rail Link (ECRL) Project, 15th April 2019*

16 *pka.gov.my: eGateway – Issue 1/2019*

1 *World Shipping Council: Top 50 World Container Ports, 2018*

2 *BNM: 2020 Budget Speech by YB Tuan Lim Guan Eng, Minister of Finance*

17 *Frost & Sullivan analysis, based on interviews with industry players. PT. Pelayaran Caraka Tirta Perkasa (CTP), Tuck Sun & Co. (Malaysia) Sdn Bhd, and TA Asia Holdings Pte Ltd. are not listed companies as at 17th September 2019*

best for shipping low density but bulky and oversized cargo such as chipboards, gypsum boards and sheet glass and offer better protection to sheet glass as compared to the method of using open-top container with canvas, thus lower the risk of breakage.

ENTRY BARRIERS:

Strong Competition

The market in Malaysia is highly competitive characterised by the presence of numerous small local firms, large local companies with an international network, and multinational companies. The stiff competition creates a market where pricing is relatively transparent and margins are low, making it difficult for new small companies without unique value-added benefits for their customers to compete with established players.

INDUSTRY OUTLOOK AND PROSPECTS: The integrated freight forwarding services market in Malaysia has been on a consistent upward trajectory in the period from 2013 to 2018, at a CAGR of 2.7%, and it is expected to reach a 3.2% CAGR over the period from 2018 to 2023. Malaysia's improved competitiveness as a logistics hub in Southeast Asia and the planned and ongoing capacity expansions of major ports in the country are forecast to maintain the demand growth momentum for Malaysian companies providing integrated freight forwarding services.

Costs in the industry are expected to slightly increase in the forecast period. Fuel is a major cost component in the logistics industry, accounting for an average of 20% to 30% of total logistics cost.[18] To offset this particular risk exposure, industry players typically adopt actions such as hedging,[19] among others. The price of Brent crude oil declined from 2013 to 2018, at a CAGR of -8.1%, and it is forecasted to gradually increase towards 2023, at a CAGR of 3.9% from 2018 to 2023.

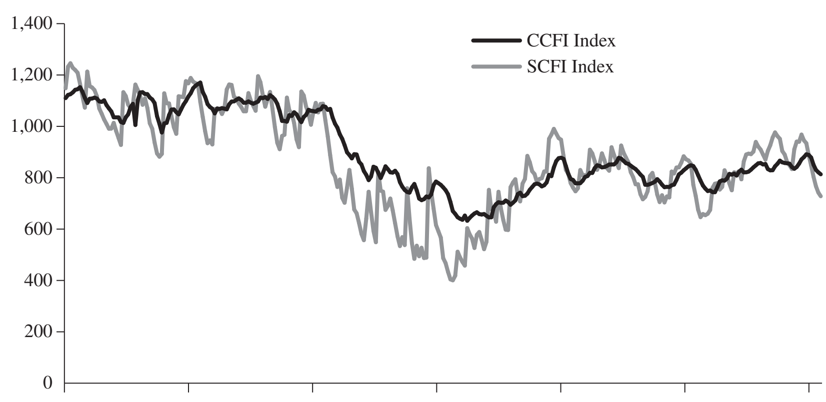
Table 3-4: Brent Spot Price (USD per barrel), 2013-2023F

	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F
Brent Spot Price *(USD)*	108.56	98.97	52.32	43.64	54.12	71.34	75.06	77.15	80.47	82.48	86.57

Source: Energy Information Administration (EIA)

The market has been volatile in the period 2013 to March 2019, with the consolidation trends of global carriers resulting in the decline in ocean freight rates. This was reflected in the SCFI and in the CCFI[20]. As of March 22nd, 2019, the SCFI index stood at 727.88 points and the CCFI index stood at 813.37 points, from a basis composite index of 1,000.00 points.

Chart: Trend of the SCFI and the CCFI indexes, January 2013–March 2019



Source: Shanghai Shipping Exchange

[18] *Breakthrough: How Data Makes the Difference in Your Intermodal Shipping Strategy, July 2017*

[19] *It refers to the practice of reducing the risk of adverse price movements in any asset, generally by taking an offsetting position in a related asset*

[20] *The Shanghai Containerized Freight Index (SCFI) and the China Containerized Freight Index (CCFI) are an industry barometer to gauge containerised export demand for the global shipping industry based on ocean freight and the associated seaborne surcharges of shipping routes on the spot market. China is made as a reflection point as it is now the largest economy in the world, estimated to account for 19.2% of global GDP in 2019.*

4 Overview of the Railroad transportation market in Malaysia

The majority of Malaysia's domestic freight movement is currently transported by road. As trade grows, pressure is mounting on freight infrastructure, in particular, ports and highways. To mitigate these challenges, there has been increasing demand to use multiple modes of transport for freight movement. Besides road infrastructure, rail has a national reach connecting Malaysia with the neighbouring countries of Thailand and Singapore. Given the lack of sufficient seaports in southern Thailand, most freight in this area flows towards Penang Port. Given the combined ocean, road, and rail terminals at the seaports of Penang to the border of Thailand in Padang Besar, railroad transportation is most highly practiced in this region.

In Malaysia, KTMB Cargo is the sole cargo carrier that handles the actual physical transport of cargo between two locations through rail networks. As the carrier's services are unimodal, an intermodal operator organises and sells slots for loading cargo units including containers on a train. A forwarder uses the slots' availability to arrange and manage transport needs for its customers.

The main cost for the railroad transportation service is the fee required by KTMB Cargo. As a reference, in 2015 the average landbridge goods revenue was RM43.8 per tonne of freight traffic, and in 2017 it remained nearly unchanged at RM43.5 per tonne.

MARKET SIZE:

Table 4-1: Revenue of Landbridge Services Operated by KTMB Cargo within the Northern Region, Malaysia, 2013–2023F

	2013	2014	2015	2016	2017	2018	2019F	2020F	2021F	2022F	2023F
Revenue *(RM Million)*	1.9	3.1	5.0	8.8	14.2	13.4	13.8	15.2	16.7	17.8	18.7

Source: Frost & Sullivan analysis

MARKET DRIVERS AND TRENDS:

Strategic location and planned infrastructure upgrades

Road and rail freight operations at the Malaysia-Thailand borders continue to increase. Padang Besar KTMB Cargo terminal is the only point of entry for goods transported by rail from southern Thailand with ocean and air connections at the Penang Port and Penang International Airport, respectively. For companies located in southern Thailand, it is more efficient to transfer their goods to Penang Port for export instead of the port in Bangkok. Multimodal logistics also benefit from efforts by the Malaysian Government to promote port development and rail connectivity. Among others, upgrading works from single to double tracking on railways are being conducted in phases to alleviate congestion and link key economic areas for future needs.

RISKS AND CHALLENGES:

Underdeveloped and outdated infrastructure

Infrastructure bottlenecks have been a major issue inhibiting the growth of cross-border trade between Malaysia and Thailand for many years. At Padang Besar, the physical checking location for Customs comprises a basic shed with the capacity to check only one container at a given point. Overall infrastructure at the Padang Besar rail entry point is considered outdated for container yard access as well as Customs clearance. In addition, the monopoly by KTMB Cargo as the sole carrier provider may present a challenge for the expansion of the railroad transportation services market.

COMPETITIVE LANDSCAPE: According to Frost & Sullivan, there are about four key operators providing railroad transportation services in Malaysia. The market share of the two largest operators is based on their individual revenue contribution towards the landbridge segment of KTMB Cargo.

Table 4-2: Market share of the landbridge revenue between Malaysia and Thailand 2018

Ranking	Company name	Market share	Description
1	ILNT	61%	It provides railroad transportation services for goods, by trains, between different rail stations in Malaysia and between Malaysia and Thailand.
2	Company 9	22%	It is an integrated logistics service provider in the Northern region of Malaysia, offering supply chain solutions from freight forwarding, warehousing to distribution.

Source: Companies' Annual Report; Frost & Sullivan

ENTRY BARRIERS: Currently, multimodal logistics[21] is bound only for hinterland connectivity with Malaysian seaports, in particular, Penang Port. While many operators are operating within a specific function of the value chain, integration between multimodal operations with intermodal[22] and forwarding services are becoming a strategic value proposition to end users and terminal operators. Given these features, integrated multimodal operators are the preferred logistics partners for rail terminal operators and carriers alike.

MARKET OUTLOOK AND PROSPECTS: The efforts by the Government of Malaysia to promote port development and rail connectivity to the ports play a pivotal role in driving the growth of the multimodal logistics market. This includes the expansion and upgrade of existing rail infrastructure in phases, from single to double tracking on railways to reduce road traffic congestion and improve future connectivity to important urban centres.

5 Overview of the Logistics centre market in Malaysia

INTRODUCTION TO LOGISTICS CENTRES: Increasing trade and commerce has led to the clustering of many logistics services within a geographical area to enhance the efficiency of logistics operations. Logistics centres serve as a junction between the seaports and inland transportation systems. With an increasing focus on service-based and integrated freight forwarding services, logistics companies are gearing towards developing and offering multiple logistics activities on a dedicated site via logistics centres. This allows logistics companies to eliminate redundancy of specialised equipment to handle cargo as well as provide quicker access and turnaround to facilitate the provision of more value-added activities.

MARKET SIZE: As logistics centres often take the form of sizeable industrial property, the segment can be described through the supply of warehouse and storage, but also include local haulage services and containers depots. As the activity is not regulated in Malaysia, and the market is highly fragmented, it is not feasible to determine the total size of the logistics centre segment. As a reference, warehousing and support activities for transportation[23] in Malaysia are estimated at RM45.4 billion in 2018 in terms of value of gross output.

21 *Multimodal logistics refers to the transportation of freight by use of two or more modes of transport. In particular, in this report multimodal logistics includes transportation by rail.*

22 *Multimodal refers to the transportation of freight using two or more modes of transport, while intermodal refers to the transportation of freight without changing container or vehicle when changing to a different mode of transport.*

23 *Referring to a segment of the "Transportation and Storage" sector of the economy. Note that the segments of "warehousing and support activities for transportation" includes support activities such as highway operation and port and airport operation. The 2018 value of gross output is estimated based on the value of gross output at RM41.3 billion recorded in 2017.*

Table: Value of Gross Output for warehousing and support activities for transportation, Malaysia, 2013–2023F

	2013	2014	2015	2016	2017	2018	2023F	CAGR 2013–2018	CAGR 2018–2023F
Value of Gross Output *(RM billion)*	32.4	35.3	38.1	39.7	41.3	45.4	61.6	7.0%	6.3%

Source: MOT; Frost & Sullivan

MARKET DRIVERS AND TRENDS: As the logistics hub of Southeast Asia, Singapore attracts a large volume of trade from merchants globally. However, as land prices and manpower costs in Singapore soar, Malaysia is increasingly a cost-effective substitute. Malaysia is emerging as an alternative destination for transhipment due to factors such as its strategic location, land availability, cheaper handling and labour charges, more affordable construction costs for the expansion of facilities, and good infrastructure.

Table 5-1: Transhipment Activity, Malaysia, 2013–2018

	2013	2014	2015	2016	2017	2018	CAGR 2013–2018
Cargo throughput freight weight tonnes *('000)*	117,884	129,188	133,058	123,719	124,441	136,537	3.0%
Container throughput TEUs *('000)*	13,768	15,075	16,464	16,851	15,570	16,157	3.3%

Source: MOT

The expansion of major infrastructures facilitates the growth of the logistics centre market in Malaysia. The Malaysian Government is committed in building new terminals in Port Klang, Pahang, and Melaka as well as expanding existing ports in Sarawak, Sabah, and Johor to meet the increasing demand for logistics centres. The Digital Free Trade Zone (DFTZ), which was implemented in 2017 and established to position Malaysia as a regional e-commerce and e-fulfilment hub, has further supported this trend by improving customs processes. Based on Frost & Sullivan analysis, as a reference, selected areas of Selangor and Penang alone have over 1.7 million sq.m of land acquired for the development of logistics centres in Malaysia between 2016 and 2018. In Westports, as at July 2019, the total existing warehouse area was fully occupied. Westports also has an additional 100 acre of empty land which is open for leasing by warehouse operators and it is expected to be fully developed by the end of 2020[26]. The increasing demand for warehousing and other storage facilities for commodities and logistics activities has been a catalyst for the high occupancy rate in Westports. PKFZ is the main location within Port Klang for the storage of LME-registered brands of metals: out of the 82 active listed warehouses/compounds in Port Klang approved by the London Metal Exchange (LME)[27] as at 8 August 2019, 80 of these warehouses were located in the Port Klang Free Zone and two were located in Westports. The closing stock level of metal commodity for the London Metal Stock Exchange in Singapore was gradually decreasing from 372,745 metric tons to 148,553 metric tons from September 2016 to September 2019, respectively, as compared to the increase from 181,124 metric tons to 436,197 metric tons for the same period for Port Klang[1]. Nevertheless, with growing throughput activity, as of May 2019, there is a shortage of trans-modal logistics centers with close proximity to multimodal transport for cargo transhipment[28].

1 London Metal Exchange: Stocks breakdown. Closing stock on 30 September 2016 and 30 September 2019
26 Frost & Sullivan analysis based on interviews with industry players
27 LME's website: Approved Warehouses, accessed on 8 August 2019
28 Frost & Sullivan analysis based on interviews with industry players

Table 5.2: Cargo and Container Throughput Activity in Port Klang, 2013–2018

	2013	2018	CAGR 2013–2018
Cargo Throughput (freight weight tonnes) *(million)*	200.3	220.7	2.0%
Container Throughput (TEU) *(million)*	10.4	12.3	3.5%

Source: MOT

Among various investments, IKEA announced that it will establish in Pulau Indah, Selangor, its third-largest furniture distribution centre in the world, to serve its 12 stores in ASEAN[29]. The distribution centre will have a size of 95,000 sqm and an estimated storage capacity of 192,800 cubic metres. The investment will be worth RM900 million and the distribution centre is expected to open in September 2020[30]. This is expected to have a spillover effect in Pulau Indah, where foreign investors are expected to follow IKEA's footsteps and set up their business. In addition, the revival of the East Coast Rail Link (ECRL) project is also expected to support the market of logistics centres in Pulau Indah and Port Klang. Firstly negotiated and signed in 2016, the ECRL project was suspended in July 2018 on the grounds of national interest and to facilitate the review of the project[31]. On 12 April 2019, the Supplemental Agreement was signed between Malaysia Rail Link Sdn Bhd and China Communications Construction Company Ltd to pave the way for the resumption of the project. The new ECRL of 640 km is estimated to cost RM44 billion, against the previous 688km that cost RM65.5 billion, and the completion date was revised from June 2024 to December 2026. The resuming of the ECRL project is estimated to benefit logistics centre activities by linking key economic and industrial areas within the East Coast Economic Region to Port Klang. As a reference of the main cost of logistics centers, the published rate for the rental of warehouses built by PKFZ as at July 2019 was RM1.50 sq.ft./month, since 2006. The rent is estimated to increase by 10% within 3 years[32]. In addition, below we provide an indication of the price of an industrial property and for development land in Pulau Indah[33], where our Group has its logistics centres.

Table: Prices of industrial properties in Pulau Indah

	Type	Average land area (s.m.)	Average floor area (s.m.)	Price range (RM/unit) January–June 2018
Industrial property	One and a half storey semi-detached	1,044	374	1,650,000

Source: National Property Information Centre

Table: Prices of development land in Pulau Indah

	Type	Average land area (s.m.)	Land price (RM/s.m.) July–December 2017	Land price (RM/s.m.) January–June 2018
Development land	Interior	12,141	40–72	49–72

Source: National Property Information Centre

Logistics services providers in other major logistics hubs in Southeast Asia are shifting their focus in the provision of logistics centre and related services to high-value goods which are easy to handle, and are reducing the supply of logistics centre and related services to other types of goods and services such as commodity logistics, regional distribution centres and international procurement centres. Due to the decreasing supply of various logistics centres services in other major logistics hubs in Southeast Asia, the demand for logistics centre and

29 *The Edge Markets, IKEA to set up world's third-largest distribution centre in Pulau Indah, August 2017*
30 *Malaysia Kini, Ikea to open RM900 million distribution centre in Pulau Indah, January 2019*
31 *The Edge Markets, MoF confirms ECRL, SSER projects suspended 'until further notice', July 2018; New Straits Times, CCCC confirms ECRL suspension order by MRL, July 2018*

related services to commodity logistics, regional distribution centres and international procurement centres increased significantly in Malaysia in the past few years.

RISKS AND CHALLENGES: Economic volatilities, both locally and internationally, can have a major impact on the attractiveness of the logistics centre business. In fact, the scale of logistics centre activities is often affected during negative economic periods with lower activity during economic uncertainties or downturns. By serving multiple businesses across different sectors, logistics centres are able to differentiate their revenue sources, becoming less likely to be impacted during an economic slowdown.

Another key risk to industry growth is the limitation of land in junctions between seaports and inland transportation systems, where logistics centres should ideally be located to carry out operations more efficiently.

COMPETITIVE LANDSCAPE: Due to the fact that the market size cannot be estimated, and that the overall market of logistics centres in Malaysia is highly fragmented, Frost & Sullivan cannot estimate the ranking and market share of the major companies in logistics centres. As a reference however, based on the total market for warehousing and support activities for transportation in Malaysia, estimated at RM45.4 billion in 2018[34] in terms of value of gross output, our Group accounted for approximately 0.1% in 2018.

ENTRY BARRIERS: The substantial investment required represents the main entry barrier to the establishment of a logistics centre. In general, there is significant uncertainty or instability in market demand for logistics centres. Given the need to be located in areas with improved connectivity and accessibility, a prime location often comes with considerable investment. The undertaking requires a higher level of certainty in deal flows for the logistics centre to meet logistics performance expectations. In order to secure capital for investment in logistics centre, companies usually require a certain degree of certainty in the demand of logistics centre's services to justify the financial investment. However, because the demand of logistics centre's services is at times uncertain or instable (e.g. change in economic conditions may impact the demand for goods and services and therefore trade activities, different outcome of the ongoing US-China trade war as at November 2019 may impact trade activities), it may be difficult to provide the certainty in terms of market demand for logistics centre's services in order to secure loans, such as bank loan, for the investments.

MARKET OUTLOOK AND PROSPECTS: The logistics centres market in Malaysia is forecast to increase in the period from 2018 to 2023, driven primarily by the country's cost advantages and higher land availability compared with Singapore. Transhipment activities in Malaysia grew consistently in the period from 2013 to 2017, indicating robust demand for logistics centre activities.

32 *Frost & Sullivan analysis based on interviews with industry players*

33 *Pulau Indah is the district of "Klang", within the Malaysian State of "Selangor"*

34 *Referring to a segment of the "Transportation and Storage" sector of the economy. Note that the segments of "warehousing and support activities for transportation" includes support activities such as highway operation and port and airport operation. The 2018 value of gross output is estimated based on the value of gross output at RM41.3 billion recorded in 2017*

OVERVIEW OF MALAYSIAN LAWS AND REGULATIONS

As at the Latest Practicable Date, the following paragraphs summarises the principal laws, regulations and guidelines of Malaysia which are relevant to our business. As this is a summary, it does not contain detailed analysis of the laws, regulations and guidelines of Malaysia which are relevant to the Group's business:

A. Laws and Regulations relating to the licences of the Group's Business

The Ministry of International Trade & Industry ("**MITI**") leads the development of industrial activities to further enhance Malaysia's economic growth. Malaysian Investment Development Authority ("**MIDA**"), an agency under MITI, is in charge of the promotion and coordination of industrial development in the country.

"Logistic Services" is identified as one of the services sub-sectors by MIDA. The term Logistic Services refers to a supply chain management process that plans, implements and controls the efficient and effective flow and storage of goods, services and related information between the point of origin and the point of consumption in order to meet customers' requirement. The main services under the Logistic Services, inter alia, are as follows:

(i) warehousing, storage and inventory management services;

(ii) transportation services;

(iii) freight forwarding/customs clearance and shipping services;

(iv) integrated logistics services; and

(v) international integrated logistics services

The companies that intends to provide any Logistic Services are required to obtain respective operating licences from various authorities. The governing laws and regulations to the respective services rendered by our Group are elaborated as follows:

(a) Warehouse and Ancillary Services

Customs Act 1967, Excise Act 1976 and Free Zone Act 1990

Under the Customs Act 1967 ("**CA 1967**") and Excise Act 1976 ("**EA 1976**"), the Director General of Customs and Excise of Malaysia may, on payment of the required fees, grant a licence to a licensee for warehousing dutiable goods. Application of such licence shall be made in accordance to the requirements as stipulated in the Customs Regulations 1977 or the Excise Regulations 1977, as the case may be. No other goods other than the goods specified in the licence granted may be stored in any licensed warehouse. Furthermore, the licensee is not permitted to store in the licensed warehouse any goods upon which the duty has been paid or non-dutiable goods.

"Dutiable goods" is defined as all goods subject to the payment of customs duty and on which duty has not yet been paid.

If it appears at any time that in any licensed warehouse or any part thereof there is a deficiency in the quantity of dutiable goods which ought to be found therein, the licensee of such warehouse shall, in the absence of proof to the contrary, be presumed to have illegally removed such goods and shall without prejudice to any proceedings under the CA 1967, be liable to pay to the proper officer of customs the customs duty leviable on the goods found deficient (provided that if it is shown to the satisfaction of the Director General that such deficiency has been caused by unavoidable leakage, breakage or other accident, the Director General may remit the whole or any part of the customs duty leviable on the goods found deficient.

Failing which, it shall be an offence and the licensee shall be liable to a fine of not exceeding RM20,000 or to imprisonment for a term not exceeding 5 years or to both.

Notwithstanding the provisions of the CA 1967 and EA 1976, the Free Zones Act 1990 ("**FZA 1990**") was implemented to govern the establishment of free zones in Malaysia for promoting the economic life of the country and other related purposes. The Minister of Finance of Malaysia may, by notification in the Gazette, declare any area in Malaysia to be a "Free Commercial Zone" where commercial activities are carried out with minimal customs control. Commercial activities such as trading (excluding retail trade), breaking bulk, grading, repacking, relabeling, and transit are allowed to be carried out in a Free Commercial Zone without payment of any customs duty, excise duty, sales tax or service tax. The list of Free Commercial Zones in Malaysia is prescribed in the first schedule of the FZA 1990.

The Free Zones Regulations 1991 ("**FZR 1991**") provides that any person wishing to carry out any commercial activity within a Free Commercial Zone shall apply in writing for approval to the authority in charge of operating the Free Commercial Zone. The approval granted may be subject to such terms and conditions as the authority deems necessary to impose.

The FZR 1991 further provides that no person shall hold leases and tenancies in a Free Commercial Zone for the purpose of carrying out any commercial activity in the zone unless the permission of the authority is obtained. The permission granted shall be in writing and may be subject to such terms and conditions as the authority deems necessary to impose.

(b) Transportation Services

Land Public Transport Act 2010

The Land Public Transport Act 2010 ("**LPTA 2010**") provides that no person shall operate or provide a goods vehicle service using a class of goods vehicles for the carriage of goods for hire or reward or for or in connection with any trade or business unless he holds an operator's license. Pursuant to the LPTA 2010, a person would be deemed to be operating or providing a goods vehicle service if he drives the vehicle or employs one or more persons to drive the vehicle.

In the case of a contravention by a company, the company will be deemed to have committed an offence and upon conviction shall be liable to a fine not RM200,000. In the event that a person contravenes the same, the person shall be liable to a fine not exceeding ten thousand ringgit or an imprisonment for a term not exceeding one year or both.

(c) Freight forwarding/Customs Clearance and shipping services

Customs Act 1967

Pursuant to Section 90 of the CA 1967, any application for permission to act as an customs agent for transacting business relating to the import or export of any goods or luggage or the entry or clearance of any vessel or aircraft shall be considered by a senior officer of Royal Malaysian Customs Department (RMCD) who may give such permission subject to such terms and conditions as he may deem fit to impose. RMCD may suspend or cancel any permission granted if the agent commits any breach under the CA 1967 of any regulation made thereunder or if he fails to comply with the terms and conditions imposed or any direction given by an officer of customs with regard to the business transacted by the agent.

Further thereto, our Group has obtained the status of Integrated Logistics Services ("**ILS**") and International Integrated Logistic Service ("**IILS**"). Pursuant to the guidebook on logistic services issued by MIDA ("**Guidebook**"), the main activities of ILS and IILS shall include freight forwarding, warehousing, transportation and other related value-added services such as distribution, procurement and supply chain management in an integrated basis.

Companies that undertake ILS activities are eligible for certain tax incentives which will be further elaborated in the laws and regulations relating to taxation under this Regulatory Overview section.

B. Laws and Regulations relating to its Business Operation

(a) The Local Government Act 1976

It is a requirement for a company carrying out business in Malaysia to obtain a business license for each operating premise from the relevant local authority which is empowered under the Local Government Act 1976 ("**LGA 1976**").

LGA 1976 confers the power to the local authority to make by-laws which provide that no person shall use any premise within the jurisdiction of respective Municipal Council without a license issued by respective Municipal Council.

The validity of the business license granted by the local authority shall be valid for a period not exceeding 3 years and subject to renewal. Every person to whom a license has been granted shall exhibit its license at all times in some prominent place on the licensed premises and shall produce such license if required to do so by any officer of the local authority authorized to demand the same. It is provided under LGA 1976 that any person who fails to exhibit or to produce such license shall be liable to a fine not exceeding RM500 or to imprisonment for a term not exceeding 6 months or to both.

(b) Carriage of Goods by Sea Act 1950

Carriage of Goods by Sea Act 1950 ("**CSA 1950**") is an Act that governs carriage of goods by sea in Malaysia and has given effect to the Hague Rules, pursuant to the First Schedule of the CSA ("**CSA Rules**"). CSA 1950 shall have effect in relation to and in connection with the carriage of goods by sea in ships carrying goods from any port in Malaysia to any other port whether in or outside Malaysia. Therefore, the bill of lading shall contain an express statement that it is subject to the CSA Rules if the carriage of goods is from any port of Malaysia.

(c) Carriage by Air Act 1974

Carriage by Air Act 1974 ("**CAA 1974**") is an Act that governs amongst others carriage of goods by air in Malaysia and has given effect to Warsaw Convention and Montreal Convention. CAA 1974 shall also have effect in relation to and in connection with all international carriages within the parties to Warsaw Convention and Montreal Convention. The air waybill issued shall be subject to the terms and conditions as required by the CAA 1974, whereby the liability of our Group is limited to a sum of francs 250 per kilogram, unless otherwise stated.

C. Laws and Regulations relating to Employment

(a) Industrial Relations Act 1967

The Industrial Relation Act 1967 ("**IRA 1967**") provides the legal framework and procedures for employees who have been unfairly dismissed and/or constructively dismissed by their employers. The IRA 1967 provides an avenue to seek redress via the Malaysian industrial court, which specializes in handling industrial relation matters only.

(b) Employment Act 1955

The Employment Act 1955 ("**EA 1955**") regulates all labour relations including contracts of service, payment of wages, employment of women, maternity protection, rest days, hours of work, holidays, termination, lay-off and retirement benefits, employment of foreign employees and keeping of registers of employees.

For the purpose of the EA 1955, Employment (Amendment) Act 2012 ("**EAA 2012**") provides that 'employee' means any person, irrespective of his occupation, who has entered into a contract of service with an employer under which such person's wages do not exceed RM2,000 a month.

Any person who commits any offence under, or contravenes any provision of EA 1955, or any regulations, order or other subsidiary legislation whatsoever made thereunder, in respect of which no penalty is provided, shall be liable, on conviction, to a fine not exceeding RM10,000.

(c) Employment (Restriction) Act 1968 & Immigration Act 1959/1963

The Employment (Restriction) Act 1968 ("**ERA 1968**") provides that no person shall employ in Malaysia, a non-citizen unless there has been a valid employment permit issued. Upon obtaining the approval from the Ministry of Home Affairs, a company is required to submit applications for Visit Pass (Temporary Employment) to the Foreign Workers Division, Immigration Department of Malaysia. The approval of the Visit Pass (Temporary Employment) can be revoked if its conditions are contravened. Failure to comply will result the employer being fined not exceeding RM5,000 or to imprisonment for a term not exceeding one year or both wherein the word of "employer" is defined under ERA 1968 as any person who has entered into a contract of service to employ any other person as an employee includes the agent, manager or factor of such first mentioned person.

It is further provides in the Immigration Act 1959/1963 ("**IA 1959/1963**") that any person who employs one or more persons, other than a citizen or a holder of an entry permit, who is not in possession of a valid pass shall be guilty of an offence and shall on conviction, be liable to a fine of not less than RM10,000 but not more than RM50,000 or to imprisonment for a term not exceeding 12 months or to both.

In addition, no occupier shall permit any illegal immigrant to enter or remain at any premises, failing which, the occupier shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding RM30,000 or to imprisonment for a term not exceeding 12 months or to both for such illegal immigrant found at the premises.

(d) The Occupational Safety and Health Act 1994

The Occupational Safety and Health Act 1994 ("**OSHA 1994**") provides a legislative framework to promote standards for safety and health at work. The safety, health and welfare of persons at work are regulated under OSHA 1994 which is under the purview of the Department of Occupational Safety and Health, Ministry of Human Resources.

Pursuant to the provisions contained the OSHA 1994, the employer has a duty to ensure:

(i) so far as is practicable, the safety of the operation of the plant and systems of works;

(ii) the safety and the absence of risks to health in connection with the use or operation, handling, storage and transport of plant and substances;

(iii) that the provision of such information, instruction training and supervision as is necessary to ensure, so far as practicable, the safety and health at work of his employees;

(iv) so far as is practicable, as regards any place of work under control of the employer, the maintenance of it in a condition that is safe and without risks to health and the provision and maintenance of the means of access to and egress from it that are safe and without such risks; and

(v) the provision and maintenance of working environment for his employees that is, so far as is practicable, safe, without risks to health and adequate as regards facilities for their welfare at work.

Any contravention to OSHA 1994 will be an offence which is punishable by a fine or imprisonment or both. For avoidance of doubt, OSHA 1994 provides that where a body corporate contravenes any provisions of the OSHA 1994 or any regulation made thereunder, every person who at the time of the commission of the offence is a director, manager or other like officer of the body corporate shall be deemed to have contravened the provision and may be charged jointly in the same proceedings with the body corporate or severally and every such director, manager or other like officer of the body corporate shall be deemed to be guilty of the offence.

Where a person convicted in respect of an offence under the OSHA 1994 or any regulation made thereunder is a body corporate, it shall only be liable to the imposition of a fine provided thereunder.

D. Laws and Regulations relating to Taxation

(a) Promotion of Investment Act 1986

The Promotion of Investment Act 1986 ("**PIA 1986**") was implemented to promote the establishment and development of industrial, agricultural and other commercial enterprises in Malaysia by way of relief from income tax.

Pursuant to the guidebook on logistic services issued by MIDA, the company undertakes ILS activities are eligible for certain tax incentives such as the pioneer status or investment tax allowance ("**ILS Incentives**"). The company with the grant of pioneer status will be eligible for tax exemption of 70% of the statutory income for a period of 5 years whereas the investment tax allowance allows 60% on the qualifying capital expenditure incurred within a period of 5 years. The allowance can be offset against 70% of the statutory income for each year of assessment. The unutilised allowances can be carried forward to subsequent years until fully utilised.

Any company which has been granted pioneer status shall within 24 months from the date of such grant or such extended period as MITI allow, request for a pioneer certificate. The tax relief period of a pioneer company shall begin on the day as specified in the pioneer certificate and continue for a period of 5 years and may make an application for extension of tax relief period for another 5 years subject to the discretion of MITI with the concurrence in writing of the Minister of Finance.

(b) The Income Tax Act 1967

Pursuant to the Income Tax Act 1967 ("**ITA 1967**"), income tax shall be charged for each year of assessment upon the income of any person accruing in or derived from Malaysia or received in Malaysia from outside Malaysia.

A company will be a tax resident in Malaysia if its management and control is exercised in Malaysia. In normal circumstances, the place where the directors' meetings are held concerning management and control of the company will be considered in determining where the management and control is exercised.

Resident companies with a paid-up capital of RM2,500,000 or more and non-resident companies are subject to a tax rate of 24% for the year of assessment 2019. In cases of resident companies with a paid-up capital of RM2,500,000 or less, they are taxed at the rate of 17% for the first RM500,000 and 24% for any sum in excess of RM500,000.

(c) The Goods and Services Tax 2014

The Goods and Services Tax Act 2014 ("**GSTA 2014**") was implemented on 1 April 2015 with the standard rate of goods and services tax ("**GST**") fixed at 6%. GST is chargeable on all taxable supplies of goods and services made in the course or furtherance of a business in Malaysia and importation of goods into Malaysia by a taxable person. A taxable person is a person who makes taxable supplies in Malaysia with annual turnover exceeding RM500,000 and who is required to be registered with the Royal Malaysian Customs.

Pursuant to the Goods and Services Tax (Rate of Tax) (Amendment) Order 2018 which came into operation on 1 June 2018, the rate of tax was revised from 6% to 0%.

With effect from 1 September 2018, GSTA 2014 was repealed and replaced by Sales Tax Act 2018 and Service Tax Act 2018.

(d) Sales Tax Act 2018 and Service Tax Act 2018

Under the sales and service tax regime, sales tax is charged and levied on all the taxable goods, manufactured and sold, used or disposed of in Malaysia by a registered manufacturer; or imported into Malaysia by any person. On the other hand, any service provider providing taxable services defined under the First Schedule of the Service Tax Regulations 2018 is liable to be registered under the Service Tax Act 2018 ("**STA 2018**").

Pursuant to STA 2018, any person who is given permission to act as an agent under Section 90 of CSA 1967 revolve in the provision of services for clearing of goods from customs control will be subjected to the service tax. The rate of service tax shall be charged at the rate of 6%.

(e) Labuan Business Activity Tax Act 1990

A Labuan entity carrying on a Labuan business activity shall be charged at the rate of 3% for a year of assessment upon the chargeable profits of a Labuan entity carrying on a Labuan business activity which is a Labuan trading activity for the basis period for that year of assessment.

"Labuan entity" is define in the Schedule of Labuan Business Activity Tax Act 1990 **("LBATA 1990")** including but not limited to a Labuan company.

"Labuan business activity" means a Labuan trading or a Labuan non-trading activity carried on in, from or through Labuan in a currency other than Malaysia currency, by a Labuan entity with non-resident or with another Labuan entity, provided that, inter alia, in relation to the shipping operations, the operations may be carried out in Labuan or outside Malaysia. "Labuan trading activity" includes banking, insurance, trading, management, licensing, shipping operations or any other activity which is not a Labuan non-trading activity.

Pursuant to Section 5 of LBATA 1990, a Labuan entity carrying on Labuan trading activity shall within 3 months from the commencement of a year of assessment, file a statutory declaration and a return of its profits for that year of assessment.

Failure which, a person shall be guilty of an offence and shall on conviction, be liable to a fine not exceeding RM1,000,000 or to imprisonment for a term of exceeding 2 years or to both.

E. Law and Regulations relating to foreign exchange control

(a) Financial Service Act 2013

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The Financial Service Act 2013 provides regulation and supervision of financial institutions, payment systems and other relevant entities and the oversight of the money market and foreign exchange market to promote financial stability and for related, consequential or incidental matters.

The Foreign Exchange Administration provides for the regulation and supervision of financial in situations, payment systems and other relevant entities and the oversight of the money market and foreign exchange market to promote financial stability and for related, consequential or incidental matters.

Pursuant to Notice 4 issued by Central Bank of Malaysia, a non-resident is allowed to repatriate funds from Malaysia, including any income earned or proceeds from divestment of ringgit asset, provided that the repatriation is made in foreign currency.

Foreign exchange administration rules allow non-residents to remit out divestment proceeds, profits, dividends or any income arising from investments in Malaysia. Repatriation, however, must be made in foreign currency.

However, there is no assurance that the relevant rules and regulations on foreign exchange control in Malaysia will not change.

OVERVIEW

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 7 March 2019 in preparation for the Listing, and is the holding company of our Group. As at the Latest Practicable Date, the subsidiaries and associate companies of our Group comprised ILNT 2926, IBL 2926, ILNT Holding (MY), Infinity Flexitank Holding (MY), Infinity L&T (MY), Infinity Lines (MY), Infinity L&T (SG), Infinity L&T (Labuan), KNS Infinity (MY), Supply Stream Management (MY), Infinity Bulk Logistics (MY), Optimus Flexitank (MY), Infinity Bulk Logistics (Labuan), Asia Global (MY) and Emirates (MY). Details of these subsidiaries and the associate companies and the corporate structure of our Group are set out in the sub-section headed "Establishment and development of the subsidiaries and associate company of our Company" in this section.

Prior to the Listing, our Group underwent the Reorganisation and immediately following the completion of the Reorganisation, our Company was owned as to 94.5% by 2926 Holdings, (a company incorporated in the BVI which is owned as to 63.9% by Dato' Chan and 36.1% by Dato' Kwan) and 5.5% by Mr. Teo.

Immediately following the completion of the Capitalisation Issue and the Share Offer, 2926 Holdings and Mr. Teo will own in aggregate 75% of the issued share capital in our Company (without taking into account any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme).

BUSINESS DEVELOPMENT

Our Group's history can be traced back to the commencement of operation of Infinity L&T (MY) in Malaysia, in 2003. Dato' Chan and Dato' Kwan financed Infinity L&T (MY) with their own personal resource. Upon commencement of business, Infinity L&T (MY) mainly engaged in the provision of logistics services.

Over the years and along with the incorporation and acquisition of other subsidiaries of our Group, we have become an established logistics service provider in Malaysia. During the Track Record Period and as at the Latest Practicable Date, the business of our Group has expanded to the provision of: (i) flexitank solution and related services – provision of customised flexitanks and related services for the transportation of bulk non-hazardous liquid; (ii) integrated freight forwarding – provision of NVOCC and freight forwarding services; (iii) railroad transportation services – provision of goods transportation by trains between different rail stations within Malaysia and between Malaysia and Thailand; and (iv) logistics centre and related services – provision of Warehouse and Ancillary Services and container depot services. As at the Latest Practicable Date, we had 23 overseas agents, among which eight agents (covering Indonesia, Thailand and Vietnam) use our brand name "Infinity" in their operation and assist us in in maintaining a close communication with the local customers, providing local logistics services and increasing our exposure in such regions.

Milestones and Business Awards of our Group

The chronological overview of the key events in respect of the major business development of our Group is set out below:

Year	Events
2003	• Infinity L&T (MY) commenced operation as a logistics service provider in Malaysia
2004	• Our Penang and Johor offices commenced operation
	• Expanded our integrated freight forwarding business into NVOCC services
2008	• Established our logistics centre in Port Klang
2010	• Established our logistics centre in On Dock Depot in Penang Port
	• Infinity Bulk Logistics (MY) was certified with ISO 9001
2011	• Infinity L&T (MY) was certified with ISO 9001
	• Infinity Bulk Logistics (MY) was certified with Kosher Compliance
	• Infinity L&T (MY) was awarded the Asia Pacific Entrepreneur Excellence award for Excellent Product and Excellent Leadership
	• Infinity L&T (MY) was granted pioneer status by the Malaysian Investment Development Authority
	• Infinity L&T (MY) was awarded International Integrated Logistics Services (IILS) status by the Malaysian Investment Development Authority
2012	• Commencement of our Padang Besar office and operation
	• Infinity L&T (MY) was awarded the SME Recognition Award – SME Information and Communications Technology (ICT) Adoption Award by SMI Malaysia
	• Infinity Bulk Logistics (MY) was certified with HACCP
2014	• We were awarded the Star Business Awards – Silver Award for Best Innovation, Star Business Awards – Gold Award for Best Global Market, Sin Chew Business Excellence Awards – Corporate Social Responsibility Excellence Award, and Golden eagle award – Eminent eagle awards

Year	Events
2016	• Infinity L&T (MY) was awarded Platinum Business Awards – SME Best Overall Award
	• Established our warehouse in Port Klang Free Zone
	• Infinity Bulk Logistics (MY) received Certificate of Compliance issued by the Container Owners Association
	• Infinity L&T (MY) was granted the stevedoring licence issued by Port Klang Authority Malaysia
2018	• Infinity L&T (MY) was awarded the Star Business Awards – Silver Award for best in Corporate Social Responsibility
	• Commenced construction of an additional warehouse in Port Klang Free Zone

ESTABLISHMENT AND DEVELOPMENT OF THE SUBSIDIARIES AND ASSOCIATE COMPANY OF OUR COMPANY

As at the Latest Practicable Date, our Group mainly comprised our Company, ILNT 2926, IBL 2926, ILNT Holding (MY), Infinity Flexitank Holding (MY), Infinity L&T (MY), Infinity Lines (MY), Infinity L&T (SG), Infinity L&T (Labuan), KNS Infinity (MY), Supply Stream Management (MY), Infinity Bulk Logistics (MY), Optimus Flexitank (MY) and Infinity Bulk Logistics (Labuan), and we also held 40% interest in an associate company, i.e. Asia Global (MY). Set out below is the brief corporate history of the subsidiaries and associate company of our Company.

ILNT 2926

ILNT 2926 was incorporated in the BVI with limited liability on 19 February 2019 and was authorised to issue a maximum of 50,000 shares with a par value of US$1 each. On the same day, ILNT 2926 allotted and issued as fully paid at par one share to Dato' Chan.

On 3 June 2019, Dato' Chan transferred one share of ILNT 2926 to 2926 Holdings at the consideration of US$1. On the same date, ILNT 2926 allotted and issued as fully paid at par 944 shares to 2926 Holdings.

Following the said transfer and allotment, ILNT 2926 allotted and issued as fully paid at par 55 shares to Mr. Teo. After the said allotments and transfer, ILNT 2926 was owned as to 94.5% by 2926 Holdings and 5.5% by Mr. Teo.

Upon completion of the Reorganisation, ILNT 2926 became a wholly-owned subsidiary of our Company and an intermediate holding company of our Group. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

As at the Latest Practicable Date, ILNT 2926 was an investment holding company.

IBL 2926

IBL 2926 was incorporated in the BVI with limited liability on 19 February 2019 and was authorised to issue a maximum of 50,000 shares with a par value of US$1 each. On the same day, IBL 2926 allotted and issued as fully paid at par one share to Dato' Chan.

On 3 June 2019, Dato' Chan transferred one share of IBL 2926 to 2926 Holdings at the consideration of US$1. After the said transfer, IBL 2926 became a wholly-owned subsidiary of 2926 Holdings. On the same date, IBL 2926 allotted and issued as fully paid at par 944 shares to 2926 Holdings.

Following the said transfer and allotment, IBL 2926 allotted and issued as fully paid at par 55 shares to Mr. Teo. After the said allotments and transfer, IBL 2926 was owned as to 94.5% by 2926 Holdings and 5.5% by Mr. Teo.

Upon completion of the Reorganisation, IBL 2926 became a wholly-owned subsidiary of our Company and an intermediate holding company of our Group. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

As at the Latest Practicable Date, IBL 2926 was an investment holding company.

ILNT Holding (MY)

ILNT Holding (MY) was incorporated in Malaysia with limited liability on 25 January 2019, with an issued share capital of RM2 divided into 2 shares of RM1 each. As at the date of incorporation, one share was allotted and issued as fully paid at par to each of Dato' Chan and Dato' Kwan.

Upon completion of the Reorganisation, ILNT Holding (MY) became a wholly-owned subsidiary of ILNT 2926, and an intermediate holding company of our Group. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

As at the Latest Practicable Date, ILNT Holding (MY) was an investment holding company.

Infinity Flexitank Holding (MY)

Infinity Flexitank Holding (MY) was incorporated in Malaysia with limited liability on 19 February 2019, with an issued share capital of RM2 divided into 2 shares of RM1 each. As at the date of incorporation, one share was allotted and issued as fully paid at par to each of Dato' Chan and Mr. Teo.

Upon completion of the Reorganisation, Infinity Flexitank Holding (MY) became a wholly-owned subsidiary of IBL 2926, and an intermediate holding company of our Group. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

As at the Latest Practicable Date, Infinity Flexitank Holding (MY) was an investment holding company.

Infinity L&T (MY)

Infinity L&T (MY) (formerly known as Matrix Logistics Management Sdn. Bhd. and Infinity Asia Pacific Sdn. Bhd.) was incorporated in Malaysia with limited liability on 7 November 2000, with an authorised share capital of RM100,000 divided into 100,000 shares of RM1 each. As at the date of incorporation, one share was allotted and issued to each of Dato' Chan and Dato' Kwan, at par, respectively. After the said allotments, Infinity L&T (MY) was owned as to 50% by Dato' Chan and 50% by Dato' Kwan.

Between 2001 and 2013, there were various transfers and allotment of the equity interest and an increase of authorised share capital of Infinity L&T (MY). On 16 April 2014, Dato' Chan transferred 85,000 shares to Dato' Kwan, at par. After the said transfer, Infinity L&T (MY) was owned as to approximately 50.00001% by Dato' Chan and approximately 49.99999% by Dato' Kwan.

On 26 May 2014, Infinity L&T (MY) allotted and issued as fully paid at par 1,400,000 shares to each of Dato' Chan and Dato' Kwan. After the said allotments, Infinity L&T (MY) was owned as to approximately 50.00001% by Dato' Chan and approximately 49.99999% by Dato' Kwan. The shareholding of Infinity L&T (MY) remained unchanged until immediately before the Reorganisation.

Upon completion of the Reorganisation, Infinity L&T (MY) became wholly owned by ILNT Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Infinity L&T (MY) mainly engaged in integrated freight forwarding, logistics centre, railroad transportation services and investment holding.

Infinity Bulk Logistics (MY)

Infinity Bulk Logistics (MY) (formerly known as TSM Marketing Sdn. Bhd. and IBL Flexitank Sdn. Bhd.) was incorporated in Malaysia with limited liability on 24 March 2003, with an authorised share capital of RM100,000 divided into 100,000 shares of RM1 each. As at the date of the incorporation, one share was allotted and issued to each of Dato' Chan and Datin Lo, at par, respectively. After the said allotments, Infinity Bulk Logistics was owned as to 50% by Dato' Chan and 50% by Datin Lo.

On 11 February 2004, Datin Lo transferred one share, representing her entire shareholding in Infinity Bulk Logistics (MY), to Mr. Teo at par. After the said transfer, Infinity Bulk Logistics (MY) was owned as to 50% by each of Dato' Chan and Mr. Teo.

Between 2004 and 2011, there were various transfers and allotment of the equity interest and the authorised share capital of Infinity Bulk Logistics (MY) increased a few times. As at 29 June 2011, Infinity Bulk Logistics (MY) was owned as to 20.0% by Mr. Teo, approximately 34.8% by Dato' Chan, 35.2% by Infinity L&T and 10.0% by Infinity Unlimited Sdn. Bhd. ("**Infinity Unlimited**"). On 23 March 2015, Datin Lo acquired 352,500 shares, 347,500 shares and 100,000 shares from Infinity L&T (MY), Dato' Chan and Infinity Unlimited at par, respectively. After the said transfers, Infinity Bulk Logistics (MY) was owned as to 20.0% by Mr. Teo and 80.0% by Datin Lo.

Pursuant to a confirmatory deed executed by Datin Lo on 29 May 2019, Datin Lo confirmed that she held the aforesaid 800,000 shares on trust for and on behalf of Dato' Chan. The reason for the trust arrangement between Dato' Chan and Datin Lo was that Dato' Chan wanted his spouse, Datin' Lo, to manage the company for him and asked Datin' Lo to hold his interest in the company on trust for him for the administrative convenience. In preparation of the Listing, our Group had undergone Reorganisation whereby at the direction of Dato' Chan, Datin Lo transferred back the said shares to Dato' Chan on 13 September 2018 at par. After the said transfer, Infinity Bulk Logistics (MY) was owned as to 20.0% by Mr. Teo and 80.0% by Dato' Chan. The shareholding structure of Infinity Bulk Logistics (MY) remained unchanged until immediately prior to the Reorganisation.

Upon completion of the Reorganisation, Infinity Bulk Logistics (MY) became wholly owned by Infinity Flexitank Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Infinity Bulk Logistics (MY) mainly engaged in flexitank solution and related services and bulk logistics services.

Infinity Lines (MY)

Infinity Lines (MY) (formerly known as Infinity Logistics Sdn. Bhd.) was incorporated in Malaysia with limited liability on 3 October 2003, with an authorised share capital of RM100,000 divided into 100,000 shares of RM1 each. As at the date of incorporation, one share was allotted and issued to each of Dato' Kwan, a former employee of our Group and Mr. Khaw, at par, respectively. After the said allotments, Infinity Lines (MY) was owned as to approximately 33.3% by Dato' Kwan, approximately 33.3% by the former employee and approximately 33.3% by Mr. Khaw.

Between 2004 and 2007, there were various transfers and allotment of the equity interest and an increase of authorised share capital of Infinity L&T (MY). As at 28 November 2007, Infinity Lines (MY) was owned as to 100% by Infinity L&T (MY).

Upon completion of the Reorganisation, Infinity Lines (MY) became an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Infinity Lines (MY) mainly engaged in freight forwarder and shipping agent services.

Optimus Flexitank (MY)

Optimus Flexitank (MY) (formerly known as Infinity Intermodal Sdn. Bhd. and Beyond Cargo Sdn. Bhd.) was incorporated in Malaysia with limited liability on 7 January 2004, with an authorised capital of RM100,000 divided into 100,000 shares of RM1 each. As at the date of incorporation, one share was allotted and issued as fully paid at par to each of Dato' Kwan and Mr. Teo, respectively.

On 28 March 2005, Optimus Flexitank (MY) allotted and issued as fully paid at par 49,999 shares to each of Dato' Kwan and Mr. Teo. After the said allotments, Optimus Flexitank (MY) was owned as to 50% by Dato' Kwan and 50% by Mr. Teo.

On 3 December 2009, Mr. Teo transferred 50,000 shares of Optimus Flexitank (MY) to Dato' Chan at par. After the said transfer, Optimus Flexitank (MY) was owned as to 50% by Dato' Kwan and 50% by Dato' Chan.

On 11 May 2017, Dato' Chan and Dato' Kwan transferred 30,000 and 50,000 shares of Optimus Flexitank (MY), respectively, to Datin Lo at par. On the same date, Dato' Chan transferred 20,000 shares of Optimus Flexitank (MY) to Ms. Kwan Siew Mun (the sister of Dato' Kwan) at par. After the said transfers, Optimus Flexitank (MY) was owned as to 80% by Datin Lo and 20% by Ms. Kwan Siew Mun.

Pursuant to a confirmatory deed executed by each of Datin Lo and Ms. Kwan on 29 May 2019, Datin Lo confirmed that she held the aforesaid 80,000 shares on trust and on behalf of Dato' Chan and Ms. Kwan confirmed that she held the aforesaid 20,000 shares on trust for and on behalf of Mr. Teo. The reason for the trust arrangement between Dato' Chan and Datin Lo was that Dato' Chan wanted his spouse, Datin' Lo, to manage the company for him and asked Datin' Lo to hold his interest in the company on trust for him for administrative convenience. The reason for the trust arrangement between Ms. Kwan and Mr. Teo was that Mr. Teo had been involved in the operations of flexitanks business of our Group and in 2017, our Group wished to set up Optimus Flexitank (MY) to attract a different customer base for its flexitank business. Our Directors believed that the differentiation of shareholders and directors between Optimus Flexitank (MY) and Infinity Bulk Logistics (MY) would allow our Group to have a greater flexibility in the marketing of the flexitank solutions and would hence be beneficial to our

Group as a whole. In the view of the above, Mr. Teo asked Ms. Kwan, who is the sister of Dato Kwan and an employee of our Group, to hold the shares for and on his behalf. In preparation of the Reorganisation and at the direction of Dato' Chan, Datin Lo transferred back the said 80,000 shares to Dato' Chan on 25 April 2019 at par. On the same date, at the direction of Mr. Teo, Ms. Kwan transferred back the said 20,000 shares to Mr. Teo at par.

Upon completion of the Reorganisation, Optimus Flexitank (MY) became wholly owned by Infinity Flexitank Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Optimus Flexitank (MY) mainly engaged in freight forwarder and haulage services.

KNS Infinity (MY)

KNS Infinity (MY) (formerly known as Infinity Bulk Logistics Manufacturing Sdn. Bhd.) was incorporated in Malaysia with limited liability on 28 March 2011, with an authorised share capital of RM100,000 divided into 100,000 shares of RM1 each. As at the date of incorporation, one share was allotted and issued to each of Dato' Chan, a former director of KNS Infinity (MY) and Mr. Teo, at par, respectively. After the said allotments, KNS Infinity (MY) was owned as to approximately 33.3% by Dato' Chan, approximately 33.3% by Mr. Teo and approximately 33.3% by a former director of KNS Infinity (MY).

On 13 June 2011, the authorised share capital of KNS Infinity (MY) increased from RM100,000 to RM1,000,000 by the creation of 900,000 ordinary shares of RM1.00 each.

On 29 June 2011, the former director of KNS Infinity (MY) transferred one share of KNS Infinity (MY) to Dato' Chan at par. After the said transfer, KNS Infinity (MY) was owned as to approximately 66.6% by Dato' Chan and approximately 33.3% by Mr. Teo.

On 8 February 2017, Mr. Teo transferred one share of KNS Infinity (MY) to Datin Lo at par. After the said transfer, KNS Infinity (MY) was owned as to 66.6% by Dato' Chan and 33.3% by Datin Lo, and Mr. Teo ceased to be a shareholder of KNS Infinity (MY).

On 17 March 2017, KNS Infinity (MY) allotted and issued as fully paid at par 239,998 shares to Dato' Chan and 59,999 shares to Datin Lo. After the said allotments, KNS Infinity (MY) was owned as to 80% by Dato' Chan and 20% by Datin Lo.

On 24 August 2018, Datin Lo transferred 60,000 shares of KNS Infinity (MY) to Dato' Kwan at par. After the said transfer, KNS Infinity (MY) was owned as to 80% by Dato' Chan and 20% by Dato' Kwan.

Upon completion of the Reorganisation, KNS Infinity (MY) became wholly owned by ILNT Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, KNS Infinity (MY) mainly engaged in property holding.

Supply Stream Management (MY)

Supply Stream Management (MY) was incorporated in Malaysia with limited liability on 18 September 2001, with an authorised share capital of RM100,000 divided into 100,000 shares of RM1 each. As at the date of incorporation, one share was allotted and issued to two of the former directors of Supply Stream Management (MY).

Between 2001 and February 2005, there were various transfers and allotments of the equity interest and an increase of authorised share capital of Supply Stream Management (MY). As at 23 February 2005, Supply Stream Management (MY) was wholly owned by Infinity L&T (MY).

Between June 2005 and 2011, there were various transfers and allotments of the equity interest of Supply Stream Management (MY). As at 1 February 2011, Supply Stream Management (MY) was owned as to 75% by Infinity L&T (MY) and 25% by Mr. Khaw, who held the shares on trust for Dato' Kwan.

On 28 October 2011, Infinity L&T (MY) transferred 225,000 shares of Supply Stream Management (MY) to Dato' Chan at par. After the said transfer, Supply Stream Management (MY) was owned as to 75% by Dato' Chan and 25% by Mr. Khaw.

Pursuant to a confirmatory deed executed by Mr. Khaw on 29 May 2019, Mr. Khaw confirmed that he held the aforesaid 75,000 shares on trust for and on behalf of Dato' Kwan. The reason for the trust arrangement between Mr. Khaw and Dato' Kwan was that Supply Stream Management (MY) is engaged in depot services in Penang and Mr. Khaw is our Group's employee in Penang who is responsible for its overall operations. Therefore, Dato' Kwan's shares were held on trust by Mr. Khaw out of administrative and operational convenience as Mr. Khaw is based in Penang. In preparation of the Reorganisation and at the direction of Dato' Kwan, Mr. Khaw transferred back the said shares to Dato' Kwan on 12 February 2019 at par. After the said transfer, Supply Stream Management (MY) was owned as to 75% by Dato' Chan and 25% by Dato' Kwan.

Upon completion of the Reorganisation, Supply Stream Management (MY) became wholly owned by ILNT Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Supply Stream Management (MY) mainly engaged in freight forwarder and depot services.

Infinity L&T (Labuan)

Infinity L&T (Labuan) was incorporated in Labuan, Malaysia with limited liability on 9 May 2014, with an issued share capital of US$2 divided into two shares of US$1 each. As at the date of incorporation, one share was allotted and issued as fully paid at par to each of Dato' Chan and Dato' Kwan, respectively. The shareholding of Infinity L&T (Labuan) remained unchanged until immediately prior to the Reorganisation.

Upon completion of the Reorganisation, Infinity L&T (Labuan) became wholly owned by ILNT Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Infinity L&T (Labuan) mainly engaged in sales of containers.

Infinity Bulk Logistics (Labuan)

Infinity Bulk Logistics (Labuan) was incorporated in Labuan, Malaysia with limited liability on 12 May 2014, with an issued share capital of US$2 divided into two shares of US$1 each. As at the date of incorporation, one share of Infinity Bulk Logistics (Labuan) was allotted and issued as fully paid at par to each of Dato' Chan and Mr. Teo, respectively.

On 19 December 2016, Infinity Bulk Logistics (Labuan) allotted and issued as fully paid at par 7,999 shares to Dato' Chan and 1,999 shares to Mr. Teo and at the consideration of US$7,999 and US$1,999, respectively. After the said allotments, Infinity Bulk Logistics (Labuan) was owned as to 80.0% by Dato' Chan and 20.0% by Mr. Teo and. The shareholding of Infinity Bulk Logistics (Labuan) remained unchanged until immediately prior to the Reorganisation.

Upon completion of the Reorganisation, Infinity Bulk Logistics (Labuan) became wholly owned by Infinity Flexitank Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Infinity Bulk Logistics (Labuan) mainly engaged in flexitank solution and related services.

Infinity L&T (SG)

Infinity L&T (SG) was incorporated in Singapore with limited liability on 8 November 2010, with an issued share capital of SGD1 divided into one ordinary share. As at the date of incorporation, one share was allotted and issued to Infinity L&T (MY).

On 20 August 2018, Infinity L&T (SG) allotted and issued as fully paid at par one share to Dato' Kwan. On the same date, Infinity L&T (MY) transferred one share of Infinity L&T (SG) to Dato' Chan at the consideration of SGD1. After the said transfer and allotment, Infinity L&T (SG) was owned as to 50% by each of Dato' Chan and Dato' Kwan. The shareholding of Infinity L&T (SG) remained unchanged until immediately prior to the Reorganisation.

Upon completion of the Reorganisation, Infinity L&T (SG) became wholly owned by ILNT Holding (MY) and an indirect wholly-owned subsidiary of our Company. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Infinity L&T (SG) mainly engaged in freight forwarding, packing and crating services.

Asia Global (MY)

Asia Global (MY) was incorporated in Malaysia with limited liability on 24 July 2017. As at the date of incorporation, 40,000 shares and 60,000 shares were allotted and issued to Infinity L&T (MY) and an Independent Third Party, respectively (representing 40% and 60% of the issued shares, respectively). It is an associate company of our Group.

Upon completion of the Reorganisation, Asia Global (MY) remained as an associate company of our Group. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

During the Track Record Period and up to the Latest Practicable Date, Asia Global (MY) mainly engaged in business of depot services.

Emirates (MY)

Emirates (MY) was incorporated in Malaysia with limited liability on 4 December 2019. As at the date of incorporation, three shares and seven shares were allotted and issued to Infinity L&T (MY) and an Independent Third Party, respectively (representing 30% and 70% of the issued shares, respectively).

Upon completion of the Reorganisation, Emirates (MY) remained as an associate company of our Group. For further details, please refer to the paragraph headed "Reorganisation" in this section below.

Emirates (MY) has been inactive since the date of incorporation and up to the Latest Practicable Date. It was established with the intention to provide transportation, logistics, warehouse, supply chain and related services in Malaysia.

Disposal of subsidiaries during the Track Record Period

Prior to the Reorganisation, our subsidiaries, Infinity L&T (MY), Infinity Lines (MY), Infinity Bulk Logistics (MY), invested in certain businesses. With a view to streamline our operations and to focus on our core business, we have made the following disposals during the Track Record Period.

Andaman Costal (MY)

Andaman Costal (MY) was incorporated in Malaysia with limited liability on 6 January 2003 for providing freight forwarding services.

Immediately before its disposal, Andaman Costal (MY) was wholly owned by Infinity L&T (MY). On 19 September 2016, Infinity L&T (MY) transferred 1,260,000 shares to Mr. Khaw and 540,000 shares to an Independent Third Party (together representing its entire shareholding in Andaman Costal (MY)) at the consideration of RM1.26 million and RM0.54 million, respectively. The disposal was due to our business plan to consolidate our freight forwarding business under Infinity L&T (MY) at the time.

BLS Infinity (MY)

BLS Infinity (MY) was incorporated in Malaysia with limited liability on 24 March 2003 for engaging in transportation, logistics and freight forwarder services. Immediately prior to its disposal from our Group, it was inactive due to our plan not to develop trucking transportation business at the time. It was owned as to 51% by Infinity L&T (MY) and 49% by an Independent Third Party. As the financial performance of BLS Infinity (MY) did not perform as well as we had expected, we decided to dispose our interest in BLS Infinity (MY) and divert our resources elsewhere.

On 28 March 2019, Infinity L&T (MY) transferred and in aggregate 51,000 shares to two former employee's (together representing its entire shareholding in BLS Infinity) at the aggregate consideration of RM51,000. The consideration was determined after taking into account its net liabilities at the time.

AWH Infinity (MY)

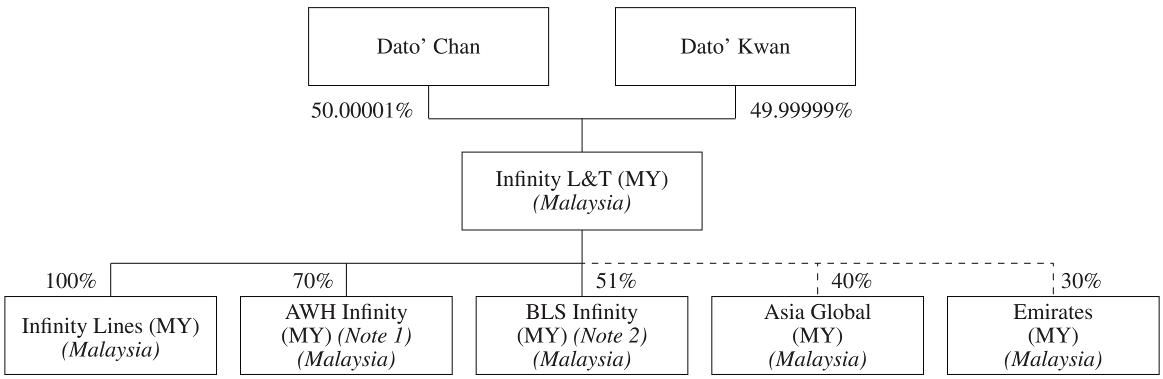
AWH Infinity (MY) was incorporated in Malaysia with limited liability on 25 June 2010, and was intended to engage in freight forwarding services. Immediately prior to its disposal from our Group, it was dormant and was owned as to 70% by Infinity L&T (MY) and 30% by an Independent Third Party.

As AWH Infinity (MY) was inactive during the Track Record Period, we decided to dispose our interests in AWH Infinity (MY) and divert our financial resources to elsewhere. As a result, on 29 April 2019, Infinity L&T (MY) transferred 23,000 shares to Mr. Tan Pang Wee, a former director of Optimus Flexitank (MY), and in aggregate 47,000 shares to two former employee's (together representing its entire shareholding in AWH infinity (MY) at the consideration of RM23,000 and in aggregate RM47,000, respectively. The consideration was determined with reference to its net asset value at the time.

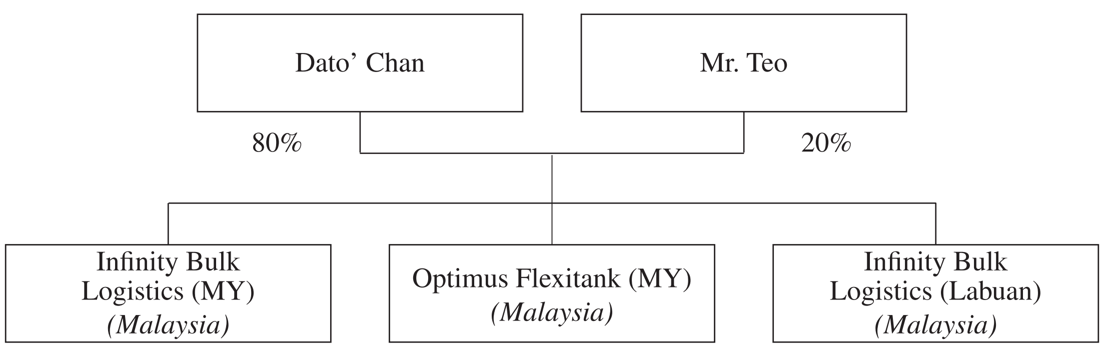
REORGANISATION

Prior to the Reorganisation, the structure of our Group was as follows:

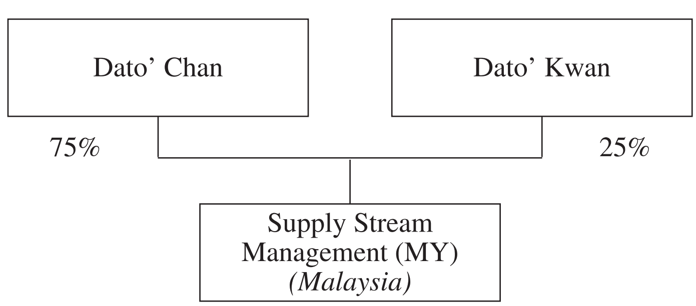
(A) Infinity L&T (MY), Infinity Lines (MY), AWH Infinity (MY), BLS Infinity (MY) and Asia Global (MY)



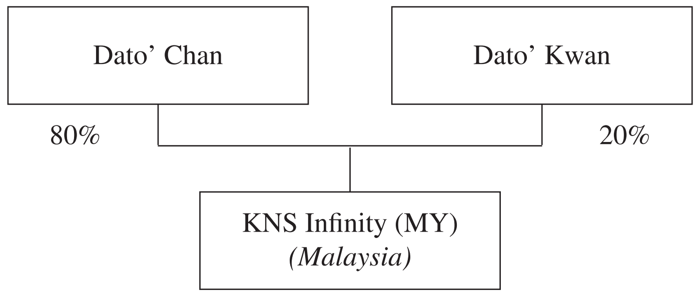
(B) Infinity Bulk Logistics (MY), Optimus Flexitank (MY) and Infinity Bulk Logistics (Labuan)



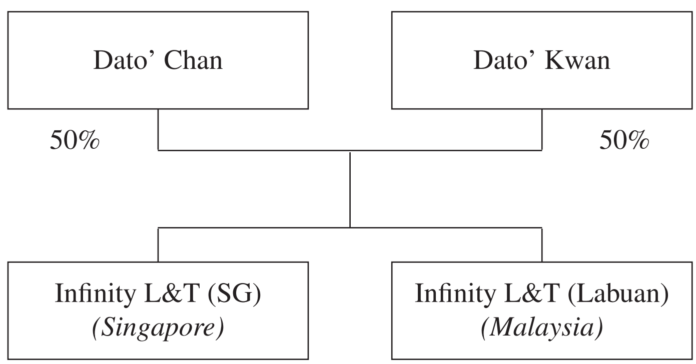
(C) Supply Stream Management (MY)



(D) KNS Infinity (MY)



(E) Infinity L&T (SG) and Infinity L&T (Labuan)



Notes:

1. AWH Infinity (MY) was owned as to 70% by Infinity L&T (MY) and 30% by an Independent Third Party, immediately prior to the Reorganisation.

2. BLS Infinity (MY) was owned as to 51% by Infinity L&T (MY) and 49% by an Independent Third Party, immediately prior to the Reorganisation.

PARTIES ACTING IN CONCERT

On 29 May 2019, the Controlling Shareholders, namely Dato' Chan and Dato' Kwan, entered into the Concert Parties Confirmatory Deed to acknowledge and confirm, without limitation, that:

(i) they had been parties acting in concert in respect of the relevant members of our Group (collectively the "**Relevant Companies**") since the date they acquired direct and/or indirect shareholding interest in such Relevant Companies;

(ii) they shall continue to give unanimous consent, approval or rejection on any other material issues and decisions in relation to the business of the Relevant Companies;

(iii) they shall continue to cast unanimous vote collectively for or against all resolutions in all meetings and discussions of the Relevant Companies; and

(iv) they shall continue to cooperate with each other to obtain and maintain the consolidated control and the management of the Relevant Companies.

In light of the Concert Parties Confirmatory Deed, the concert parties group consisting of Dato' Chan and Dato' Kwan is collectively interested in, and is entitled to exercise control over, an aggregate of 70.875% of our issued share capital after completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme).

Corporate restructuring

To rationalise our Group's structure in preparation for the Listing, our Group underwent various corporate restructuring as more particularly described as follows:

(1) On 11 February 2019, 2926 Holdings was incorporated in BVI with limited liability and was authorised to issue a maximum of 50,000 shares with a par value of US$1.00 each. On the same date, 2926 Holdings allotted and issued as fully paid at par one share to Dato' Chan. On 29 May 2019, 2926 Holdings allotted and issued 603 shares and 341 shares to Dato' Chan and Dato' Kwan, respectively. After the said allotment of shares, 2926 Holdings was owned as to 63.9% and 36.1% by Dato' Chan and Dato' Kwan, respectively. The shareholding structure of 2926 Holdings was determined (i) in anticipation of the Reorganisation; (ii) with reference to the shareholding interests of Dato' Chan and Dato' Kwan in the subsidiaries of our Group and the valuation of such subsidiaries.

(2) On 19 February 2019, ILNT 2926 was incorporated in BVI with limited liability. For details of ILNT 2926, please refer to the paragraph headed "Establishment and development of the subsidiaries and associate company of our Company – ILNT 2926" in this section.

(3) On 19 February 2019, IBL 2926 was incorporated in BVI with limited liability. For details of IBL 2926, please refer to the paragraph headed "Establishment and development of the subsidiaries and associate company of our Company – IBL 2926" in this section.

(4) On 25 January 2019, ILNT Holding (MY) was incorporated in Malaysia with limited liability. For details of ILNT Holding (MY), please refer to the paragraph headed "Establishment and development of the subsidiaries and associate company of our Company – ILNT Holding (MY)" in this section.

(5) On 19 February 2019, Infinity Flexitank Holding (MY) was incorporated in Malaysia with limited liability. For details of Infinity Flexitank Holding (MY), please refer to the paragraph headed "Establishment and development of the subsidiaries and associate company of our Company – Infinity Flexitank Holding (MY)" in this section.

(6) On 7 March 2019, our Company was incorporated in the Cayman Islands as an exempted company with limited liability. As at the date of incorporation, our Company had an authorised share capital of HK$380,000 divided into 38,000,000 Shares of HK$0.01 each, of which one (1) Share was allotted and issued as fully paid at par to the initial subscriber at par, which was then transferred to Dato' Chan on the same date.

(7) On 3 June 2019, Dato' Chan transferred one share of ILNT 2926 to 2926 Holdings at the nominal consideration of US$1. On the same date, ILNT 2926 allotted and issued as fully paid 55 shares to Mr. Teo. After the said transfer and allotment, ILNT 2926 was owned as to 94.5% by 2926 Holdings and 5.5% by Mr. Teo.

(8) On 3 June 2019, Dato' Chan transferred one share of IBL 2926 to 2926 Holdings at the nominal consideration of US$1. On the same date, IBL 2926 allotted and issued as fully paid 55 shares to Mr. Teo. After the said transfer and allotment, IBL 2926 was owned as to 94.5% by 2926 Holdings and 5.5% by Mr. Teo.

(9) On 19 June 2019, ILNT 2926 acquired one share of ILNT Holding (MY) from each of Dato' Chan and Dato' Kwan, respectively, at the nominal consideration of RM1 and RM1, respectively. After the said transfers, ILNT Holding (MY) became a wholly-owned subsidiary of ILNT 2926.

(10) On 17 June 2019, IBL 2926 acquired one share of Infinity Flexitank Holding (MY) from each of Dato' Chan and Mr. Teo, respectively, at the nominal consideration of RM1 and RM1, respectively. After the said transfers, Infinity Flexitank Holding (MY) became a wholly-owned subsidiary of IBL 2926.

(11) On 19 June 2019, ILNT Holding (MY) acquired 2,470,001 shares of Infinity L&T (MY) from Dato' Chan and 2,470,000 shares of Infinity L&T (MY) from Dato' Kwan at the consideration of RM2,470,001 and RM2,470,000, respectively. After the said transfers, Infinity L&T (MY) became a wholly-owned subsidiary of ILNT Holding (MY).

(12) On 13 June 2019, ILNT Holding (MY) acquired one share of Infinity L&T (Labuan) from Dato' Chan and one share of Infinity L&T (Labuan) from Dato' Kwan at the consideration of US$1 and US$1, respectively. After the said transfers, Infinity L&T (Labuan) became a wholly-owned subsidiary of ILNT Holding (MY).

(13) On 19 June 2019, ILNT Holding (MY) acquired 240,000 shares of KNS Infinity (MY) from Dato' Chan and 60,000 shares of KNS Infinity (MY) from Dato' Kwan at the consideration of RM240,000 and RM60,000, respectively. After the said transfers, KNS Infinity (MY) became a wholly-owned subsidiary of ILNT Holding (MY).

(14) On 19 June 2019, ILNT Holding (MY) acquired 225,000 shares of Supply Stream Management (MY) from Dato' Chan and 75,000 shares of Supply Stream Management (MY) from Dato' Kwan at the consideration of RM225,000 and RM75,000, respectively. After the said transfers, Supply Stream Management (MY) became a wholly-owned subsidiary of ILNT Holding (MY).

(15) On 21 June 2019, ILNT Holding (MY) acquired one share of Infinity L&T (SG) from Dato' Chan and one share of Infinity L&T (SG) from Dato' Kwan at the consideration of SGD1 and SGD1, respectively. After the said transfers, Infinity L&T (SG) became a wholly-owned subsidiary of ILNT Holding (MY).

(16) On 19 June 2019, Infinity Flexitank Holding (MY) acquired 80,000 shares of Optimus Flexitank (MY) from Dato' Chan and 20,000 shares of Optimus Flexitank (MY) from Mr. Teo at the consideration of RM80,000 and RM20,000, respectively. After the said transfers, Optimus Flexitank (MY) became a wholly-owned subsidiary of Infinity Flexitank Holding (MY).

(17) On 13 June 2019, Infinity Flexitank Holding (MY) acquired 8,000 shares of Infinity Bulk Logistics (Labuan) from Dato' Chan and 2,000 shares of Infinity Bulk Logistics (Labuan) from Mr. Teo at the consideration of US$8,000 and US$2,000, respectively. After the said transfers, Infinity Bulk Logistics (Labuan) became a wholly-owned subsidiary of Infinity Flexitank Holding (MY).

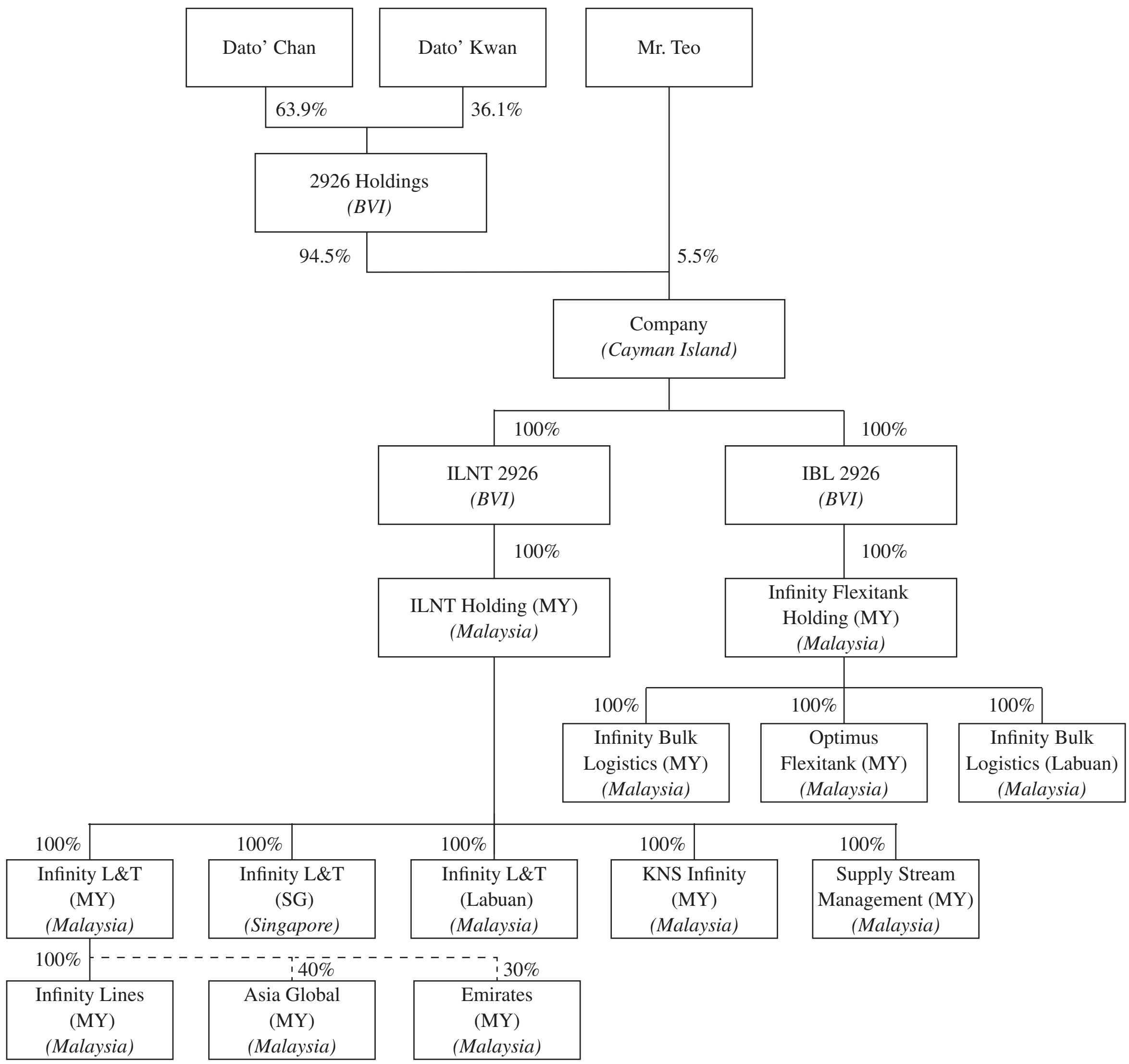
(18) On 8 August 2019, Infinity Flexitank Holding (MY) acquired 800,000 shares of Infinity Bulk Logistics (MY) from Dato' Chan and 200,000 shares of Infinity Bulk Logistics (MY) from Mr. Teo at the consideration of RM800,000 and RM200,000, respectively. After the said transfers, Infinity Bulk Logistics (MY) became a wholly-owned subsidiary of Infinity Flexitank Holding (MY).

(19) On 12 December 2019, 2926 Holdings acquired one share of our Company from Dato' Chan at the nominal consideration of HK$0.01. After the said transfer, our Company became wholly-owned by 2926 Holdings.

(20) On 13 December 2019, pursuant to the Reorganisation Agreement, our Company acquired all the issued shares of ILNT 2926 and IBL 2926 from 2926 Holdings and Mr. Teo and in consideration thereof, our Company allotted and issued 1,889 shares credited as fully paid to 2926 Holdings and 110 shares credited as fully paid to Mr. Teo. After the said transfer, each of ILNT 2926 and IBL 2926 became a wholly-owned subsidiary of our Company.

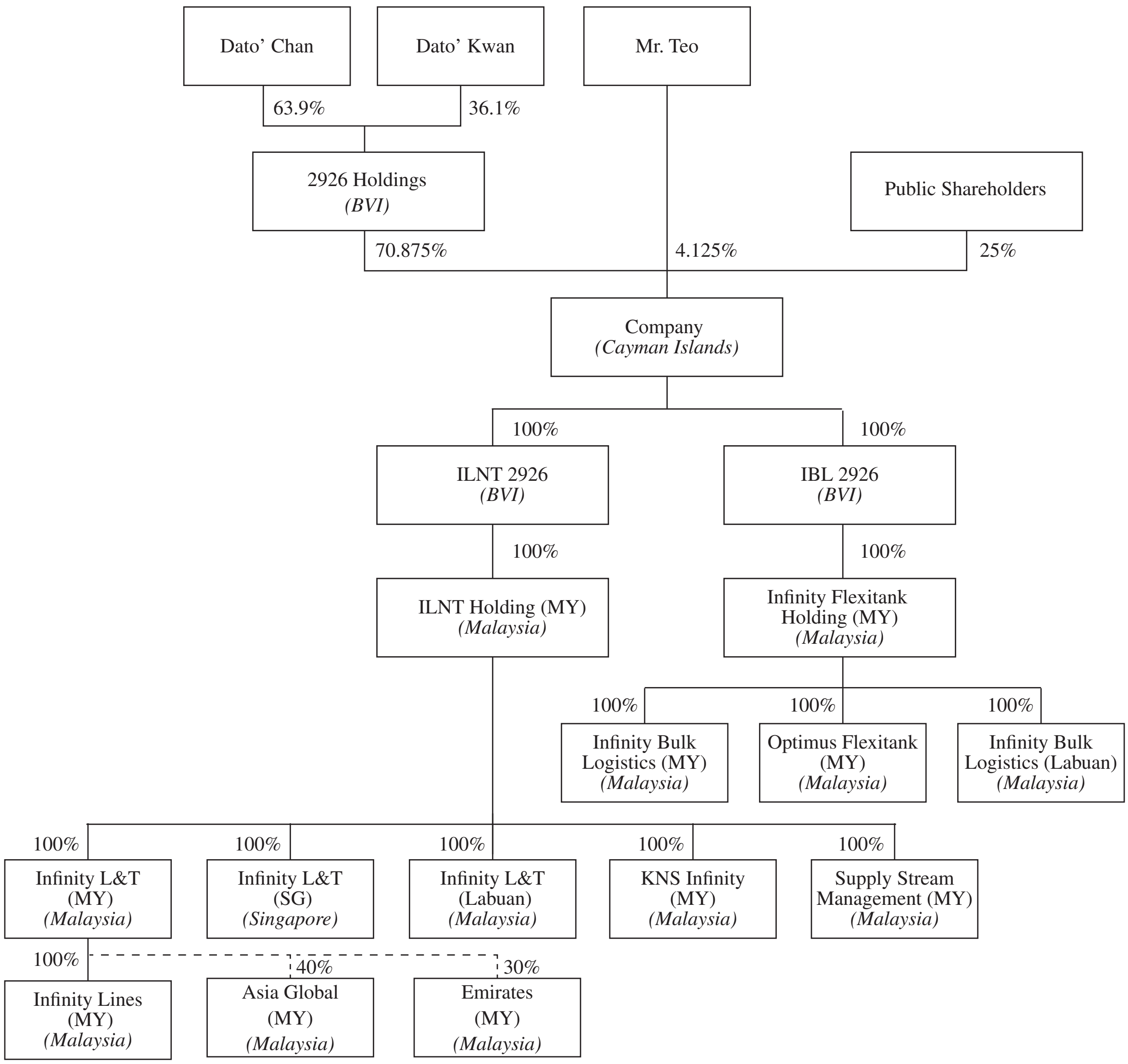
All of the share transfers mentioned above in this section have been properly and legally completed and settled.

Upon completion of the Reorganisation set out above, our Company became the holding company of our Group. The following chart sets out the shareholding and corporate structure of our Group immediately after the Reorganisation but prior to completion of the Capitalisation Issue and the Share Offer:



Conditional on the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the Share Offer, certain amounts standing to the credit of the share premium account of our Company will be capitalised and applied in paying up in full at par such number of Shares for allotment issue to 2926 Holdings and Mr. Teo prior to the commencement of the trading and dealing of the Shares on the Stock Exchange, so that the number of Shares so allotted and issued, when aggregated with the number of Shares already owned by 2926 Holdings and Mr. Teo, will constitute not more than 75% of the total issued share capital of our Company.

The following chart sets forth the shareholding structure of our Group immediately following the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be issued upon the exercise of any options that may be granted under the Share Option Scheme):



OVERVIEW

We are a logistics service provider based in Malaysia with a strong presence in Southeast Asia and business coverage over 15 countries. We have an established track record of over 16 years in the logistics industry in Malaysia and our offices are strategically located in Klang, Penang, Johor Bahru and Padang Besar, where the major gateways in Malaysia are located, to capture the growing demand in logistics services in Malaysia. We pride ourselves as a solution provider in the logistic value chain to customers in a wide range of industries, including but not limited to, manufacturer, palm oil processors, freight forwarders and trader of construction and building materials, mainly located in Malaysia, Indonesia, Singapore, Thailand and Vietnam with a special focus on: (i) flexitank solution and related services – provision of customised flexitanks and related services for the transportation of bulk non-hazardous liquid; (ii) integrated freight forwarding services – provision of NVOCC and freight forwarding services; (iii) railroad transportation services – provision of goods transportation by trains between different rail stations within Malaysia and between Malaysia and Thailand; and (iv) logistics centre and related services – provision of Warehouse and Ancillary Services and container depot services.

According to the F&S Report, the logistics industry, which refers to the transportation and storage section in Malaysia, is highly fragmented. The gross output of the logistics industry is estimated of approximately RM130.6 billion in 2018, of which our Group accounted for approximately 0.2%. Nevertheless, we are the top fifth player in the flexitank solution and related services market in the world with a market share of 7.1% in terms of flexitank produced by COA certified producers in 2018. For our railroad transportation services, we are the largest landbridge services provider between Malaysia and Thailand with a market share of 61.0% in terms of revenue in 2018. In addition, we are the fourth largest player as a NVOCC in the busiest port in Malaysia, namely the Port Klang, in terms of container throughput and we are one of the largest 20' high cube containers operator in the Southeast Asia. We plan to leverage our market leading position to capture the growing logistics business opportunity in Malaysia arising from, among other things, the Belt and Road Initiative and other PRC related investments initiated or to be initiated by the state-owed enterprises in the PRC.

Set out below is the summary of the scope of services for each of our business segment.

(i) **Flexitank solution and related services.** We provide customised flexitank solution and related services, such as advisory, installation and emergency response services, to customers for bulk non-hazardous liquid transportation. Our flexitanks are fabricated from food grade polyethylene film that is tested and complied with FDA and EU issued standard. Our flexitanks provide a more cost-effective transportation solution compared to the traditional tankers and ISO tanks. They are mainly used for transporting bulk non-hazardous liquids including oils, juices, latex, wines, and other food grade liquids. The flexitanks we use in our flexitank solution and related services are either produced in our own production plant in Malaysia or by our overseas OEM manufacturers. We are an associate member of the Container Owners Association in Malaysia and one of the 17 flexitank services providers accredited with the Flexitank Certificate of Compliance across the world. Our flexitanks are also Kosher and Halal certified.

(ii) **Integrated freight forwarding services.** Our services provided are two folds (i) NVOCC services – we, as carrier, provide full container load shipment and cargo space mainly to our freight forwarder customers; and (ii) freight forwarding services – we handle import and export shipments, provide cargo space and customs clearance services in Malaysia mainly to the end customers ie: manufacturers and traders.

(iii) **Railroad transportation services.** We provide goods transportation services by trains between different rail stations within Malaysia (Landfeeder) and transportation between Malaysia and Thailand (Landbridge). We source wagon spaces from the only railroad cargo freight operator in Malaysia, namely KTMB. Our railroad transportation services cover major train stations in Malaysia, such as Klang and Penang, while the coverage of Thailand stations include Bangkok and Hadyai.

(iv) **Logistics centre and related services.** We provide Warehouse and Ancillary Services including repackaging and labelling, palletising, local transportation services. We also provide container depot services such as storage of empty containers, washing and repair and maintenance of freight containers.

The following table sets forth a breakdown of our Group's revenue and gross profit by business segment during the Track Record Period:

	FY2016			**FY2017**			**FY2018**			**For the six months ended 30 June 2018**			**For the six months ended 30 June 2019**		
	Revenue		**Gross profit**	**Revenue**		**Gross profit**	**Revenue**		**Gross profit**	**Revenue**		**Gross profit**	**Revenue**		**Gross profit**
	RM'000	*%*	*RM'000*	*RM'000*	*%*	*RM'000*	*RM'000*	*%*	*RM'000*	*RM'000* (Unaudited)	*%*	*RM'000* (Unaudited)	*RM'000*	*%*	*RM'000*
Flexitank solution and related services	47,670	25.2	14,565	51,686	27.4	13,665	63,498	31.6	22,544	30,362	31.4	9,053	31,261	31.7	9,752
Integrated freight forwarding services	52,910	28.0	5,814	62,979	33.4	7,677	68,288	33.9	13,025	33,359	34.5	5,627	34,617	35.1	7,397
Railroad transportation services	12,957	6.8	5,822	14,688	7.8	4,157	15,599	7.8	4,736	7,012	7.2	1,913	9,295	9.4	3,101
Logistics centre and related services	75,716	40.0	4,829	59,260	31.4	3,195	53,798	26.7	3,970	26,052	26.9	1,572	23,541	23.8	3,378
Total	189,253	100.0	31,030	188,613	100.0	28,694	201,183	100.0	44,275	96,785	100.0	18,165	98,714	100.0	23,628

We have built a diverse customer portfolio. Our customers base comprises end customers, freight forwarder customers and overseas agents. During the Track Record Period, (i) we had maintained business relationship with over 1,600 customers; (ii) our five largest customers accounted for approximately 28.3%, 21.9%, 16.7% and 18.7% of our total revenue, respectively; (iii) our largest customer accounted for approximately 11.3%, 6.1%, 6.1% and 6.3% of our total revenue, respectively. Also, we have maintained an extensive network of overseas agents worldwide in Thailand, Indonesia, Singapore, Vietnam, Cambodia, Philippines, South Korea, Hong Kong, Bangladesh, Australia, Germany, Spain, Mexico, Chile and South Africa, to provide operational support for our flexitank solution and related services and NVOCC services in their operating countries. As at the Latest Practicable Date, we had 23 overseas agents, among which three agents in Thailand, four agents in Indonesia and one agent in Vietnam are using our brand name "Infinity".

Our suppliers mainly included port operators, railway operator, flexitank OEM manufacturers, freight forwarder, subcontractors and overseas agents. During the Track Record Period, (i) we had maintained business relationship with over 1,300 suppliers; (ii) our five largest suppliers accounted for approximately 25.1%, 28.2%, 28.7% and 29.6% of our total purchases, respectively; and (iii) our largest supplier accounted for approximately 8.5%, 9.3%, 9.6% and 8.7% of our total purchases, respectively.

COMPETITIVE STRENGTHS

Our competitive strengths are key factors contributing to our success to date. Our Directors believe that the following competitive strengths will (i) continue to enhance our presence and increase our market share in the logistics industry; and (ii) distinguish us from our competitors:

(a) Our established track record of over 16 years in serving the logistics industry allows us to understand and adapt to our customers' needs

We believe our established reputation and track record are important factors affecting customers' choice in logistics partners. We have a track record of over 16 years which we have created an extensive network of over 1,600 customers along the value chain of logistic service. Our customers include manufacturer, palm oil processors, trader of construction and building materials and freight forwarders. The wide range of our customer base helps us to diversify our risks on periodic fluctuation in various industries.

We have established strong and stable business relationship with port operators in Port Klang and Penang Port, and the only railway cargo carrier in Malaysia for approximately 16 years as to the Latest Practicable Date. We believe the long established relationship enables us to maintain our stability to provide the relevant services. Leveraging our strong relationship with port operators and railway freight carrier, we are the fourth largest NVOCC in Port Klang in terms of container throughput and the largest player of railroad landbridge service provider in terms of revenue, according to the F&S Report.

As a result of our effort in providing high standard logistics services to our customers, our Group had won various awards over the past years. This allows us to earn the reputation in the logistics industry as a reliable partner, and recognitions in the logistics industry. Our ability to satisfy our customers' requirements gives us the competitive edge to attract business opportunities. For the list of recognitions and awards, please refer to the paragraph headed "Recognitions and awards" in this section.

(b) We are the fifth largest flexitank solution and related services provider in the world, in terms of flexitank produced by COA certified producers in 2018

We specialised in the provision of customised flexitank solution for the transportation of bulk non-hazardous liquid. According to the F&S Report, we are the fifth largest player in the world with a market share of around 7.1% in terms of flexitank produced by COA certified producers in 2018. Leveraging on our extensive experience accumulated over the years and in-depth understanding of the flexitank solution and related market, we are the market leader in the market.

To ensure a stable and reliable supply of our flexitanks, we operated our own production facilities in Malaysia, comprising our own equipment, machinery and warehouse that support our entire chain of operations such as flexitank production, testing and storage. To ensure the quality and food safety of our flexitanks, we have quality control measures in place, the details of which are set out in the paragraph headed "Operation workflow" in this section. Further, we are one of the 17 flexitank services providers accredited with the Flexitank Certificate of Compliance by the Container Owner Association across the world as of June 2019 and our flexitank manufacturing facilities and operations activities are certified to HACCP, FSSC 22000 Food Safety Management system and ISO 9001:2015 Quality Management System; and our flexitanks are Kosher and Halal certified.

Our Directors believe our own flexitank production facilities will enable us to configure our own production processes and equipment, hire and train the suitable workers, coupled with close and direct supervision to ensure the highest level of quality control of our products and at the same allow us the flexibility to customize our products to meet the requirements and operational needs of our customers enhancing customer satisfaction. Having our own production facilities also let us control our cost better and will eventually translate into more competitive product pricing to retain existing and attract new customers.

(c) We are one of the largest 20' high cube containers operator in the Southeast Asia

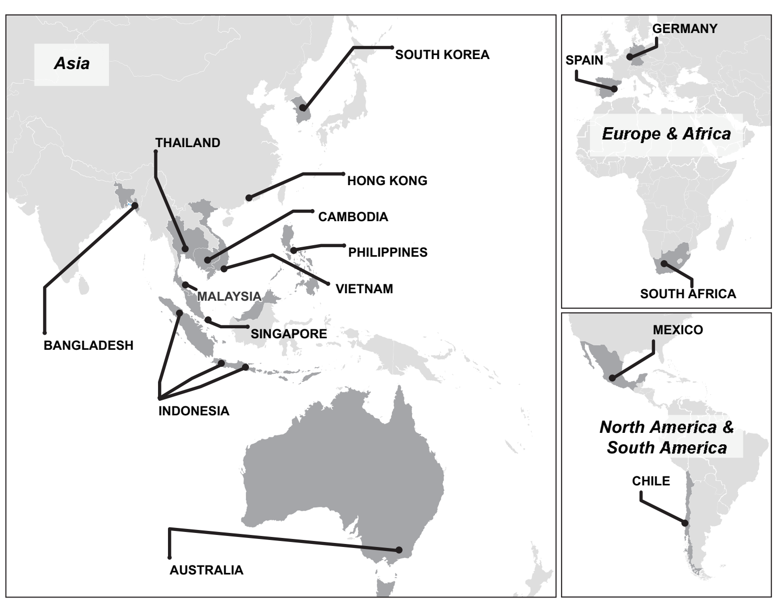
NVOCC service providers were generally required to provide containers to their customers for the shipment. As at the Latest Practicable Date, we operated a total of 1,830 containers comprised general purpose containers, open top containers and high cube containers. High cube containers are best for shipping low density but bulky and oversized cargo such as chipboards, gypsum boards and sheet glass and offer better protection to sheet glass as compared to the method of using open-top container with canvas, thus lower the risk of breakage. According to the F&S Report, we are one of the largest 20' high cube containers operator in the Southeast Asia. These high cube containers offer better payload providing extra space compared to using a traditional general purpose container and enable shippers to maximize their shipping cost per cubic meter and increase convenience to the customers. During the Track Record Period, our suppliers did not charge any extra fee for handling and transporting our high cube containers compared to the general purpose containers.

By providing different types of containers, including the high cube containers, to our customers, our Directors believe that we would be able to provide a more cost-effective logistic solution than other logistic service providers, who may only provide general purpose containers in their NVOCC services, in handling particular types of customers with big and bulky cargoes goods, such as chipboards, gypsum boards and sheet glass. Our Directors believe that this make us more competitive in terms of pricing and therefore become more competitive in the NVOCC market.

(d) We have an extensive coverage for logistic supporting network

Our offices are strategically located in Klang, Penang, Johor Bahru and Padang Besar, where the major gateways are located in Malaysia. We have maintained an extensive network of overseas agents worldwide in Thailand, Indonesia, Singapore, Vietnam, Cambodia, Philippines, South Korea, Hong Kong, Bangladesh, Australia, Germany, Spain, Mexico, Chile and South Africa, to provide flexitank services and NVOCC services in their operating countries. For our flexitank solution and related services, our overseas agents assist us in maintaining a close communication with the local customers and providing operational support. For our NVOCC services, overseas agents assist us in providing forwarding services in overseas such as preparation of freight documentation, arranging of customs clearance and cargo handling at overseas ports and maintaining a close communication with the local customers and providing local logistics services. As at the Latest Practicable Date, we had 23 overseas agents, among which three agents in Thailand, four agents in Indonesia and one agent in Vietnam are using "Infinity" brand name. For details of our agency arrangement, please refer to paragraph headed "Overseas agents" in this section.

By engaging the services of our agents, we are able to maintain close contact with our existing and prospective customers and provide timely support and assistance to them, thereby allowing us to better cater to their needs and enhance their satisfaction. The following map illustrates the geographical coverage of our agents as at the Latest Practicable Date:



● our agent's location

Our Directors believe that by setting up front offices in the major gateways in Malaysia and maintaining our extensive network of agents in Asia, we are able to promote our brand, provide better logistics supporting services and diversify our customers base through market exploration sales prospecting activities. In particular, we are able to expand our presence among different countries in the Southeast Asia by maintaining the agency arrangement with the eight overseas agents using the "Infinity" name.

(e) We have an experienced and professional management team

Our founders and two of our executive Directors, namely Dato' Chan and Dato' Kwan, have extensive experience and technical knowledge in the logistics industry in Malaysia. Furthermore, we have a dedicated team of senior management who possess the relevant expertise and experience on logistics and flexitank solution and related services, which, in the opinion of our Directors, is crucial for us to ensure high quality services can be provided in a timely basis.

Our Directors believe that our extensive experience and reputation in the logistics industry, together with our dedicated team of senior management, enable us to remain competitive when securing future contracts. In particular, our executive Director, Dato' Chan is one of the co-founders of our Group and has over 23 years of experience in the logistics industry up to the Latest Practicable Date and has been a Chartered Member of the Chartered Institute of Logistics and Transport, and have been appointed as a member of the Board of Directors of Johor Port Commission and Penang Port Commission by the Ministry of Transport. While, our executive Director, Dato' Kwan has over 18 years of experience in the logistics industry up to the Latest Practicable Date. Their experience and reputation will continue to play a key role in the future growth of our Group.

Our Directors believe that attributed to the experience and technical knowledge of our executive Directors and our senior management, we are able to remain competitive and well positioned in competing for and securing market opportunities in the future. Our Directors are confident that with the in-depth industry knowledge of our senior management, our Group will remain competitive and reputable in the industry.

BUSINESS STRATEGIES

We plan to leverage our market leading position to capture the growing logistics business opportunity in Malaysia arising from, among other things, the Belt and Road Initiative and other PRC related investments initiated or to be initiated by the state-owed enterprises in the PRC. Our business objectives are to achieve sustainable growth, further strengthen our position in the logistics industry in Malaysia, and create long-term value for our Shareholders by executing the following key strategies:

To capture the growing logistics centre and related services business opportunity in Malaysia

Our Directors are of the view that, the demand for the logistics centre and related services in Malaysia is increasing due to the relocation trend of manufacturing exporters from the PRC towards Southeast Asia. The trend was primarily due to the continual increase in operating cost in the PRC, and intensified by the trade war between the U.S. and the PRC. The relocation trend will stimulate the growth of the overall logistics industry and logistics centre and related services market of Malaysia, in particular commodity warehouses, regional distribution centres and international procurement centres, as Malaysia is positioned to be a regional key logistic hub in Southeast Asia.

To cope with the increasing demand of the logistics industry, the Malaysia government is committed to expand the capacity in Port Klang, Pahang and Melaka. Accordingly, the Malaysia Government proposed to build a third terminal in Port Klang which is estimated to increase Port Klang throughput capacity by an additional 30 million containers each year.

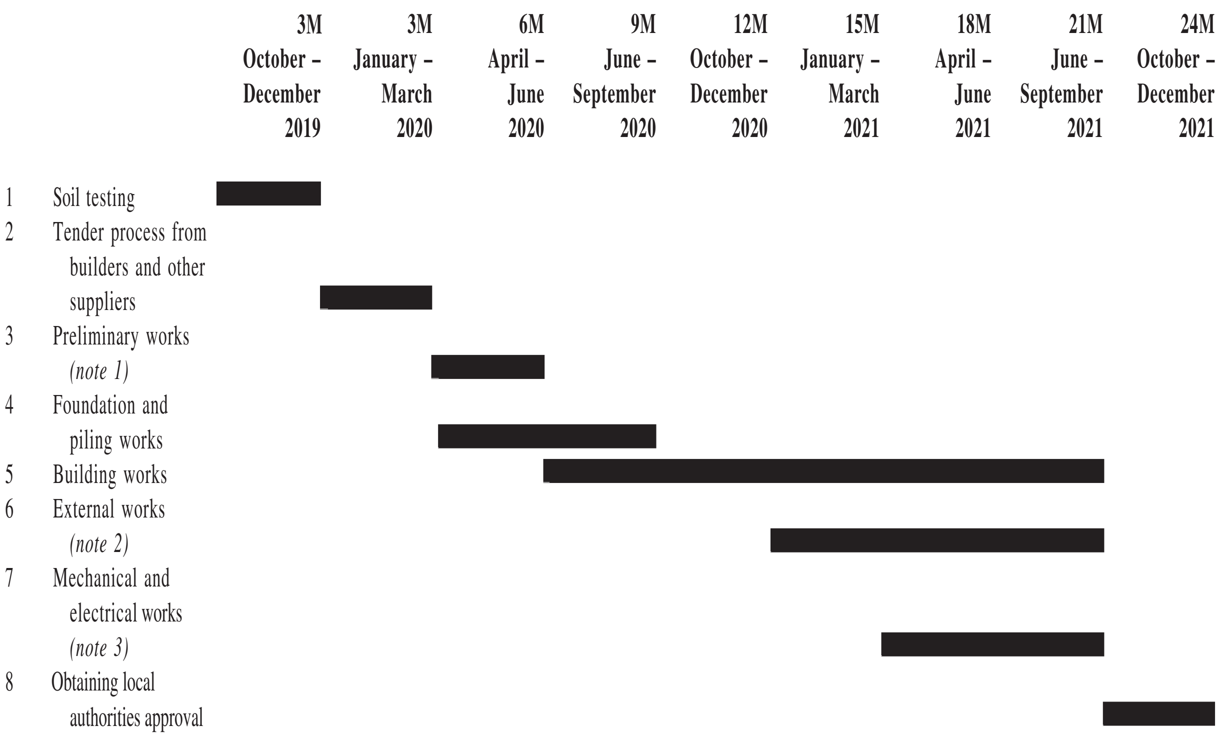
In order to capture the growing demand in Malaysia, we intend to increase our capacity in providing logistics centre and related services by (i) building the Proposed Westports FZ Warehouses in Port Klang, Malaysia; (ii) replacing our aged forklifts and acquiring additional forklifts to enhance the reliability and functionality of our fleet of forklifts; and (iii) expanding our own fleet of haulage vehicles, and (iv) increase our capacity in NVOCC services to capture the growing demand in Malaysia and Southeast Asia by acquiring additional containers.

(i) building the Proposed Westports FZ Warehouses in Port Klang, Malaysia

According to the F&S Report, Port Klang, which consists of three free zone terminals, namely Westports, North Port and South Port, is the busiest port in Malaysia in terms of TEUs volume and ranked 12th in terms of total cargo throughput in 2018 in the world. Westports is a megahub for both local and transshipment containers. It contributed over 77% of Port Klang total container handling volume in 2018. In anticipation of the growing business opportunity driven by the steady economic growth in Southeast Asia, due to, among others, the BRI and the relocation trend of manufacturing exporters from the PRC towards Southeast Asia, the demand of logistic and warehousing services in Malaysia, in particular Westports, is expected to increase.

In Westports, as at July 2019, the total existing warehouse area was fully occupied. Westports also has an additional 100 acre of unutilised land which is available for leasing by warehouse operators and it is expected that the said land to be fully occupied by the end of 2020. The increasing demand for warehousing and other storage facilities for commodities and logistics activities has been a catalyst for the high occupancy rate in Westports. As a result of the increasing demand in warehousing and other storage facilities for commodities in Malaysia and the limited amount of free zone spaces currently available, there will be a shortage of land in the free zones in Malaysia, in particular, the free zones in Port Klang and Westports. For further details regarding the reasons for developing the Proposed Westports FZ Warehouses, please refer to the paragraph headed "Future Plans and Use of Proceeds – Reasons for Developing the Proposed Westports FZ Warehouses" in this prospectus.

Due to the leading position of Port Klang in Malaysia, which is also the principal port where we operate our business, and our long-established relationship with Westports of more than 16 years, our Directors believe that by setting up the Proposed Westports FZ Warehouses in Port Klang, it would enable our Group to capture the above-mentioned business opportunities and to execute our expansion plan. To this end, our current plan in the Westports including (i) to lease the Proposed Westports FZ New Site, by using our own financial resources; and (ii) to set up Proposed Westports FZ Warehouses, finance partly by the proceeds from the Share Offer and partly by our own financial resources. Under our current plan, majority of the floor area will be served as long term warehouse services and the target customers will be metal commodity traders because (i) metal commodity traders normally do not need to remove the commodity from the warehouse, by storing the commodity in a warehouse within the free zone, they are able to be more flexible in terms of the timing for paying the customs; and (ii) we are experienced in providing long term warehouse services to metal trader as we have the relevant experience, knowledge and skillset and we are familiar with their requirements. Nevertheless, we are also plan to reserve a portion of the Proposed Westports FZ New Site for short term warehouse services in respect of (i) indoor and outdoor cargo storage for the provision of short term warehouse services and other ancillary services, which will be served as a container freight station; (ii) driveway for vehicle operation; and (iii) ancillary offices of the warehouses. Our Directors expected that the construction of the Proposed Westports FZ Warehouses will be commenced around three months after Listing and will be completed around 21 months and commence operation around January 2022. The table below sets out the construction timeline of the Proposed Westports FZ Warehouses:



Notes:

1. Preliminary works include pegging the construction boundaries, deploying construction equipment and machineries to the construction site, setting up of site office, construction materials storage and worker quarters, setting up the project signboard and other preliminary earth work such as removing the glasses/plants from the construction land.

2. External works include setting up the road works, ground slab, drainage and sewerage system, entrance slab and pavement.

3. Mechanical and electrical works include setting up the electrical switchroom and power supply, electrical cabling and distribution boards, electrical fittings, telecoms Cabling, fire-fighting system and the water and plumbing works.

As at the Latest Practicable Date, our Company received various enquiries from potential/existing customers who expressed their interest in our Warehouse and Ancillary Services, for a total gross floor area of 730,000 sq.ft., from our long term warehouse services in Westports. As advised by our executive Directors, all of the said potential/existing customers were acknowledged that the Proposed Westports FZ Warehouses are expected to be completed by 2022. Even though the enquiries are not binding offer, our Directors consider that as an indication of the adequate demand for our long term warehouse services in Westports. As mentioned, the existing warehouse area in Westports has been fully occupied as at July 2019.

Due to the shortage of the warehouse storage space in Westports, our Directors are of the view that our Group will not face significant difficulties in capturing the market demand for the additional warehouse capacity. Based on the latest information we received on hand in respect of enquiries from our potential customers and our management's estimation, the expected utilisation rate for the provision of long term warehouse services in the Proposed Westports FZ Warehouses to be around 60% at the commencement of operations and 100% at six months after the commencement of operations while the expected utilisation rate for the provision of short term warehouse services in the Proposed Westports FZ Warehouses will maintain at around 45% upon the commencement of operations.

The expected breakeven point and investment payback period of the development in the Proposed Westports FZ New Site

Expected breakeven point

We consider that the development of the Proposed Westports FZ New Site achieves its breakeven point when its monthly revenue is at least equal to the monthly expenses. The Proposed Westports FZ New Site will achieve a breakeven in approximately the first month after its operation commenced. The calculation of the estimated breakeven point of the development of the Proposed Westports FZ New Site is as follows:

Upon commencement of operation in January 2022	*RM*
Expected monthly income *(Note 1)*	890,774
Expected monthly operating expenses *(Note 2)*	794,608
Expected net income	96,166

Notes:

1. The expected monthly income includes revenue generated from the short term warehouse services, long term warehouse services and ancillary services based on the estimated utilisation rate.

2. The expected operating cost includes monthly rental fee, staff costs, fuel costs, repair and maintenance and depreciation. The monthly rental fee is based on the lease agreement entered on 10 December 2019 with Westports Malaysia while the staff costs are estimated base on hiring an additional of 28 forklift drivers, 24 staff for cargo handling, four administrative staff and one manager of the warehouse.

3. The estimated breakeven point sets out in the table above may vary and is dependent on multiple factors including, among others, (i) the market conditions; (ii) the outcome of negotiation between the potential customers and our Group; (iii) the operating expenses; (iv) the timely completion of the construction of the Proposed Westports FZ Warehouses; and (v) the formal lease agreement to be signed with Westports Malaysia.

Expected investment payback period

We consider that the Proposed Westports FZ New site achieves its investment payback when the operating cash flow generated since the commencement of business of the development of the Proposed Westports FZ New Site covers its costs of opening and operations, such as capital expenditures and ongoing cash operating expenses. It is expected that the development of the Proposed Westports FZ New Site will achieve its payback point in 2027. The income of the development of the Proposed Westports FZ New Site is estimated based on the current market price; while its estimated utilisation rate is found on our historical utilisation rate for the provision of long term warehouse services.

The calculation of the estimated investment payback period of the development of the Proposed Westports FZ New Site is as follows:

	2020 *(RM'000)*	2021 *(RM'000)*	2022 *(RM'000)*	2023 *(RM'000)*	2024 *(RM'000)*	2025 *(RM'000)*	2026 *(RM'000)*	2027 *(RM'000)*
Inflow *(note 1)*								
Short term warehouse services and ancillary services *(note 2)*	–	–	7,749	12,054	15,498	15,498	17,823	17,823
Long term warehouse services and ancillary services *(note 3)*	–	–	2,940	5,881	5,881	6,763	6,763	6,763
Outflow								
The expected construction cost of the Proposed Westports FZ Warehouse	(34,138)	(22,759)	–	–	–	–	–	–
The expected investment in equipment	–	(3,172)	–	–	–	–	–	–
The expected operating cost *(note 4)*	(2,412)	(2,412)	(7,004)	(8,129)	(9,073)	(9,768)	(10,118)	(10,485)
The estimated cash inflow/(outflow) of the year	(36,550)	(28,343)	3,685	9,806	12,306	12,493	14,468	14,101
The accumulated cash inflow/outflow *(notes 5, 6 and 7)*	(36,550)	(64,893)	(61,208)	(51,402)	(39,096)	(26,603)	(12,135)	1,966

Notes:

1. The short term warehouse services mainly involve handling and providing ancillary services, such as repackaging and labelling, palletising and local transportation services, to transhipment cargos in our warehouses. We charge our customers by volume of cargo handle and the type of services they require. These transhipment cargos only stay in our warehouses for a short period of time before the next batch of transhipment cargos move into our warehouses. On the other hand, we charge our customers monthly by floor area leased in our long term warehouse services. As such, we are able to achieve a higher turnover rate in terms of cargo handling in our short term warehouse services, hence, it is expected that the revenue for short term warehouse services is higher than long term warehouse services despite less warehouse area will be used.

2. The short term warehouse services will be charged based on container handled, which is estimated based on the market price per container and the guaranteed throughput stated in the lease agreement entered into between our Group and Westports Malaysia on 10 December 2019.

3. The long term warehouse services will be charged based on tenancy agreement, which is estimated based on the rental rate per sq. ft. and warehouse floor area allocated to our long term warehouse services.

4. The expected operating cost includes monthly rental fee, staff costs, fuel costs, repair and maintenance costs and depreciation.

5. The accumulated cash inflow/outflow is calculated by adding the estimated cash inflow/outflow of the respective year to the accumulated cash inflow/outflow of the previous year. The first positive number indicates the investment payback point.

6. The estimated payback point sets out in the table above may vary and is dependent on multiple factors including, among others, (i) the market conditions; (ii) the outcome of negotiation between the potential customers and our Group; (iii) the operating expenses; (iv) the timely completion of the construction of the new warehouse.

7. The total capital expenditure required for setting up the Proposed Westports FZ Warehouse will be approximately RM60.1 million which comprise the expected construction cost and the expected investment in equipment. We intend to use approximately RM46.0 million of the net proceeds from the Share Offer for setting up the Proposed Westports FZ Warehouse. The remaining portion of the total capital expenditure required will be funded by our Group's internal resources.

Our executive Directors are of the view that it is necessary for our Group to lease a land to set up the new warehouse, instead of retaining the PKFZ II Warehouse or use our vacant property to set up the new warehouse, since (i) we have a separate plan to develop the Lot No. 26 Property and the development timeline will be based on the progress of the surrounding logistics related development by various multinational corporations; and (ii) we entered into an agreement to provide long term warehouses services in the entire PKFZ II Warehouse with our customer commencing in November 2019 for two years with an option to renew for further terms of one year.

The following table sets forth a summary of the PKFZ II Warehouse, our vacant property and the proposed site for the new warehouse:

Property	Description of the property	Approximate gross floor area in sq.ft.	Intended usage
PKFZ II Warehouse	The PKFZ II Warehouse is located at the Port Klang Free Zone in Port Klang.	212,000	We entered into an agreement to provide long term warehouses services in the entire PKFZ II Warehouse with our customer in August 2019 for two years with an option to renew for further terms of one year and the warehouse commenced operation in November 2019.
Lot No.26, Phase 3A on Part of P.N. 7935 Lot No. 74078, Mukim and District of Klang, Selangor, Malaysia (the "**Lot No.26 Land**")	Lot No.26 Land is located in Pulau Indah, Malaysia and it is located within five kilometre from our Freight Village Warehouse and Freight Village Bonded Warehouse. As at the Latest Practicable Date, no building had been built on the land.	908,000	We intend to build a warehouse and ancillary office to support our Freight Village Warehouse due to (i) the proximity between the Lot No.26 Land and our Freight Village Warehouse; and (ii) the future development plan for the surrounding development of the Lot No.26 Land. According to the F&S Report, it is expected IKEA, a furniture retailer found in Sweden, will establish its third-largest furniture distribution centre in the world to serve its 12 stores in ASEAN. The development has a total gross development value of close to RM900 million and it is expected to be completed by September 2020. It is also expected that establishment of such distribution centre in the surrounding area of the Lot No.26 Land will attract many foreign investors, namely from China, South Korea and Japan, to set up their business in the area.

Property	Description of the property	Approximate gross floor area in sq.ft.	Intended usage
			As such, we intend to establish new warehouses in Lot No.26 Land to capture the business opportunities arising from the abovementioned developments. Our Directors are of the view that developing Lot No.26 Land after those distribution centres are established would maximise our profitability and shorten our breakeven periods. The timeline of developing Lot No.26 Land depends on the progress of the surrounding development.
The Proposed Westports FZ New Site	The Proposed Westports FZ New Site is located at the free zone area in the Westports.	800,000	It is expected that the construction of the Proposed Westport FZ Warehouses will be completed by 24 months after the Listing and expected to commence operation in January 2022. The Proposed Westports FZ Warehouse will mainly be used for the provision of long term warehouse services and the target customers are metal commodity traders. The remaining portion of the Proposed Site will mainly be used for (i) indoor and outdoor cargo storage to provide short term warehouse services and other ancillary services; (ii) driveway for vehicle operation; and (iii) ancillary offices of the warehouses.

According to our executive Directors, our Group noted that Westports Malaysia intends to lease a parcel of land in Westports and we subsequently expressed our interest for leasing in March 2019. In September 2019, we received an offer letter from Westports Malaysia for leasing the Proposed Westports FZ New Site (the "**Offer Letter**") on which the new warehouse will be situated. The Offer Letter specified the preliminary terms and conditions of the proposed tenancy agreement, including but not limited to, the size of the land, duration of the lease, monthly rent and the amount of guarantee throughput. According to the Offer Letter, the land will be leased to our Group until 31 August 2054. In November 2019, we received the draft lease agreement from Westports Malaysia in respect of the Proposed Westports FZ New Site, which was prepared based on the preliminary terms and conditions set out in the Offer Letter. On 10 December 2019, our Group and Westports Malaysia had executed the lease agreement of the Proposed Westports FZ New Site for a term commencing from 1 January 2020 to 31 August 2054. The lease agreement was prepared based on the preliminary terms and conditions set out in the Offer Letter and the draft lease agreement which we received in September 2019 and November 2019, respectively.

The total capital expenditure required for setting up the Proposed Westports FZ Warehouse will be approximately RM60.1 million which comprise the expected construction cost and the expected investment in equipment. In this connection, we intend to utilise RM46.0 million, representing 73.3% of the net proceeds from the Share Offer, together with our own financial resources, for setting up the Proposed Westports FZ Warehouses in Port Klang, Malaysia.

(ii) replacing our aged forklifts and acquiring additional forklifts to enhance the reliability and functionality of our fleet of forklifts

We need forklifts to transport customers' goods, containers and handling goods in our warehouses and container depots. As at the Latest Practicable Date, we owned a total of 30 forklifts of different loading capacity to facilitate our business operation. For further particulars of our forklifts, please refer to the paragraph headed "Machinery and equipment" in this section. Our forklifts have a useful lives of five year and 13 of these forklifts were fully depreciated as at the Latest Practicable Date. Based on our management's knowledge and experience in the industry, they believe that it will be more cost-effective to replace these forklifts, instead of incurring repair and maintenance costs to maintain their normal operating condition. As such, our Directors consider that it is imperative for us to upgrade our fleet of forklifts and strengthen our execution efficiency by replacing aged forklifts with upgrade model. Furthermore, in consideration of the expansion of our business, our Directors believe that additional forklifts with heavier loading capacity are needed to cope with the growing demand of our provision of Logistics Services.

We intend to acquire eight forklifts to replace our aged forklifts and acquire additional eight forklifts to enhance the reliability and functionality of our fleet of forklifts in Klang, Malaysia and our depot service centre in Penang, Malaysia, details of which are as follows:

Depot service centre in Penang, Malaysia

Machinery	**No. of units**	**Amount allocated**
		RM'000
Low mast forklift	5	500
High mast forklift	4	1,200
		1,700

Warehouses in Klang, Malaysia

Machinery	**No. of units**	**Amount allocated**
		RM'000
Low mast forklift	5	500
High mast forklift	2	600
		1,100

In light of the above, we intend to utilise approximately RM3.0 million, representing approximately 4.8% of the net proceeds of the Share Offer to replace our aged forklifts, acquire additional forklifts and hiring four additional forklifts drivers for our logistics centre and related services.

(iii) expanding our own fleet of haulage vehicles

We need haulage prime movers and trailers to transport customers' goods and containers between customers' premises, ports, warehouses and railroad stations under our local transportation service. We need to expand our fleet of haulage vehicles to support our growth in the logistics industry.

As at the Latest Practicable Date, we owned 48 haulage prime movers and 266 trailers in Klang, Malaysia. During the Track Record Period and up to the Latest Practicable Date, we disposed of 47 haulage prime movers and 71 trailers that have passed their expected useful lives of five years and fully depreciated as at the Latest Practicable Date, hence, all of these prime movers and trailers are not in normal operating condition. Based on our Directors' knowledge and experience in the industry, they believe that it will be more cost-effective to dispose of these haulage prime movers, instead of incurring repair and maintenance costs to maintain their normal operating condition.

In this connection, we intend to utilise RM5.0 million, representing 8.0% of the net proceeds from the Share Offer for acquiring haulage prime movers and trailers for our haulage services in our logistics centre and related services. We intend to use a sum of approximately RM3.5 million for acquiring 10 haulage prime movers and a sum of approximately RM1.5 million for acquiring 20 trailers for expanding our haulage fleet, which provide haulage services in Malaysia.

(iv) increase our capacity in NVOCC services to capture the growing demand in Malaysia and Southeast Asia by acquiring additional containers

At the Latest Practicable Date, we operated a total of 1,830 containers comprised of general purpose containers, high cube containers and open-top containers. During the Track Record Period, we operated with our own containers as well as containers under hire purchase arrangement in our NVOCC services. We have to acquire additional containers to further expand our NVOCC services and capture the growing market demand in the NVOCC market.

Further, based on our Director's knowledge and experience in the industry, the interest rate of containers hire purchase is approximately 8%. Acquiring containers with the use of proceeds will save an estimated interest expense of approximately RM400,000 incurred from the hire purchase arrangement. Our Directors believe that purchasing additional containers will also enable us to manage the timeline of each shipment efficiently due to the immediate availability of the relevant types of containers, cope with our future business expansion and enhance our overall efficiency, capacity and flexibility in providing NVOCC services by enabling us to handle a larger amount of NVOCC services using our own containers.

As such, we intend to utilise RM3.0 million, representing 4.8% of the net proceeds of the Share Offer to purchase containers comprising general purpose containers and high cube containers for increasing our capacity of our NVOCC services. We intend to use a sum of approximately RM2.2 million for acquiring 300 foot general purpose containers and a sum of approximately RM0.8 million for acquiring 100 foot high cube containers.

To capture the growing logistics business opportunity arising from the Belt and Road Initiative and expansion of major infrastructures in Malaysia

According to the F&S Report, the Belt and Road Initiative, launched in 2013 to connect Asia with African and European countries through ocean, air, land, and rail links, aims to improve regional integration and connectivity, increase cross-border trade movements, and stimulate economic growth with other trade countries. Several key Belt and Road Initiative projects have been initiated to facilitate the overall economic growth across Asia. For the benefit of the Belt and Road Initiative to Malaysia, please refer to the section headed "Industry Overview" in this prospectus.

In November 2016, Malaysia and China signed 14 business-to-business agreements and memorandums totaling to approximately RM144 billion. Nine out of the 14 business-to-business agreements and memorandums are partnership and financing arrangements focusing on construction, infrastructure, and area developments. Since the launch of the Belt and Road Initiative, the contribution of the logistics market in Malaysia to the Malaysian GDP has been growing steadily from RM34.9 billion in 2013 to RM52.8 billion in 2018 at a CAGR of 8.6%. The Belt and Road Initiative facilitates the overall growth in the logistics services in Malaysia, which include but not limited to, (i) increasing the demand in transporting and storing construction materials, machinery and equipment for the expansion of major infrastructures in Malaysia; (ii) increasing the demanding in transporting and storing raw material, goods and products from the manufacturers attracted to Malaysia due to the Belt and Road Initiative. Our Directors are of the view that the Belt and Road Initiative will attract investments from state-owned enterprises in the PRC to Malaysia.

We intend to capture the market growth by attracting potential customers, including state-owned enterprises in the PRC and other enterprises that will benefit from the Belt and Road Initiative by increasing our capacity in providing logistics centre and related services and increase our capacity in NVOCC services. For further details, please refer to the paragraph headed "Business strategies – To capture the growing logistics centre and related services business opportunity in Malaysia" in this section.

Leveraging our market position in flexitank solution and related services market to attract customers in different regions in Asia, such as North Asia

According to the F&S Report, we are the fifth player in the flexitank solution and related services market in the world with a market share of 7.1% in terms of flexitank produced by COA certified producers in 2018. As one of the global market leaders in the flexitank solution and related services, we intend to leverage our market position to attract customers in the region, such as North Asia. North Asia territory such as South Korea and Taiwan has strong demand for transporting liquid products, especially petrol-chemicals, and the market is currently dominated by traditional tanker and ISO tanks. Our Directors are of the view that the manufacturers and traders in those regions are beginning to recognise the application of flexitanks as a more cost-effective alternative compared to traditional tankers and ISO tanks, and we consider the growth potential of flexitank solution and related services is high in those regions. By leveraging on our strength of being a leading market player of flexitank, we are confident that we can attract more customers in the North Asia regions.

To strengthen our market position in the flexitank solution and related services, we expanded our flexitank manufacturing and storage facility in Malaysia in March 2018 to increase our capacity in flexitank production. For further details, please refer to the paragraph headed "Production plant and facilities" in this section.

In light of the above, we plan to enhance the user experience for our flexitanks customers and improve our operation efficiency by upgrading our information technology systems for our flexitank solution and related services.

We intend to consolidate, upgrade and maintain the ERP systems across various departments in our flexitank solution and related services, whereby the ERP systems can be assessed by various departments of our Group and share the data therefrom. Currently, our ERP system for our flexitank solution and related services has limited functions, such as inventory manage on flexitank raw material and finished flexitanks. The upgraded ERP system will integrate, improve, streamline and automate the operation of our flexitank solution and related services into a more systematic and efficient workflow. The upgraded ERP systems will allow us to avoid duplicated data entry among different systems and therefore improve the efficiency of our operation. We believe the implementation of this ERP system will enable a high degree of process visibility and integration across the various functions such as sales, production, purchasing, inventory control, and accounts, as well as material/product traceability which are very vital to our Quality Management and Food Safety Management system.

In addition to the ERP system, we also intend to further enhance our customer services experience and customer loyalty by introducing customer mobile application and tracking portal. The mobile application and tracking portal will be integrated into our ERP system to provide real-time tracking function for our flexitank customers.

In light of the above, we intend to utilise approximately RM2.0 million, representing approximately 3.2% of the net proceeds of the Share Offer to further enhance our Group's operational efficiency, technical capability and enhance the user experience for our flexitank customers by upgrading the information technology and system for operation, management and accounting purposes, to cope with the expected growth in the logistics industry.

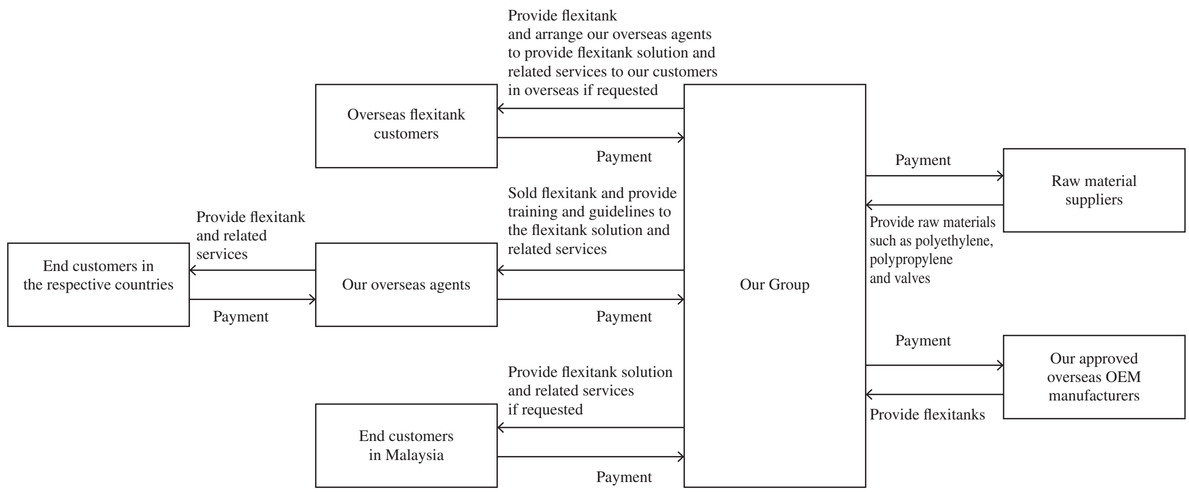
BUSINESS MODEL

Our business model principally involves providing (i) customised packing solutions and related services for customers transporting liquid under our flexitank solution and related services; (ii) providing full container load shipments and vessel space as carriers and import, export and forwarding services in Malaysia under our integrated freight forwarding services; (iii) cargo transportation services in Malaysia and Thailand using trains under our railroad transportation services and; (iv) warehouse, container depot services and other related value-added services under our logistics centre and related services.

Flexitank solution and related services

During the Track Record Period, we provided flexitank solution and related services to our customers mainly in Malaysia, Thailand, Indonesia and South Korea. Our flexitanks were either produced in our own production plant in Malaysia or by our overseas OEM manufacturers. We provided flexitanks solution and related services to our customers in Malaysia upon their requests. For the overseas market, in order to better serve our customers and to increase our exposure in the overseas market, we have engaged overseas agents to assist us in maintaining a close communication with the local customers, providing operational support for our flexitank solution and solution and related services. We also sell flexitanks to our overseas agents. As at the Latest Practicable Date, we entered into flexitank agent agreement with 17 of our overseas agents. For further details regarding our overseas agents and the major terms of the agency agreement, please refer to the paragraphs headed "Our customers – Overseas agents" and "Sales and marketing – Overseas agents" in this section.

The following chart illustrates the provision of flexitank solution and related services:



Integrated freight forwarding services

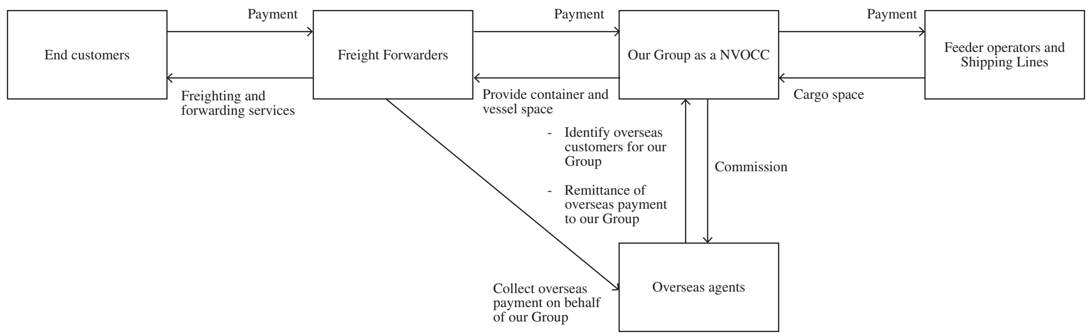
Our integrated freight forwarding services cover the provision of NVOCC services and freight forwarding services mainly by ocean, with a small portion of our air freight services.

NVOCC services

Our NVOCC services provided full container load shipments and vessel space for the major ocean freight route in Asia, include but not limited to South East Asia, India sub-continent, Middle East and China serving the major ports in those regions. We sourced the vessel space directly from the feeder operators, shipping lines and we provide vessel space and empty container for the shipment to our customers who are mainly freight forwarders. We operated with our own containers as well as containers under hire purchase arrangement. We generally issue our bill of lading and assume the responsibility of a carrier for the shipments in NVOCC services. Our overseas agents collect overseas payment from overseas customers on our behalf. These overseas agents also help us to identify overseas customers and we pay commission to them.

To better serve our freight forwarding customers in the overseas market, we have engaged overseas agents to assist us in providing forwarding services in overseas such as preparation of freight documentation, arranging of customs clearance and cargo handling at overseas ports and maintaining a close communication with the local customers, providing local logistics services while increasing our exposure in such regions. Such agency arrangement is only used in our flexitank solution and related services and NVOCC services. As at the Latest Practicable Date, we entered into NVOCC agent agreement with 10 of our overseas agents. For details of the major terms of the agency agreement, please refer to paragraph headed "Sales and marketing – Overseas agents" in this section.

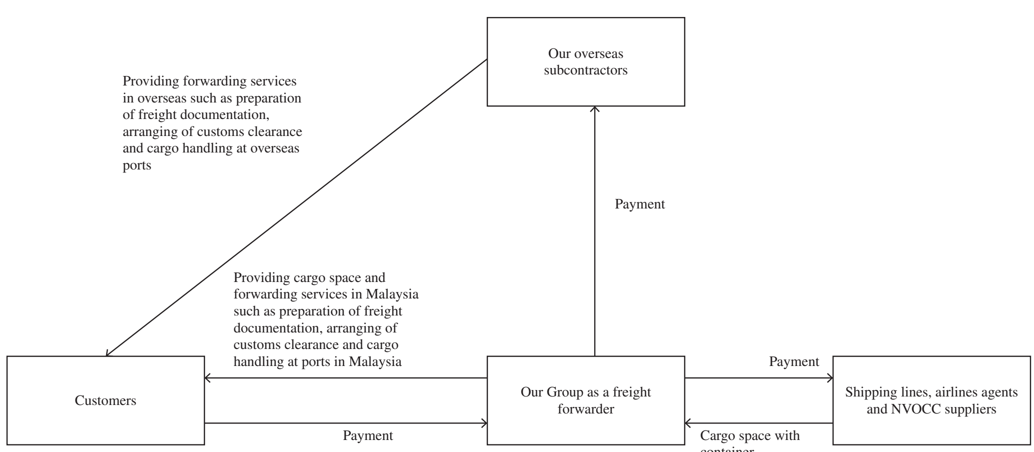
The following chart illustrates the provision of NVOCC services to our customers which are mainly freight forwarders:



Freighting forwarding services

Our freight forwarding services provided shipments and cargo space for import and export shipments in Malaysia mainly to the end customers in the manufacturing and trading industries. We generally sourced the cargo space from the shipping lines, NVOCC suppliers and airlines agents. For our ocean freight services, NVOCC suppliers and shipping lines provide the container for the purpose of the shipment. We also provide forwarding services, which mainly involve preparation of customs documents. The forwarding services were handled by our own employees.

The following chart illustrates the provision of freight forwarding services by our Group as a freight forwarder to end customers:

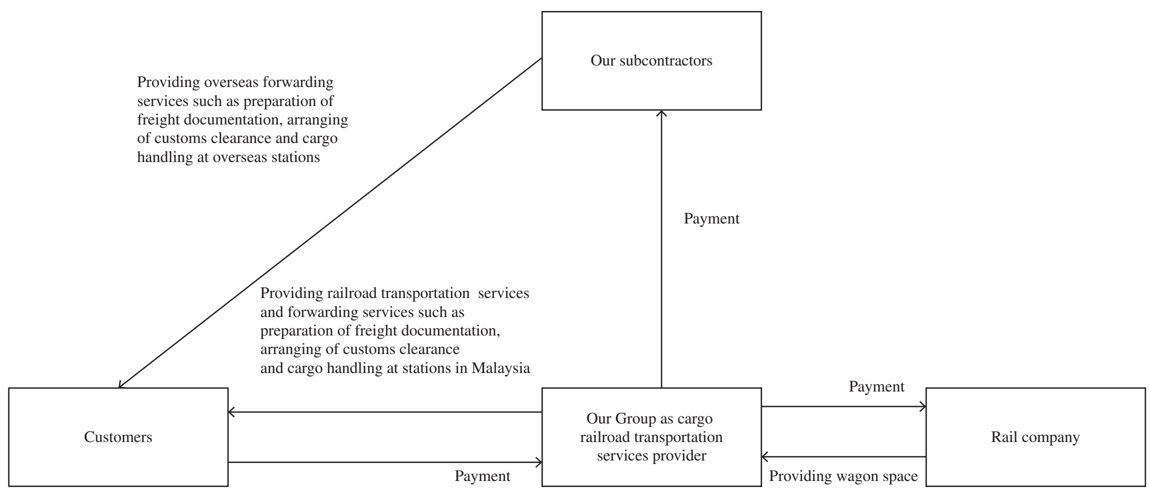


For details and illustration of the operation of our freight forwarding services, please refer to the paragraph headed "Operational flow" in this section.

Railroad transportation services

Our railroad transportation services provided goods transportation by trains between different rail stations in Malaysia and between Malaysia and Thailand. We sourced the wagon space from rail operator and arranged subcontractors or our employees to handle station operation and overseas forwarding services. Our forwarding division in our integrated freight forwarding services would handle the procedures and formalities of import and export in Malaysia.

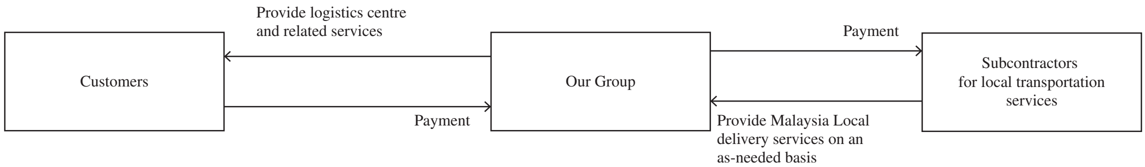
The following chart illustrates the provision of railroad transportation services by our Group:



Logistics centre and related services

Our logistics centre and related services provide Warehouse and Ancillary Services to our customers while our container depot services provide container storage services for shipping lines. We provide short term warehouse services in five of our warehouses and we leased two of our warehouses to the lessees for the provision of long term warehouse services. The period of the such agreements vary from two years to three years. Under the tenancy agreement, we shall offer a wide range of warehousing services, such as cargo handling, stuffing, unstuffing, strapping and providing additional warehousing manpower to our lessees. These services shall be quoted on a per-request basis. Depending on our capacity, we either use our own fleet of truck, haulage prime movers and trailers or engage subcontractors to provide local transportation services in Malaysia. For overseas local transportation services, we engaged subcontractors to provide local transportation services for our logistics centre and related services as well as supporting our integrated forwarding freight services and railroad transportation services. For details of our logistics centre and related services, please refer to the paragraphs headed "Our Services – logistics centre and related services" of this section.

The following chart illustrates the provision of logistics centre and related services by our Group in Malaysia:



OUR SERVICES

During the Track Record Period, our revenue was generated from (i) flexitank solution and related services; (ii) integrated freight forwarding services; (iii) railroad transportation services; and (iv) logistics centre and related services. The following tables set forth the breakdowns of our revenue, gross profit, gross profit margin, service costs and freight rate, by business segment during the Track Record Period:

Our revenue by business segment

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(Unaudited)			
Flexitank solution and related services	47,670	25.2	51,686	27.4	63,498	31.6	30,362	31.4	31,261	31.7
Integrated freight forwarding services	52,910	28.0	62,979	33.4	68,288	33.9	33,359	34.5	34,617	35.1
Railroad transportation services	12,957	6.8	14,688	7.8	15,599	7.8	7,012	7.2	9,295	9.4
Logistics centre and related services	75,716	40.0	59,260	31.4	53,798	26.7	26,052	26.9	23,541	23.8
Total	189,253	100.0	188,613	100.0	201,183	100.0	96,785	100.0	98,714	100.0

Our gross profit and gross profit margin by business segment

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(Unaudited)			
Flexitank solution and related services	14,565	30.6	13,665	26.4	22,544	35.5	9,053	29.8	9,752	31.2
Integrated freight forwarding services	5,814	11.0	7,677	12.2	13,025	19.1	5,627	16.9	7,397	21.4
Railroad transportation services	5,822	44.9	4,157	28.3	4,736	30.4	1,913	27.3	3,101	33.4
Logistics centre and related services	4,829	6.4	3,195	5.4	3,970	7.4	1,572	6.0	3,378	14.3
Total	31,030	16.4	28,694	15.2	44,275	22.0	18,165	18.8	23,628	23.9

Service costs and freight rates charged to customers by business segment

	Service costs				Freight rate			
	FY2016	FY2017	FY2018	For the six months ended 30 June 2019	FY2016	FY2017	FY2018	For the six months ended 30 June 2019
	(RM'000)	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*	*(RM'000)*
Flexitank solution and related services	47,670	51,686	63,498	31,261	N/A	N/A	N/A	N/A
Integrated freight forwarding services	30,155	28,926	32,470	18,218	22,755	34,053	35,818	16,399
Railroad transportation services	1,408	1,286	1,430	814	11,549	13,402	14,169	8,481
Logistics centre and related services	75,716	59,260	53,798	23,541	N/A	N/A	N/A	N/A

Note: We do not provide freighting services in flexitank solution and related services and logistics centre and related services.

The services costs, which is also representing the revenue, of our flexitank solution and related services was approximately RM47.7 million, RM51.7 million, RM63.5 million and RM31.3 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. According to the F&S Report, Malaysia is a prime commodity exporter of palm oil and rubber intermediate materials. Driven by the strategic trade location of Malaysia, growing trading activities in Southeast Asia and Malaysian active palm oil export industry, the demand for flexitank solution and related services increased and resulted in the steady increase in revenue of our flexitank solution and related services throughout FY2016 to FY2018.

The services costs of our integrated freight forwarding services increased from approximately RM28.9 million for FY2017 to approximately RM32.5 million for FY2018 was attributed to the increase of port charges, leasing of container and terminal handling charges. The freight rate of our integrated freight forwarding services increased from approximately RM22.8 million for FY2016 to approximately RM34.1 million for FY2017 was attributed to the shipping volume.

The freight rate of railroad transportation services accounted for RM11.5 million, RM13.4 million, RM14.2 million and RM8.5 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. The increase of freight rate throughout FY2016 to FY2018 was mainly due to (i) the new customer Sritrang Landbridge Co., Ltd which we secured during FY2017 and (ii) the increase in revenue of landbridge services between FY2017 and FY2018 which resulted from the increased trade activities between Malaysia and Thailand.

The services costs, which is also representing the revenue, of our logistics centre and related services was RM75.7 million, RM59.3 million, RM53.8 million and RM23.5 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. The decrease in services costs was mainly due to the loss of our major customer, Customer A, during FY2017.

The volume handled by type of services

	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**
Integrated freight forwarding services				
– NVOCC services	22,069 TEUS	34,287 TEUs	38,425 TEUs	17,282 TEUs
– Ocean freight	11,363 TEUs	11,916 TEUs	13,806 TEUs	4,484 TEUs
– Air freight	118,957 kgs	102,078 kgs	127,041 kgs	34,292 kgs
Railroad transportation services	11,717 TEUs	14,859 TEUs	17,676 TEUs	9,111 TEUs

The increase in shipment volume of our NVOCC services throughout FY2016 to FY2018 was mainly due to the improved economics and trading activities in Southeast Asia. The increase in shipment volume of our railroad transportation services throughout FY2016 to FY2018 was in line with the increase in revenue our railroad transportation services.

(i) Flexitank Solution and Related Services

Our flexitank solution and related services focus on providing packaging solution for non-hazardous bulk liquid transportation including oils, juices, latex, wines, and other food grade liquids, using flexitanks in the following aspects:

– Supplying, installing and fitting of customised flexitanks in a range of different specifications, such as different capacities, layers, thickness and number of valves to meet individual customer's needs. We provide flexitank advisory services to first time flexitank users on the specification of the flexitanks depending on the type of liquid to be stored. These flexitanks are either manufactured in our production facilities in Malaysia or produced by our overseas OEM manufacturers under our stringent quality control. We provide flexitank fitting team services which help our customers to fit and install the customised flexitank into the containers usually in the customers' premises. Depending on the type of liquid to be stored and the requirements of our customers, we may also provide and install the flexitank accessories and relevant equipment to enhance the utility and features of the flexitank, such as (i) heating pad to help liquefying solidified cargo; (ii) insulation liner to reduce the rate of temperature fluctuation enabling the cargo to retain its original characteristics as much as possible; (iii) tub liner to provide extra protection and act as a containment for minor spillage or leakage; (iv) heat exchanger to re-melt solidified cargo; and (v) anti-bulging system to provide support to the container side panels, preventing container bulging or deformation.

– Loading and discharging supervision services, which we help the customers to load and discharge the flexitanks properly upon our customers' requests. We have a dedicated service team provide to the loading and discharging supervision services to our customers in Malaysia. Our overseas agents will handle the overseas services in their respective territories. We provide trainings and operation manual to these overseas agents to ensure the quality of the services provided by them.

– Emergency response services, which involves providing immediate appropriate assistance when a flexitanks is found leaking and needs salvage and/or transloading. We work with our overseas agents to provide emergency response services in the Southeast Asia. We provide emergency response services to cargo owners or consignees only when they request supports in flexitanks leakage incidents.

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, the revenue generated from our flexitank solution and related services amounted to approximately RM47.7 million, RM51.7 million, RM63.5 million and RM31.3 million, respectively, which accounted for approximately 25.2%, 27.4%, 31.6% and 31.7% of our total revenue for the same period.

Our flexitanks

Our flexitanks are fabricated from multilayer of polyethylene and a layer of polypropylene woven film. Each of our flexitank is installed with one to two valves to allow loading and unloading depending on our customers' needs. Our flexitanks are fabricated from food grade polyethylene film that is tested and complied with FDA and EU issued standard. They are made from layers of 110 to 330 microns of polyethylene and are suitable for transporting a wide range of bulk non-hazardous liquid cargo. The polypropylene woven has a tubular design with no joint on the edges to ensure that the flexitanks are able to withhold high impact. Our flexitanks provides a more cost effective transportation solution to the traditional tankers and ISO tanks. The flexitanks are mainly used for transporting bulk non-hazardous liquids including oils, juices, latex, wines, and other food grade liquids.

Our production process strictly follows the code of practice and guideline set out by the Container Owners Association. We also require our overseas OEM manufacturers to follow the same standard of quality control procedures. We provide guidelines to our overseas OEM manufacturers and we conduct sample tests regularly, we also conduct site visits on a yearly basis to ensure our flexitanks suppliers strictly follow our production procedures and the quality of the flexitanks comply with the standard set out by the relevant authorities. For further details of our flexitank suppliers, please refer to the paragraph headed "Suppliers – Flexitank suppliers" in this section.

The following table sets forth a breakdown of our revenue, gross profit and gross profit margin by flexitanks produced in our own production plant or by our OEM manufacturers during the Track Record Period:

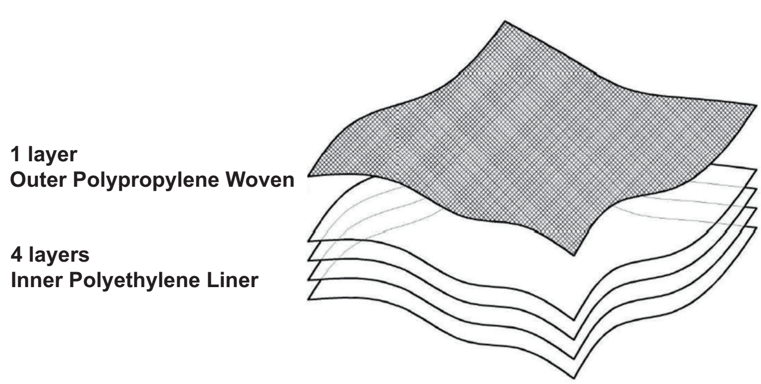
	FY2016			FY2017			FY2018			For the six months ended 30 June 2018			For the six months ended 30 June 2019		
Flexitank produced by	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**	**Revenue**	**Gross profit**	**Gross profit margin**
	RM'000	*RM'000*	%	*RM'000*	*RM'000*	%	*RM'000*	*RM'000*	%	*RM'000*	*RM'000*	%	*RM'000*	*RM'000*	%
											(unaudited)				
Own production plant	11,895.5	3,271.0	27.5%	16,970.0	4,087.5	24.1%	25,750.8	8,678.2	33.7%	10,876.4	2,894.6	26.6%	18,459.0	5,696.0	30.9%
OEM manufacturers	35,774.1	11,293.3	31.6%	34,715.7	9,577.4	27.6%	37,747.7	13,866.2	36.7%	19,515.7	6,158.3	31.6%	12,801.5	4,055.9	31.7%
Total	47,669.6	14,564.3	30.6%	51,685.7	13,664.9	26.4%	63,498.5	22,544.4	35.5%	30,392.1	9,052.9	29.8%	31,260.5	9,751.9	31.2%

During the Track Record Period, the gross profit margins of our own produced flexitanks were lower than those of flexitanks sourced from OEM manufacturers. To the best knowledge and understanding of our Directors, the overall operating costs in the PRC is lower than that in Malaysia, such as the labour cost of factory worker, production overheads, and cost of local transportation of raw material and accessories within the PRC. Accordingly, the gross profit margins of our owned produced flexitanks were lower than those of flexitanks sourced from OEM manufacturers.

According to our Directors, the factories of both Supplier A and Supplier B engage in mass production, and allow them to enjoy a better economy of scale. Accordingly, our Directors believes the average fixed costs of Supplier A and Supplier B are lower as compared to us and allow them to offer a lower selling price. Despite the lower profit margin of our own produced flexitank, our Directors are of the view that having our own production facilities and production in our own plant is important because it (i) allows better control over the quality of flexitank sold; (ii) provides a reliable and trustworthy corporate image to the customers; and (iii) enables us to produce flexitank with special specification to meet individual customers' needs. Also, manufacturing of flexitanks with our own production allow us to maintain a continuous presence and close communication with our customers, and therefore enhance our Group's business network and industry.

For the six months ended 30 June 2019, the gross profit margin of our own produced flexitanks and the flexitanks sourced from OEM manufacturers were approximately 30.9% and 31.7% respectively. In March 2018, we expanded our production capacity and the utilisation rate of our production facilities reached approximately 95% for the six months ended 30 June 2019. Therefore, we produced and sold more our own produced flexitanks for the six months ended 30 June 2019 and thus we generated more revenue from our own produced flexitanks than flexitanks sourced from OEM manufacturers. Also, as our production scale enlarged during the six months ended 30 June 2019, we enjoyed a better economy of scale and reduced the difference in gross profit margin between our own produced flexitanks and the flexitanks sourced from OEM manufacturers.

The following images illustrates the different layers of flexitanks and our operations:



– *illustration of different layers in our flexitanks*

– *Loaded flexitanks fitted and installed in a container with the bulkhead installed*

– *Fitting and installing an empty flexitank into a container by our dedicated service team*

– *Installation of flexitank accessories into the container by our dedicated service team*

During the Track Record Period, our flexitanks were either produced (i) in our own production plant in Malaysia; or (ii) by our overseas OEM manufacturers.

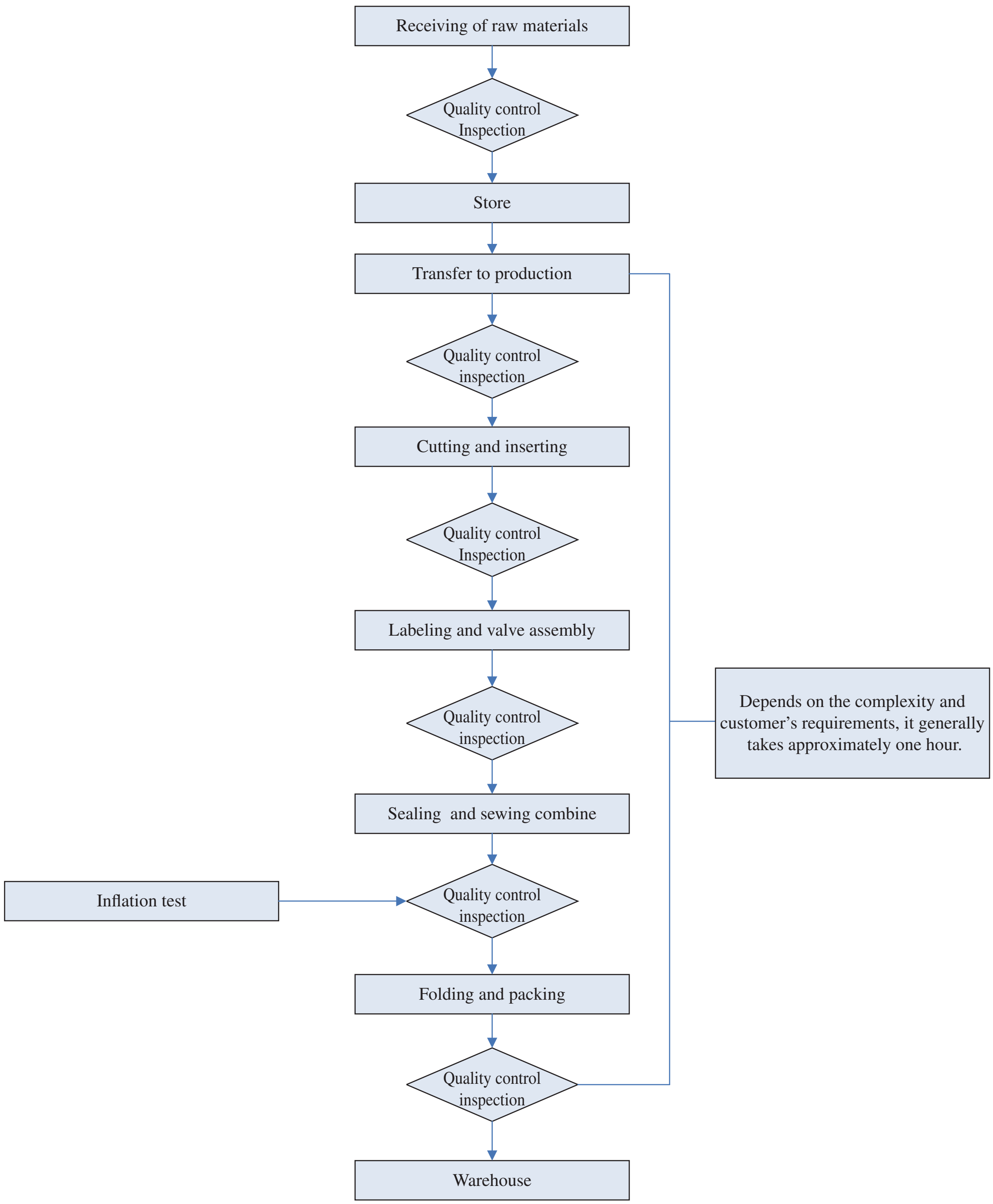
Production plant and facilities

Our production plant was built on a leasehold land in Port Klang for the manufacturing of flexitanks. As at the Latest Practicable Date, our production plant had three production lines. Our flexitank manufacturing facilities and operations activities are certified by HACCP, FSSC 22000 and ISO 9001:2015; and our flexitanks are Kosher and Halal certified. We have also obtained the Flexitank Certificate of Compliance issued by the Container Owners Association which encompassed compliances with Container Owners Association's code of practice, materials test, installation operating and training instruction manual, rail impact test and PAS1008:2016. As at the Latest Practicable Date, we had 24 employees in our production plant.

We believe that our manufacturing expertise and efficiency have enabled us to produce quality flexitanks in a cost-effective manner and to provide flexitank solution and related services to our customers at competitive prices.

Production process

The production process of our flexitanks involves the major steps set forth below:



Receiving of raw materials

When receiving raw materials such as polyethylene film, polypropylene woven and valve; our warehouse personnel and quality control technician will conduct a preliminary inspection of the raw materials. They will ensure the materials are correct as per the purchase order and there are no visible damages on the outer packaging of raw materials. These raw materials will then be stored in our warehouse ancillary to our production facilities until the manufacturing process commences.

Quality control inspection

Throughout the manufacturing process, our quality control technicians will conduct quality check regularly on the incoming, in-process and finished goods as per the Quality and Food Safety Plan to ensure that the manufacturing process complies with the quality and food safety standard including ISO 9001, FSSC 22000, ISO/TS 22002-4 and Code of Practice provided by the Container Owners Association.

Cutting and inserting

Our operator will cut the polyethylene film and polypropylene woven as per specification according to different bag types. Multilayered flexitanks are manufactured by inserting polyethylene film into another layer/layers of polyethylene film with the polypropylene woven at most outer layer. This process can increase the strength of the final product and avoid leakage. Quality control technician will ensure that the material tests are carried out as per PAS 1008 standard for polyethylene film and polypropylene woven. Quality Control Technician will ensure the manufacturing process are adhere to the FSSC standard on the hygiene and cleanliness practice.

Labelling and valve assembly

Upon completion of the inserting process, our operator will label each flexitank with a unique serial number for identification purpose. The quality control technician shall ensure that the serial number printed is correct, clear and neat. The valve assembly operator shall cut a hole on the polyethylene film and polypropylene woven as per the specification and assemble the valve on it. The valves must go through 100% inspection for leak tightness test before being brought to the production line. All the bolt and nut of the valves are tightened as per the specification set.

Sealing and sewing

Multilayered polyethylene film are sealed using sealing machine and the seal will be tested using air pressure to ensure it is intact. During the sewing process, our operator will sew the polypropylene woven and the edge of the polyethylene film together. The quality control technician shall ensure that the stitching is neat and tight.

Inflation test

Our quality control technicians will conduct sample check on the flexitank products. The specimen will be inflated and we use a leak detector to check and ensure no air leak at the front and back seal as well as the vicinity of the valves.

Folding and packing

The flexitanks are folded as per the specification written in the standard operation procedure and pack into the carton box with all the accessories. Quality control technician will ensure that the flexitanks are in good condition and that the serial number printed on the flexitank matches the serial number on the label pasted on the carton box.

Production capacity and utilisation rate

The following table sets forth the designed capacity, actual production volume and utilisation rates of our production facilities during the Track Record Period:

	FY2016			FY2017			FY2018			For the six months ended 30 June 2018			For the six months ended 30 June 2019		
	Designed capacity *(Note 1)* *(approximate unit)*	**Production volume** *(approximate unit)*	**Utilisation rate** *(Note 2)*	**Designed capacity** *(Note 1)* *(approximate unit)*	**Production volume** *(approximate unit)*	**Utilisation rate** *(Note 2)*	**Designed capacity** *(Note 1)* *(approximate unit)*	**Production volume** *(approximate unit)*	**Utilisation rate** *(Note 2)*	**Designed Capacity** *(Note 1)* *(approximate unit)*	**Production Volume** *(approximate unit)*	**Utilisation rate** *(Note 2)*	**Designed Capacity** *(Note 1)* *(approximate unit)*	**Production Volume** *(approximate unit)*	**Utilisation rate** *(Note 2)*
Flexitanks	17,760	10,542	59%	18,480	14,159	77%	32,460	25,375	78%	14,700	11,319	77%	17,400	16,455	95%

Notes:

(1) Designed capacity is computed based on 296, 308, 296, 148 and 145 effective production days for each of FY2016, FY2017, FY2018 and each of the six months ended 30 June 2018 and 30 June 2019, respectively, and 12 hours of production time per day for the same period. In March 2018, we expanded our production facilities and the designed capacity increased accordingly.

(2) The utilisation rate is calculated by dividing the production volume by the designed capacity.

Production machineries and equipment

Our production plant is equipped with a variety of machineries and equipment for various stages of the production process. The following table sets forth the summary of machineries and equipment we owned in our flexitanks production facilities as at the Latest Practicable Date:

Name of machinery	Quantity	Principal functions	Year of acquisition	As at the Latest Practicable Date Average age year *(Note)*	Remaining useful life *(Note)*
Production equipment					
Polypropylene Woven cutting machine	1	To cut Polypropylene woven to suitable length	2017	1	4
Heat sealing machine	5	To seal the flexitank	2018	0	5
Sewing machine	4	To Stitch Polypropylene Woven to the flexitank	2017	1	4
Sleeve packing machine	1	To shrink wrap the finished good cartons	2018	0	5
Die cutting machine	1	To cut valve gasket	2019	5	5
Handjet Printer	2	To print bag serial number	2019	5	5
Laboratory equipment					
Universal testing machine	2	To conduct tensile and elongation testing for polyethylene film and Polypropylene woven	2014 & 2019	4 & 5	1 & 5
Fall dart film impact tester	1	To conduct polyethylene film impact testing	2014	4	1
Oven	1	To conduct material compatibility testing	2016	2	3
Freezer	1	To conduct material compatibility testing	2014	4	1
Valve inspection machine	1	To conduct valve tightness testing	2018	0	5

Note: As per the applicable accounting policies adopted by our Group, depreciation of our machineries and equipment is calculated using the straight line method at 20% per annum to allocate their costs to their residual values over the estimated useful lives of the machineries and equipment. Though certain machineries and equipment are used over five years, the expected future economic benefits of which would have diminished and uncertain, our Group will continue to maintain the condition of such machineries and equipment, if economically viable. We do not have a pre-determined or regular placement cycle for our machinery. Replacement decisions are made on a case-by-case basis having regard to the operating condition of each unit of machinery, the cost effectiveness of replacing only the malfunctioning parts and the customers' requirements.

We implement repair and maintenance procedures for our major machineries and equipment. Our production team will conduct a routine checking on our machineries and equipment, in particular, their cleanliness and functions, before commencing production on a daily basis. Technicians of our maintenance division conduct checking on our machineries and equipment and subsequently prepare the maintenance records on a monthly basis. Our technicians possess the required skills and experiences in repairing the machineries and equipment when malfunctions of which are detected or found. Our Directors confirm that during the Track Record Period, we had not experienced any significant interruptions in our production due to breakdowns or contamination of our machineries or equipment.

Production plan

At the end of each month, our sales and customer service department will work together to prepare a bi-weekly demand forecast for the coming month based on, inter alia, the actual sales performance of the current year; anticipated changes, if any, according to the latest market trend; and order indications received from our customers. Our production department will then formulate a bi-weekly production plans for the coming weeks based on the sales forecast and our then prevailing production capability. Our warehouse department is responsible for monitoring the inventory level of raw materials. Based on the production plan and the current inventory level, our procurement department will then procure raw materials on a timely basis to ensure that our production plans will not be interrupted due to shortage of raw materials thus allowing us to be able to meet the demands of our customers.

Raw materials and suppliers

The principal raw materials used for production of our products are polyethylene film polypropylene woven and valve. Our Directors confirm that there had not been any major fluctuation of market prices for these major raw materials during the Track Record Period. We source these major raw materials from PRC suppliers who are Independent Third Parties. Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, we had not encountered any quality issues or shortages of principal raw materials that we use for production, which would have adversely affected our manufacturing process.

Suppliers of polyethylene film

Our Directors believe that it is important for us to ensure that the polyethylene film we used for the production of our flexitanks meet our requirements for quality and standards of safety. In addition to requesting suppliers for FDA and EU issued standard for the materials supplied, we also send the materials for FDA and EU issued standard testing annually.

Before any supplier is approved, we conduct new supplier assessment to ensure they meet our standard of requirement. Subsequently, the approved suppliers are subjected to our annual re-evaluation to ensure that they continue to meet our FSSC22000 and ISO9001:2015 standards.

Inventory of flexitanks manufacturing

The inventories of our operations primarily consist of raw materials and finished goods. We use an ERP system to track our inventory movements. This system enables us to monitor inventory levels in a timely manner so as to ensure that there would be a stable level of raw materials and finished products. We also conduct stock takes every month. In order to minimise the risks of excess inventory held or shortages of raw materials in production, we regularly review our inventory levels and formulate corresponding policies, pursuant to which we manage our inventory according to different product types and their respective minimum inventory levels.

Product return policy

Generally, flexitanks provided to our customers are not refundable except for product quality reasons. Regarding manufacturing defects, we provide two-year warranty from the date of their delivery for unfilled flexitanks and 60 days upon product contact for filled flexitanks. In order to make a claim against our manufacturing defects warranty, our customers need to store and use the flexitanks in compliance with our guidelines and instructions.

(ii) Integrated Freight Forwarding Services

Our integrated freight forwarding services cover the provision of carrier services and freight forwarding services mainly by ocean, with a small portion of air freight services. Our integrated freight forwarding services can be classified into two major categories, namely, (i) NVOCC services and (ii) freight forwarding services. During the Track Record Period, our customer base in our integrated freight forwarding services comprises (i) end customers; (ii) freight forwarder customers; and (iii) overseas agents. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, the revenue generated from our integrated freight forwarding services amounted to approximately RM52.9 million, RM63.0 million, RM68.3 million and RM34.6 million, respectively, which accounted for approximately 28.0%, 33.4%, 33.9% and 35.1% of our total revenue.

The following table sets forth a breakdown of our revenue by type of our integrated freight forwarding services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
– NVOCC services	35,165	66.5	45,427	72.1	48,321	70.8	25,153	75.4	24,532	70.9
– Freight forwarding services										
Ocean freight	10,044	19.0	11,712	18.6	14,851	21.7	5,853	17.6	7,370	21.3
Forwarding	5,956	11.3	4,691	7.4	3,879	5.7	1,781	5.3	2,056	5.9
Air freight	1,745	3.2	1,149	1.9	1,237	1.8	572	1.7	659	1.9
Total	52,910	100.0	62,979	100.0	68,288	100.0	33,359	100.0	34,617	100.0

NVOCC services

Our NVOCC services focus on providing full container load shipments and vessel space as carriers to our customers which are mainly freight forwarders. We obtain our vessel space by submitting e-booking instructions to various feeder operators and shipping lines to provide better option, in terms of route, frequency and volumes, for our customers. We entered into committed purchase arrangements quarterly with four shipping lines for the routes between (i) Port Klang and Chittagong; (ii) Port Klang and Surabaya; (iii) Port Klang and Laem Chabang; and (iv) Port Klang and Bangkok. The arrangements guarantee that we are allocated with an agreed quantity of vessel space for the four routes for a fixed period (usually three months) at pre-determined rates and any unutilised vessel space would be charged at the end of the arrangement period at the pre-determined rate.

Save for the four routes mentioned above, we did not enter into any committed purchase arrangement with the suppliers in our NVOCC services during the Track Record Period. Instead, we engaged suppliers for individual shipment upon the request of NVOCC services by our customers. Our Directors confirm that our Group has not experienced any shortage of supply in our NVOCC services during the Track Record Period.

Under our NVOCC services, our customers generally require us to provide containers for the purpose of the shipment. As at the Latest Practicable Date, we operated a total of 1,830 containers comprised of general purpose containers, open top containers and high cube containers. We use our own containers as well as containers under hire purchase arrangement.

In addition to the traditional general purpose containers and open top containers, our Group also operated high cube containers. These high cube containers offer better payload providing extra 12% space utilisation compared to using a traditional general purpose Container and enable shippers to maximize their shipping cost per cubic meter and increase convenience to our customers. According to the F&S Report, these high cube containers are best for shipping low density but bulky and oversized cargo such as chipboards, gypsum boards and sheet and offer better protection to sheet glass as compared to the method of using open-top container with canvas, thus lower the risk of breakage.

During the Track Record Period, we have maintained marine liability insurance and special transit liability insurance coverage for our NVOCC services. For further details regarding the insurance coverage for our NVOCC services, please refer to the paragraph headed "Insurance" in this section.

The following table sets forth a breakdown of revenue of by type of our NVOCC services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(Unaudited)			
Provision of vessel space and our containers	33,331	94.8	40,689	89.6	45,952	95.1	23,661	94.1	23,567	96.1
Provision of vessel space only	1,834	5.2	4,738	10.4	2,369	4.9	1,492	5.9	965	3.9
Total	35,165	100.0	45,427	100.0	48,321	100.0	25,153	100.0	24,532	100.0

The following table sets forth the breakdown of our NVOCC services using our containers of the route by volume during the Track Record Period:

	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2018**	**For the six months ended 30 June 2019**
	TEUs	*TEUs*	*TEUs*	*TEUs*	*TEUs*
Between Malaysia and Indonesia	6,193	7,379	7,898	4,383	4,788
Between Malaysia and Thailand	3,447	3,109	4,008	1,859	1,833
Between Malaysia and Bangladesh	2,119	4,572	5,473	2,635	1,922
Between Malaysia and Vietnam	999	1,164	1,295	730	568
Transhipment	3,297	4,260	11,376	6,089	6,182
Others	875	390	998	542	355
Total	16,930	20,874	31,048	16,238	15,648

Freight forwarding services

Our freight forwarding services provide international export and import shipment handling to our end customers from various industries including manufacturers and traders. Our export and import freight services encompass both ocean and air mode. Combining with the local transportation services in our logistics centre and related services, we are able to provide international door to door cargo transportation services upon our customers' requests.

For export freight services, it involves the acquisition of cargo space from the relevant shipping lines or airlines, arrange ground transportation to bring customers cargo to the terminal and load onto vessel or plane. Upon request, we also engage overseas agents or network partners to arrange local delivery at destination.

For export shipments, the shipping lines or airlines acting as carriers will issue bill of lading or airway bill respectively to the customers. Under specific request by the customer, we may issue house bill of lading as an acknowledgement receipt of cargo to be freighted.

For import freight services, upon pre-alert and arrival notice, we arrange Customs clearance and ground transportation to deliver the goods to customers or consignees.

For forwarding services mainly involves in preparing and submitting declaration to the relevant customs department and in the cases where specific permits are required, we will liaise accordingly with the relevant governmental agencies for processing and obtaining approval until release status is granted for the shipment. Subsequently, we arrange ground transportation to deliver the goods to location as instructed by the customers. We provide forwarding services as an ancillary service to our freight forwarding services as well as stand-alone service to our customers.

During the Track Record Period, we have maintained special transit liability insurance coverage for our freight forwarding services. For further details, please refer to the paragraph headed "Insurance" in this section.

The following table sets forth a breakdown of our revenue generated in our freight forwarding services by import, export and forwarding services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
Import freighting										
By ocean	1,772	10.0	1,949	11.1	2,866	14.4	563	6.9	873	8.7
By air	782	4.4	531	3.0	483	2.4	192	2.3	218	2.1
Export freighting										
By ocean	8,272	46.6	9,763	55.6	11,985	60.0	5,290	64.5	6,497	64.4
By air	963	5.4	618	3.5	754	3.8	380	4.6	441	4.4
Forwarding services	5,956	33.6	4,691	26.8	3,879	19.4	1,781	21.7	2,056	20.4
Total	17,745	100.0	17,552	100.0	19,967	100.0	8,206	100.0	10,085	100.0

To maintain our flexibility in providing freight forwarding services, we did not enter into any long term agreement with the suppliers in our freight forwarding services during the Track Record Period. Instead, we engage the supplier individually upon request of freight forwarding services by our customers. Our Directors confirm that our Group has not experienced any shortage of supply in our freight forwarding services during the Track Record Period.

(iii) Railroad Transportation Services

Our railroad transportation services cover the provision of transportation of goods in Malaysia and Thailand by trains. As at the Latest Practicable Date, the Malaysia inland stations served are Port Klang, Ipoh, Prai, Padang Besar, Pasir Gudang, Gelang Patah, Port of Tanjung Pelepas and Merapoh while coverage of Thailand stations includes Hadyai, Thung Song, Mataphut and Bangkok. According to the F&S Report, we are the largest landbridge services provider between Malaysia and Thailand with a market share of 61.0% in terms of revenue in 2018. In April 2019, we entered into a purchase agreement to acquire a locomotive to leverage on our market leading position. The total purchase price of the locomotive is USD2.5 million (equivalent to approximately RM10.5 million). The total amount of capital expenditure incurred for the locomotive was approximately USD1.9 million (equivalent to approximately RM8.0 million) up to the Latest Practicable Date and it was funded with our Group's resources.

The following table sets forth a breakdown of our revenue by types of services provided in our railroad transportation services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(Unaudited)			
Landbridge	9,931	76.6	12,472	84.9	13,327	85.4	5,545	79.1	8,413	90.5
Landfeeder	3,026	23.4	2,216	15.1	2,272	14.6	1,467	20.9	882	9.5
Total	12,957	100.0	14,688	100.0	15,599	100.0	7,012	100.0	9,295	100.0

Our provision of railroad transportation services involve arranging overseas subcontractors to perform overseas forwarding services and station operations such as consolidation or deconsolidation, loading or unloading of goods from or to trains. Our employees handle the station operations in Malaysia and our forwarding division handle the import/export documentations in Malaysia, if applicable. We have arrangement with the only railroad cargo freight operator, KTMB, to allocate wagon space to us. For details regarding the principal terms of the arrangement with KTMB, please refer to paragraph headed "Our Supplier – Our Relationship with KTMB" in this section.

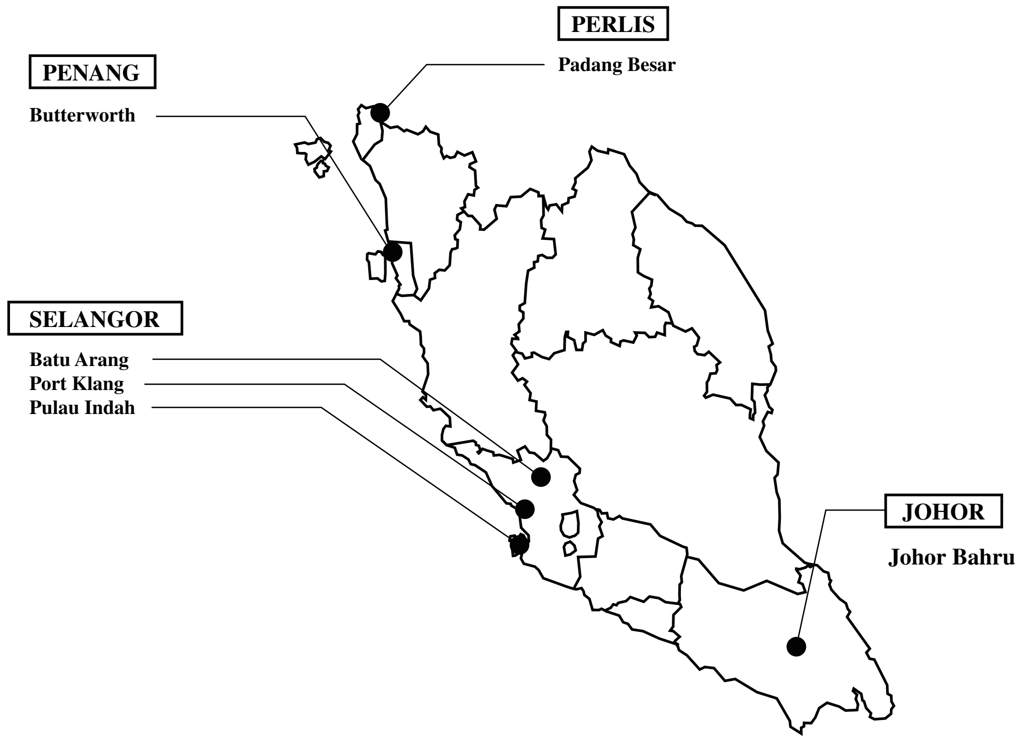
(iv) Logistics centre and related services

Our logistics centre and related services can be classified into two major categories, namely (i) Warehouse and Ancillary Services; and (ii) container depot services. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, the revenue generated from our logistics centre and related services amounted to approximately RM75.7 million, RM59.3 million, RM53.8 million and RM23.5 million respectively, which accounted for approximately 40.0%, 31.4%, 26.7% and 23.8% of our total revenue.

The following table sets forth a breakdown of our revenue by type of our logistics centre and related services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		For the six months ended 30 June 2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(Unaudited)			
Warehouse and Ancillary Services	71,510	94.4	55,728	94.0	48,585	90.3	24,008	92.2	19,528	83.0
Container depot services	4,206	5.6	3,532	6.0	5,213	9.7	2,044	7.8	4,013	17.0
Total	75,716	100.0	59,260	100.0	53,798	100.0	26,052	100.0	23,541	100.0

Set out below is the map of Malaysia with the states (indicated in the box) and districts which our warehouses and properties are located as at the Latest Practicable Date:



The following tables set out our warehouses and properties by states and districts in Malaysia at the Latest Practicable Date:

Selangor state

District	Address	Usage
Batu Arang	No 28, Jalan KP2 Kawasan Perindustrian Kota Puteri 48100 Batu Arang Selangor Malaysia	Leased to an Independent Third Party
Port Klang	No 2 & 4, Jalan Kasuarina 8 Bandar Botanic, 41200 Klang Selangor, Malaysia	Office
Pulau Indah	Lot No.26, Phase 3A on Part of P.N. 7935 Lot No. 74078 Mukim and District of Klang Selangor, Malaysia	Vacant

District	Address	Usage
	Freight Village Warehouse Lot 54, Jalan Sungai Pinang 5/7/KS11, Taman Perindustrian Pulau Indah 2, 42920 Port Klang Selangor, Malaysia	Short term warehouse services
	Freight Village Bonded Warehouse Lot 54, Jalan Sungai Pinang 5/7/KS11, Taman Perindustrian Pulau Indah 2, 42920 Port Klang Selangor, Malaysia	Bonded short term warehouse services
	PN 24331, Lot 102494 (formerly known as HSD 71668, PT 67100) Mukim Klang, Daerah Klang Negeri Selangor, Malaysia	Local transportation services
	Warehouse J, Pulau Indah, 42009 Port Klang, Selangor, Malaysia	Long term warehouse services
	Warehouse K Diperdana Warehouse, Pulau Indah 42009, Port Klang, Selangor Malaysia	Short term warehouse services
	Warehouse L Diperdana Warehouse, Pulau Indah 42009, Port Klang, Selangor Malaysia	Short term warehouse services
	Warehouse K Diperdana Warehouse, Pulau Indah 42009, Port Klang, Selangor Malaysia	Short term warehouse services
	Precint 6, Jalan FZ5-P6, Part of P630 Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan Malaysia	Long term warehouse services

District	Address	Usage
	Precint 8, Part of P806, P808, P832 & P833, Port Klang Free Zone/KS 12 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia	Long term warehouse services

Perlis state

District	Address	Usage
Padang Besar	No. 5, Jalan Besar, 02600 Padang Besar, Perlis, Malaysia	Freight forwarding branch office

Penang state

District	Address	Usage
Butterworth	2, Jalan Pusat Perniagaan Raja Uda 1 Pusat Perniagaan Raja Uda, 12300 Butterworth, Penang, Malaysia	Office
	No. P.T A, Bandar Butterworth Seksyen 4, Daerah Seberang Perai Utara, H.S. (D) 9813, Malaysia	Container depot
	H.S. (D) 28522, PT 1, Bandar Prai in the district of Seberang Prai Tengah State of Pulau Pinang, Malaysia	Container depot

Johor state

District	Address	Usage
Johor Bahru	HS (D) 303868 PTD 2423, Mukim of Tanjung Jupang, District of Johor Bahru, State of Johor, Malaysia	Long term warehouse services
	No 17, Jalan Cempedak 4, Taman Kota Masai 81700 Pasir Gudang Johor, Malaysia	Warehouse

Warehouse and Ancillary Services

We provide both short term and long term warehouse services to our customers during the Track Record Period. In addition to the storage services, we also provide ancillary services, such as packaging and labelling, palletising, local transportation services and other ancillary services such as logistics and distribution management to customers using our logistic services.

Short Term Warehouse Services

Our Group currently operates five warehouses under our short term warehouse services, all of the warehouses are located in Selangor, Malaysia with a total gross floor area of approximately 151,000 sq.ft. The goods stored for our customers are general merchandise and we provide Warehouse and Ancillary Services, such as storage of goods, cargo consolidation and deconsolidation and container stuffing and unstuffing services in our warehouses. The following table sets forth a summary of our warehouses we operated under our warehousing and ancillary services during the Track Record Period:

Warehouse	Address	Description of the warehouse	Leased or owned by our Group	Approximate floor area in sq.ft.	Year of operation
Freight Village Warehouse	Lot 54, Jalan Sungai Pinang 5/7/KS11, Taman Perindustrian Pulau Indah 2, 42920 Port Klang, Selangor, Malaysia	The main function of the Freight Village Warehouse is to provide warehouse services in a short term basis	Owned by Infinity L&T (MY)	32,000	Since June 2008
Freight Village Bonded Warehouse	Lot 54, Jalan Sungai Pinang 5/7/KS11, Taman Perindustrian Pulau Indah 2, 42920 Port Klang, Selangor, Malaysia	The main function of the Freight Village Bonded Warehouse is to provide warehouse services without payment of duty. It is mainly used by the export-oriented customers	Owned by Infinity L&T (MY)	14,000	Since June 2008
Warehouse K	Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia	Warehouse K, L and M are adjacent to each other. The main function of the Warehouse K, L and M of warehouses is to provide to provide warehouse services in a short term basis	Leased by Infinity L&T (MY)	41,000	Since January 2016

Warehouse	Address	Description of the warehouse	Leased or owned by our Group	Approximate floor area in sq.ft.	Year of operation
Warehouse L	Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia	Warehouse K, L and M are adjacent to each other. The main function of the Warehouse K, L and M of warehouses is to provide to provide warehouse services in a short term basis	Leased by Infinity L&T (MY)	45,000	Since January 2016
Warehouse M	Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia	Warehouse K, L and M are adjacent to each other. The main function of the Warehouse K, L and M of warehouses is to provide to provide warehouse services in a short term basis	Leased by Infinity L&T (MY)	19,000	Since January 2016

Long Term Warehouse Services

In addition to our short term warehouse services, we also leased five of our warehouses to the lessees. The period of such agreements vary from two years to three years. Under the tenancy agreement signed between the lessees and us, we shall offer a wide range of warehousing services, such as cargo handling, stuffing and unstuffing, strapping and providing additional warehousing manpower to our lessees and these services shall be quoted on a per-request basis. The following table sets forth a summary of our warehouses we operated under our warehouse leasing services during the Track Record Period and up to the Latest Practicable Date:

Warehouse	Address	Description of the warehouse	Leased or owned by our Group	Approximate floor area in sq.ft.	Year of operation	Major term of the tenancy agreement with our lessee
PKFZ Warehouse	Precint 6, Jalan FZ5-P6, Part of P630, Port Klang Free Zone/ KS12, 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia	We leased the entire PKFZ Warehouse to an independent third-party, who is a heavy metal trader for storage of good.	Leased by Infinity L&T (MY)	48,300	Since February 2018	Monthly rent of RM72,462 with a term from 1 February 2018 to 31 January 2021 with an option to renew for another three years commencing from 1 February 2021

Warehouse	Address	Description of the warehouse	Leased or owned by our Group	Approximate floor area in sq.ft.	Year of operation	Major term of the tenancy agreement with our lessee
Warehouse J	Diperdana Warehouse, Pulau Indah, 42009, Port Klang, Selangor, Malaysia	Warehouse J is adjacent to Warehouse L and Warehouse M. We leased the entire Warehouse J to an independent third-party, who is engaged in the provision of transportation and warehousing services	Leased by Infinity L&T (MY)	112,000	Since August 2016	Monthly rent of RM78,663.20 from 1 April 2019 to 30 June 2019 and RM157,325.00 from 1 July 2019 to 31 March 2021, with a fixed term from 1 April 2019 to 31 March 2021 *(note 1)*
PKFZ II Warehouse	Precint 8, Part of P806, P808, P832 & P833, Port Klang Free Zone/KS 12, 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia	We entered into an agreement to provide long term warehouse services in the entire PKFZ II Warehouse	Leased by Infinity L&T (MY)	212,000	Since November 2019	Monthly rent of RM382,296 with a term of two years starting from November 2019 with an option to renew for further terms of one year
Johor Warehouse I	HS (D) 303868 PTD 2423, Mukim of Tanjung Jupang, District of Johor Bahru, State of Johor, Malaysia (the "**Johor Land**")	As at the Latest Practicable Date, two warehouses, namely Johor Warehouse I and Johor Warehouse II, had been built on the Johor Land.	Leased by Infinity L&T (MY)	42,000	Since September 2019	Monthly rent of RM 67,200 for two years from 1 September 2019 with an option to renew for further terms of one year
Johor Warehouse II	HS (D) 303868 PTD 2423, Mukim of Tanjung Jupang, District of Johor Bahru, State of Johor, Malaysia	As at the Latest Practicable Date, two warehouses, namely Johor Warehouse I and Johor Warehouse II, had been built on the Johor Land.	Leased by Infinity L&T (MY)	42,000	Since September 2019	Monthly rent of RM28,000 with a term from 1 September 2019 to 31 August 2022

Note 1: From 1 April 2019 to 30 June 2019, we only leased half of our Warehouse J to the lessee. Subsequently, we leased the entire Warehouse J from 1 July 2019 to 31 March 2021. The significant increase in the monthly rent for Warehouse J is due to the increase of the warehouse area leased to the lessee.

The following table sets forth information on the designed capacity, actual volume and utilisation rates of our warehouses for each of FY2016, FY2017, FY2018 and six months ended 30 June 2019, respectively:

		FY2016			FY2017			FY2018			For the six months ended 30 June 2019		
	Unit	Designed capacity *(Note 1)*	Actual storage volume *(Note 2)*	Utilisation rate (%) *(Note 3)*	Designed capacity *(Note 1)*	Actual storage volume *(Note 2)*	Utilisation rate (%) *(Note 3)*	Designed capacity *(Note 1)*	Actual storage volume *(Note 2)*	Utilisation rate (%) *(Note 3)*	Designed capacity *(Note 1)*	Actual storage volume *(Note 2)*	Utilisation rate (%) *(Note 3)*
Short Term Warehouse Services													
Freight Village Warehouse	palette footprint	71,976	67,289	93.5	71,976	50,537	70.2	71,976	52,337	72.7	35,988	31,356	87.1
Freight Village Bonded Warehouse	palette footprint	13,920	10,876	78.1	13,920	11,854	85.2	13,920	11,346	81.5	6,960	5,935	85.3
Warehouse K, Warehouse L and Warehouse M *(note 4)*	palette footprint	653,376	622,263	95.2	653,376	515,597	78.9	653,376	432,826	66.2	326,688	166,253	50.9
Long Term Warehouse Services													
PKFZ Warehouse	square foot	–	–	–	–	–	–	531,300	531,300	100.0	289,800	289,800	100.0
Warehouse J	square foot	560,000	560,000	100.0	1,344,000	1,344,000	100.0	1,344,000	1,344,000	100.0	672,000	672,000	100.0

Note:

1. For Freight Village Warehouse, the designed capacity is computed based on the effective storage area of the warehouse with three stacks of goods stored and the turnaround period is one month per order. For Freight Village Bonded Warehouse, the designed capacity is computed based on the palette footprint space on the racking for each month and the turnaround period is one month per order. For Warehouse K, Warehouse L and Warehouse M, the designed capacity is computed based on the effective storage area of the warehouse with three stacks of goods stored for each month and the turnaround period is seven days per order. For long term warehouse services, the designed capacity is computed based on the size of the warehouse multiply by the number of month available in the respective year.

2. For short term warehouse services, the actual volume is computed based on monthly throughput handled by our Group. For long term warehouse services, the actual volume is based on the area leased to our customers multiply by the number of month occupied by the customers in the respective year.

3. Utilisation rate is calculated by dividing the actual storage volume by the designed capacity.

4. Warehouse K, Warehouse L and Warehouse M are ancillary to each other for the provision of short term warehouses services in the Westports and we view them as a group of warehouses.

5. The PKFZ II Warehouse, Johor Warehouse I and Johor Warehouse II were not in operation during the Track Record Period, thus, no utilisation rate can be calculated.

Our ancillary services

Repackaging and labelling

Depending on the needs of our customers, we offer repackaging and labelling services including wrapping, sealing and labelling, to ensure that the goods of our customers are properly repackaged or labelled in accordance with customers' instructions prior to delivery to destination, if applicable. The repackaging and labelling services we provide vary from customer to customer and we allocate staff at our warehouses according to the demand of our customers for these services.

– Repackaging of alumina hydrate

Palletising

Cargos are bundled in a unit load device before they are loaded on to a ship or train. Palletisation is a process by which goods are bundled together on a flat transport structure (typically a wooden board) known as a pallet, in order to facilitate mechanical handling of stacked goods. Standardised palletised goods can then be easily handled by common mechanical equipment such as fork-lift and trucks to move around in a warehouse or to load on to a unit load device on an aircraft or a container in a vessel for shipment.

– Palletising of oleic acid containers

Local transportation services

We provide local transportation services to our customers using our own vehicles or subcontractors in Malaysia and overseas. Local transportation services further divide into trucking services and haulage services. Haulage services refer to the transportation of containers while trucking services refer to delivery of non-container cargoes by trucks. For local transportation services in Malaysia, we use our own fleet of transportation vehicles for haulage services while we engage subcontractors for the trucking services within Malaysia. As at the Latest Practicable Date, we owned 12 trucks, 48 prime movers and 266 trailers for providing our local delivery services in Malaysia. Upon customers' requests, our local transportation services also arrange local transportation in overseas for our integrated freight forwarding services and railroad transportation services.

Other ancillary services

Other ancillary services provided by our Group include:

– logistics and distribution management, such as distribution of goods, preparation of stock reports to facilitate efficient and effective monitoring and coordination of flow of goods from manufacturers, warehouses, transporters, and customers; and

– other warehouse ancillary services, such as shrink wrapping, sorting, weighting and arranging additional warehousing manpower.

Container Depot Services

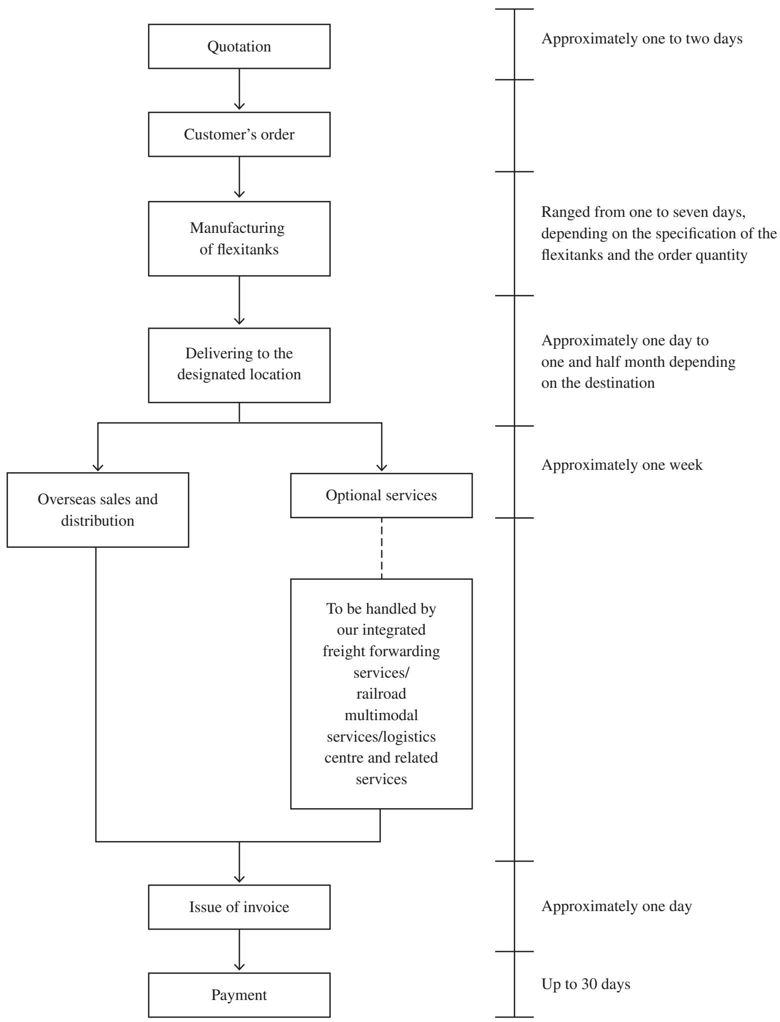
We operate two container depots in the Penang Port, with combined container storage area of approximately 610,000 sq.ft. offering empty containers storage, container cleaning, container inspection, general maintenance and repair when required by customers. Both of our container depots are leased from independent third party. The following table sets forth a summary of our container depots we operated under our container depot services during the Track Record Period:

Depot centre	Address	Lessee	Approximate floor area sq.ft.	Year of operation
Container Depot A	No. P.T A, Bandar Butterworth, Seksyen 4, Daerah Seberang Perai Utara, H.S. (D) 9813, Malaysia	Supply Stream Management (MY)	218,000	Since November 2010
Container Depot B	H.S. (D) 28522, PT 1, Bandar Prai in the district of Seberang Prai Tengah, State of Pulau Pinang, Malaysia	Infinity L&T (MY)	392,000	Since October 2018

OPERATIONAL FLOW

(I) Flexitank Solution and Related Services

The following business workflow illustrates the general process by which we fulfil our customers' booking requests for our flexitank solution and related services business:



(i) Quotation

We normally provide a quotation to our customers based on the estimated costs, profit margin, the capacity of our production plant and the customers' requirements such as timeframe of the services, delivering schedule, quantity and specifications of the flexitanks, optional services to be provided and location of the shipment.

During the Track Record Period, majority of our customers were returning customers and they provided the quantity and specifications of the flexitanks when they made the quotation requests. For new customers, our sales team will discuss with them to identify their specific needs so as to provide a preliminary solution and quotation to accommodate their needs.

(ii) Customer's order

If the customers agree with our quotation, they will issue purchase orders to us, which, together with the quotation issued by our Group, constitute binding agreements between our customer and us. For details, please refer to the paragraphs headed "Our customers – Flexitank solution and related services" in this section.

(iii) Manufacturing of flexitanks

The flexitanks we used in our flexitank solution and related services are either produced in-house in Malaysia or produced by our overseas OEM manufacturers. As part of our quality and food safety plan, our quality control technicians conduct material tests such as tensile, elongation, impact tests on the polyethylene film and polypropylene woven. As for the valves, they are subjected to 100% inspection for leak tightness test. We will ensure that the flexitanks comply with the industry standard by following the code of practice provided by the Container Owners Association. For further details, please refer to the paragraphs headed "Flexitank solution and related services – Production process" in this section.

To ensure the flexitanks produced by our overseas OEM manufacturers meet our quality standards, we only engage suppliers from our approved list of suppliers. We conduct annual approved suppliers re-evaluation to ensure that our suppliers meet the FSSC 22000 and ISO9001:2015 standards. For further details, please refer to the paragraphs headed "Suppliers – Flexitank suppliers" in this section.

(iv) Delivering to the designated location

Flexitanks produced in our production plant in Malaysia

Our flexitank installation team in our flexitank solution and related services will transport ready-to-use flexitanks to designated depots or customers premises for installation of the flexitanks into the containers as requested by customers. We normally engage trucking subcontractor for stock delivery of flexitank and accessories from our office in Port Klang to our offices in Penang and Johor Bahru.

For overseas customers, depending on our capacity, we will either use our freight forwarding services or engage other logistics service provider to deliver the flexitanks to the designated countries.

Flexitanks produced by our overseas OEM manufacturers

We generally arrange other freight forwarder to either ship the flexitanks as a product directly to the overseas customers or our warehouse in Malaysia.

(v) Optional services

Depending on the requirements of our customers, we provide optional services such as fitting and installation services. These optional services are only available to the customers located in Malaysia, Indonesia, Thailand and Vietnam. Our employees will provide these optional services in Malaysia while we engage our subcontractors, agents to provide such services in Indonesia, Thailand and Vietnam.

We also provide a range of accessories to enhance the utility and feature of the flexitank such as (i) heating pad to help liquefying solidified cargo; (ii) insulation liner to reduce the rate of temperature fluctuation enabling the cargo to retain its original characteristics as much as possible; (iii) tub liner to provide extra protection and act as a containment for minor spillage or leakage; (iv) heat exchanger to re-melt solidified cargo; and (v) anti-bulging system to provide support to the container side panels, preventing container bulging or deformation. In addition, we are also able to provide emergency response services at all locations where we (and our flexitank overseas agents) are located. emergency response services are required when a flexitank is found leaking and needs salvage and/or transloading. This service is usually requested by cargo owners.

(vi) Overseas Sales

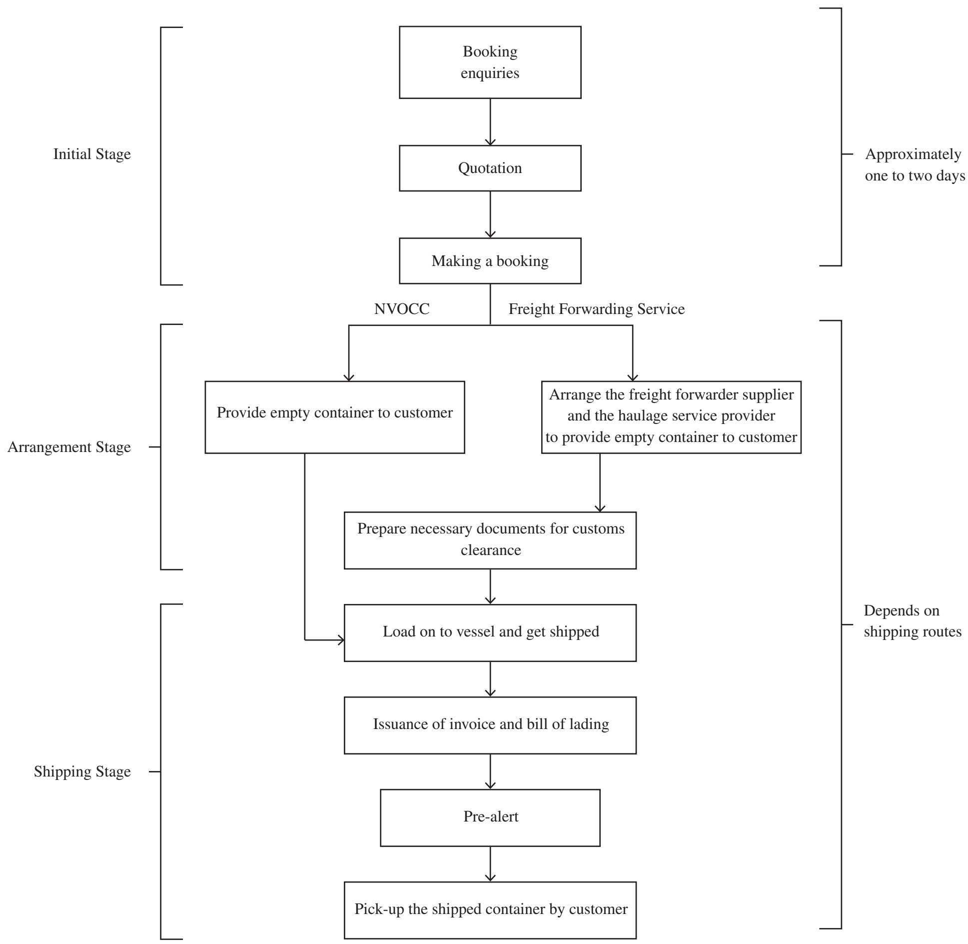
For Indonesia, Thailand, Vietnam and South Korea market, we either provide flexitank solution and related services to our overseas customers and arrange our overseas agents to provide optional services or sell the flexitanks to our overseas agents and they will provide optional services to the end customers.

(vii) Issue of invoice

We will issue an invoice, with a credit period of 30 days, to our customer after we provide the flexitank solution and related services and total price of the order based on the agreed quotation.

(II) Integrated freight forwarding services

The following business workflow illustrates the general process by which we fulfill our customers' booking requests for integrated freight forwarding services shipments:



Initial Stage

Our customer (being an end customer or freight forwarder) sends a booking enquiries to us containing details of reservation indicating the proper incoterm and freight terms, such as shipping method, pick up location, destination, preferred route, type, dimension, weight, measurement of consignment and expected date of arrival. We normally provide a quotation to our customer based on the rates and information provided by our suppliers. If our customer agrees with the quotation, the cargo flow will commence. We make a booking with our suppliers by lodging a standardised booking form containing details of our customer's booking. Depending on the needs of our customer, we offer related Logistics Services, such as Warehouse and Ancillary Services and local transportation services, under our logistics centre and related services before the consignment is loaded on to a vessel.

Arrangement Stage

For our NVOCC services, we provide our own empty containers to customers and we arrange our freight forwarder suppliers to provide empty containers to our customers under our freight forwarding services. For our NVOCC services, we do not prepare the documents for customs clearance for our customers and our customers generally prepare the documents for customs clearance themselves or engage other forwarding agents for such services. For our freight forwarding services, we generally help customers to prepare the necessary documents for customs clearance. As at the Latest Practicable Date, we operated 1,830 containers.

Shipping Stage

For our NVOCC services, the customers generally arrange cargo to the port of loading while the cargo collection point for our freight forwarding services vary depending on the customers' requests. The customer's cargo will then be loaded on the vessel and get shipped.

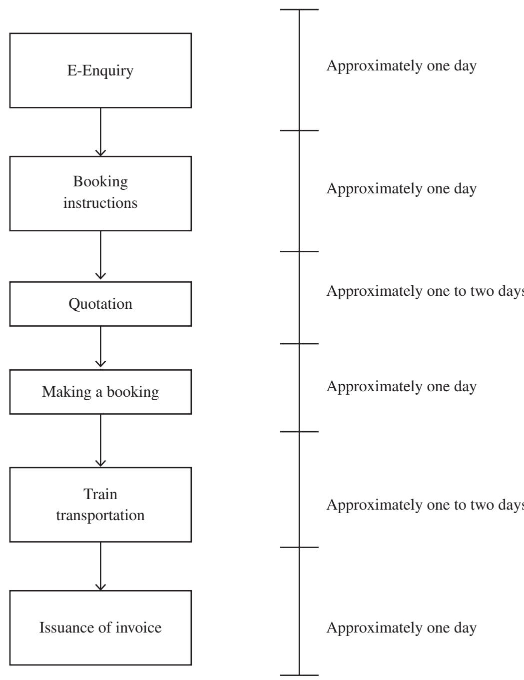
For our NVOCC services, our operation department will then issue an invoice and a bill of lading to our customer on the date when shipment is loaded on board the departing vessel and the bill of lading will be released to the customer upon receipt of payment.

For freight forwarding services, when the shipment is loaded on board, our suppliers will issue the bill of lading (for shipment by ocean) or airway bill (for shipment by air) to us. Our operation department will then issue an invoice, with a credit period of 30 days and a house airway bill or a house bill of lading to our customer on the date when shipment is loaded on board the departing vessel.

Before the cargo arrive the destination, we will notify our customers the arrival time by sending out estimate arrival time notice. Finally, our customers would either pick up the containers at the port of destination or we would arrange for local transportation services upon customers' requests by engaging subcontractor to provide local transportation in the destination.

(III) Railroad transportation services

The following business workflow illustrates the general process by which we fulfill our customers' booking requests for railroad transportation services shipments:



(i) E-Enquiry and Booking Instructions

Our customer sends a booking enquiry to us containing details of reservation indicating the proper incoterm and freight terms, such as shipping method, pick up location, destination, preferred route, type, dimension, weight, measurement of consignment and expected date of arrival.

(ii) Quotation

We normally provide a quotation to our customer based on the rates and information provided by our suppliers including trucking companies and railroad suppliers plus a certain profit margin on case-by-case basis.

(iii) Making a booking

If our customer agrees with the quotation, we will make a booking with our suppliers by lodging a standardised booking form containing details of our customer's booking. Depending on the needs of our customer, we offer related Logistics Services, such as Warehouse and Ancillary Services, before the consignment is loaded on to a train.

(iv) Train transportation

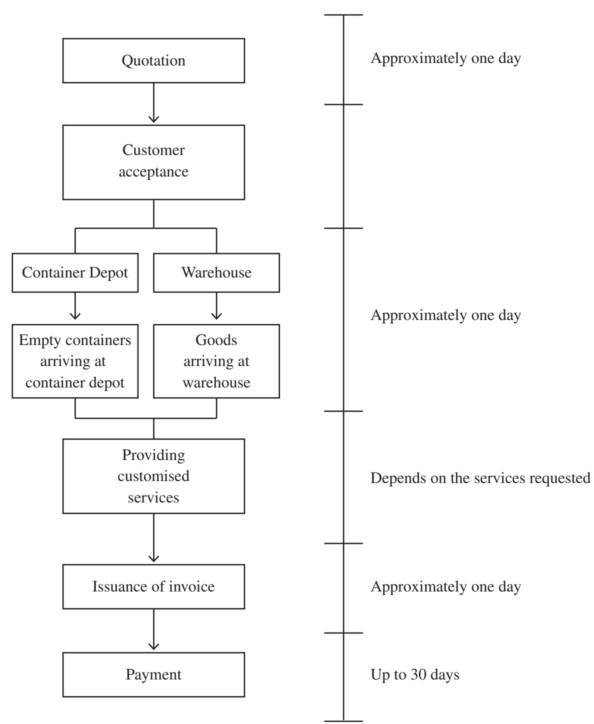
We arrange subcontractors to load the goods to the train from the trucks and arrange the railroad operator to transport the goods to the designated destination by trains. If the shipment has to go through the Malaysian customs, our forwarding division in our integrated freight forwarding services will handle the Malaysia forwarding services.

(v) Issuance of invoice

Upon completion of the delivery, we will issue invoice, with a credit period up to 30 days to our customers for the job done.

(IV) Logistics centre and related services

The following flow chart illustrates the general process by which goods or cargo of our customers are handled by our logistics centre and related services division:



(i) Quotation

We provide a quotation to our customer based on the costs of the services requested plus a certain profit margin on case-by-case basis.

(ii) ***Goods/empty cargo arriving at our warehouse/container depot centre***

Warehouse and Ancillary Services

Goods of our customer are delivered to our warehouses either by our customer or through local delivery services provided by our subcontractors.

Container depot services

Empty containers of our customer are delivered to our depot centre by respective hauliers.

(iii) ***Customised services***

Warehouse and related services

Once the goods have been stored in our warehouses, there will be frequent communication between our customer and us so that our customer can provide detailed instructions to our employees as to how they would like their goods to be handled. We will provide related value-added services such as repackaging, labelling and palletising provided on an as-needed basis.

Container depot services

Once the empty containers have been delivered to our container depot centre, we will provide services such as survey and inspection, cleaning, storage, general maintenance and repair as requested by customers.

(iv) ***Issue of invoice***

We generally issues an invoice to our customer on a monthly basis, with a credit period up to 60 days.

QUALITY MANAGEMENT AND CONTROL

We believe that our quality control measures enable us to provide quality services to our customers. Our process and quality management team (the "**PQM Team**") is responsible for maintaining, compiling and reviewing our quality management procedures and other systematic documentations, and providing support to our employee training. We hold management review meetings regularly to discuss the results of external quality accreditation audits, review operations resources, follow up on customer feedback and complaints, and identify areas for improvement. Our PQM Team is also responsible for formulating and implementing standard operating procedures integrated into our operational processes in order to maximise the overall quality consistency of our services. When there is a deviation from the standard operating policy, our PQM team will step in to rectify the situation immediately. Our PQM team also actively participate in the problem solving activities with operations team to ensure all process deviations or customers highlights are promptly resolved ensuring the highest level of service possible. As at the Latest Practicable Date, the PQM Team comprised six employees members led by a manager with more than 10 years of experience in the logistics industry in Malaysia. In addition to our PQM Team, our senior management team is actively involved in setting and reviewing quality policies and managing internal and external quality performance through customers and/or employees feedback.

Our quality control management system prepared by our PQM team mainly includes, but not limited to, the following elements:

(i) Selection of suppliers and subcontractors – We maintain a list of approved suppliers which we review and update from time to time. As at the Latest Practicable Date, there were over 1,100 suppliers on our list of approved suppliers. For further details regarding the quality control on our suppliers, please refer to paragraph headed "Our Supplier – Quality of suppliers" in this section.

(ii) Operation – Every stage of our operation process is monitored by our process and quality management department to ensure that the operation process conforms to specific quality control requirements. Supervisors of different operation processes also carry out regular inspection.

(iii) Process and quality planning – The product realisation and service provision processes (operations) are planned with adequate control points incorporated into the standard operating procedure and process owners monitor the operations are executed accordingly and institute corrective and preventive actions when deviation are detected to prevent any recurrence and occurrence.

(iv) Facilities and equipment management – Regular inspections and maintenance are carried out by us to ensure the up-to-standard performance of our facilities and equipment.

(v) Employee quality awareness – Regular trainings and continuous assessments of the performance of employee are conducted.

Additional quality control for our flexitank solution and related services

We believe that the quality of our flexitank solution and related services are crucial to our continued success. Hence, we place strong emphasis on achieving a consistently high quality for the flexitank to be used in the provision of our flexitank solution and related services. Our PQM team is responsible for the establishment, implementation and maintenance of our Group's quality management system in accordance with the international standards. It also assists in setting up the flexitank production quality control team which is responsible for conducting quality testing and inspection at the various stages of flexitank production from materials receiving, in-process assembly, to finished product, ensuring the flexitanks produced are able to meet stringent requirements of our customers as well as the Quality Management System and Food Safety System that we are certified to, namely ISO 9001, FSSC 22000 and HACCP. As at the Latest Practicable Date, our flexitank quality control team consisted of eight employees.

During the Track Record Period, we had not experienced any claims, litigations and arbitrations or material adverse findings in inspection by government authorities with respect to the quality of our flexitank solution and related services. As at the Latest Practicable Date and during the Track Record Period, we had not experienced any material complaints or disputes from our customers in relation to the quality of our services during the Track Record Period.

SALES AND MARKETING

Our Directors, together with our sales and customer service team, have been maintaining a stable and harmonious business relationship with our customers. Where appropriate, our sales and customer service team is encouraged to cross-sell our related Logistics Services across different business segments. Our sales and customer service team is capable of providing the most relevant up-to-date market information and advice on our capability to offer customised value-added Logistics Services, thereby ensuring that we provide the most cost-effective way of delivering and handling our customers' goods as a one-stop service provider. Through our sale and marketing efforts, we target to diversify and expand our customer base by offering a wider portfolio of cargo routes for our customers through building a more extensive network of suppliers of integrated freight forwarding services, and thereby boosting sales performance and fostering a more diversified customer network.

Overseas agents

In order to better serve our overseas customers with a more extensive network, we have maintained an international network of overseas agents in multiples locations including Thailand, Indonesia, Singapore, Vietnam, Cambodia, Philippines, South Korea, Hong Kong, Bangladesh, Australia, Germany, Spain, Mexico, Chile and South Africa, to provide operational support for our flexitank solution and related services and NVOCC services (as the case may be) in their operating countries. We believe such international network enables us to diversify our customer bases and expand our presence. For NVOCC agency arrangement, the overseas agents at the origin or destination of the shipment (as the case may be) are responsible for promoting sales, handling of cargoes services in their territories, following up on routing orders and sending sales leads on a regular basis to us. In this regard we paid our overseas agents a commission fee. For FY2016, FY2017, FY2018, the six months ended 30 June 2019 and from 1 July 2019 to the Latest Practicable Date, the total amount of commission fee attributable to our NVOCC overseas agents amounted to approximately USD124,000, USD202,000, USD257,000, USD117,000 and USD104,000, respectively. During the Track Record Period, the agency commissions paid to our overseas agents were ranged from USD4 to USD15 per container of import/export laden and some overseas agents may be entitled to up to 20% of the detention and demurrage fee collected from the cargos handled by them. They take entire responsibility for the collection of payments from the overseas consignee on our behalf. For flexitank agency arrangement, the overseas agents at the origin or destination of the shipment (as the case may be) are responsible for the operational for the flexitank solution services. In this regard, we paid a handling fee to our overseas agents. In addition to the agency arrangement, our overseas agents also sources flexitanks from us as our customers. For FY2016, FY2017, FY2018, the six months ended 30 June 2019 and from 1 July 2019 to the Latest Practicable Date, the total amount of handling fee attributable to our flexitank solution and related services overseas agents amounted to approximately USD23,000, USD61,000, USD78,000, USD54,000 and USD40,000, respectively. The amount of handling fee paid to our overseas agents were ranged from USD10 to USD60 for each of the flexitank handled by our overseas agents.

If we do not satisfy with the services provided by the overseas agents, we may terminate the agency arrangement with them. During the Track Record Period, we terminated the agency arrangement with one of our overseas agents in India in April 2018 due to their unsatisfying performance and the outstanding amount had been fully settled as at the Latest Practicable Date.

As at the Latest Practicable Date, we had 23 overseas agents, among which three companies in Thailand, four companies in Indonesia and one company in Vietnam are using "Infinity" brand name. These overseas agents are generally freight forwarding services providers in their operating countries. We typically enter into agency agreements with the overseas agents pursuant to which the overseas agents agree to represent ourselves in their operating countries.

For NVOCC services, the salient terms of the agency agreement are as follows:

Principal and agent	:	We shall be the principal and the overseas agents shall be the appointed agent for the container operation in the designated territory
Term	:	The agreement shall continue in effect unless terminated by either party
Geographic or other exclusivity	:	The overseas agents shall operate in the designated territory
Scope of services of the overseas agents	:	The overseas agents shall be responsible for promoting sales, enhancing the efficiency of handling of cargoes in their territories, the storage and return of the containers, following up on routing orders and sending sales leads on a regular basis to us
Payment obligations	:	The overseas agents shall collect overseas payments on our behalf.
Agency commission	:	Subject to review and change, we shall pay the overseas agents a fixed fees per container of export laden. We shall also fully reimburse the local charges incurred by the overseas agents

Termination	:	We or the overseas agents may at any time by giving the other party 45 days prior written notice to terminate the agreement without cause. During the Track Record Period, none of the agency agreements had been terminated

For flexitank solution and related services, the salient terms of the agency agreement are as follow:

Principal and agent:	We shall be the principal and the overseas agents shall be the appointed agent for flexitanks services in the designated territory
Term:	The agreement shall continue in force for an initial period of ranging from 12 months to 36 months and thereafter unless terminated by either party
Geographic or other exclusivity:	The overseas agent shall operate in the designated territory
Scope of services:	The overseas agent shall be responsible for flexitank solution and related services in relation to delivery and loading. The overseas agents shall be responsible for any cost arising from damaged equipment such as flexitank or leakage due to equipment improperly fitted into containers
Termination:	We or our agents may at any time by giving the other party three months' prior written notice to terminate the agreement without cause.

Our relationship with overseas agents using "INFINITY" brand name

Among our 23 overseas agents, three agents in Thailand, four agents in Indonesia and one agent in Vietnam use "Infinity" brand name. The major terms of the agency agreements we entered with these eight agents using the "Infinity" brand and the rest of the agents are similar. As at the Latest Practicable Date, all overseas "Infinity" agents are independent from our Group.

During the Track Record Period, our subsidiaries, Infinity L&T (MY), Infinity Lines (MY), Infinity Bulk Logistics (MY), directly held 49% of the total issued shares in each of the three overseas agents in Thailand, namely Infinity L&T Thailand, Infinity Shipping (Thailand) and Infinity Bulk Logistics (Thailand) (collectively refer as the "**Thailand Agents**"), on behalf of and under the instruction of the Thailand Agents' common director and controlling shareholder (the "**Thailand Agents' Control Person**") to leverage on our Group's support at the material time. Our executive Directors confirm that the size of business and scale of operation of each of the Thailand Agents were relatively small when the respective shares of the Thailand Agents were first allotted to our Group. At the material time, the Thailand Agents would like to give their customers an impression that the Thailand Agents belong to our Group and had presence in multiple countries. As a result, the Thailand agents requested our Group to hold 49% of the total issued shares in each of the Thailand Agents on behalf of the Thailand Agents' Control Person. Our Group agreed to such an arrangement as the Thailand Agents are our business partner and they are able to extend our sales network in Thailand. Our Directors further confirm that the Thailand Agents' Control Person was a co-worker of Dato' Chan in 1999 before the establishment of our Group. In August 2018, we had transferred all our interests in the Thailand Agents, to the Thailand Agents' Control Person at her request. In June 2019, our Group and the Thailand Agents' Control Person entered a confirmatory deed for each of the company of the Thailand Agents (the "**Confirmatory Deeds**") to acknowledge and confirm that we held shares of the Thailand Agents for the interest and benefit of the Thailand Agents' Control Person.

Our executive Directors confirm that, since the respective shares were first allotted to our Group, (i) our Group had not appointed any director or representative to the board of directors of the Thailand Agents; (ii) our Group had not attended nor voted at the shareholders' meeting of the Thailand Agents unless at the request of the Thailand Agents' Control Person; (iii) we waived our right for any dividends on its Shares and was not entitled to any distribution of dividends from the Thailand Agents; (iv) our Group has irrevocably and unconditionally granted an option (the "**Put Option**") to the Thailand Agents' Control Person to require us to sell all shares held by us to the Thailand Agents' Control Person or the Thailand Agents' Control Person's nominee at a price equal to the par value (which was the same as the subscription price paid by us at the time of our subscription) of the shares; (v) our Group had not received any dividends from the Thailand Agents since incorporation; (vi) our Group had not made any further capital contribution to the Thailand Agents; and (vii) our Group had not participated or been involved in the management or operation of the Thailand Agents. As such, despite our shareholdings in the Thailand Agents held on behalf of the Thailand Agents' Control Person, our Directors consider that the Thailand Agents are independent to our Group during the Track Record Period and up to the Latest Practicable Date and neither our Group, our Directors or their associates is the director of any of the company in the Thailand Agents as at the Latest Practicable Date.

Our executive Directors further confirmed that during the Track Record Period, the business relationship with the Thailand Agents are in our ordinary course of business, the Thailand Agents and its directors do not have any past and present relationship with our Company, founders, subsidiaries, directors, shareholders, senior management or any of their respective associates. Furthermore, to the best knowledge and belief of our executive Directors after making all reasonable enquiries, our executive Directors are not aware that each of the company of the Thailand Agents were non-compliant with any applicable laws and regulations in Thailand and Malaysia and in relation to its business in all material respects or were the subject of any material non-compliant incidents, claims, litigation or legal proceedings (whether actual or threatened) during the Track Record Period.

Pricing policy

Flexitank solution and related services

We determine the prices of our flexitank solution and related services based on the cost incurred. Depending on the specifications of the flexitanks, the quotation from our suppliers, the optional services to be provided, and by reference to a number of factors including, but not limited to, production costs, costs of raw materials, labor cost, lead time and the size of the order. The pricing of our flexitank solution and related services is negotiated and determined on a case by case basis with individual customers and vary from the types in order to maximise the profitability of our Group.

As a result, our Directors believe that our Group generally passed the risks arising from any fluctuation in the purchase costs of raw materials and the labor cost to customers during the Track Record Period. In this connection, we continuously keep ourselves abreast of changes to the market prices, conduct regular reviews on the pricing policy and pay close attention to responses from customers during the negotiations/quotations stage. Our Group may adjust the pricing policy to ensure our Group is responsive to changes in the market price in a timely manner to avoid any material adverse impact on our market position, competitiveness, performance and financial conditions.

Integrated freight forwarding services and railroad transportation services

Our quotations for integrated freight forwarding services and railroad transportation services sourced from our suppliers directly are determined by our sales and customer service department. Our pricing for integrated freight forwarding services and railroad transportation services are based on the cost incurred. We also take into account the following factors in determining our fees we charge our customers:

(a) type and value of consignments;

(b) freight rates offered by our competitors;

(c) future business opportunity;

(d) reputation of the customer within the industry;

(e) cost of services, including freight charge, handling charge, security charge, terminal charge, customs clearance charge, documentation charge and fuel surcharge;

(f) level of acceptance of the current market rates for similar services;

(g) whether consolidation of cargo space or co-loading is possible; and

(h) volume of cargo space ordered.

Logistics centre and related services

Our pricing for logistics centre and related services is also based on the costs of our services plus a target profit margin on a case-by-case basis. Our target profit margin is based on the type and nature of goods to be handled by us. For instance, we generally charge a higher rate for handling goods with special requests.

SEASONALITY

Our Directors believe that the logistics industry in which we operate does not exhibit any significant seasonality.

CUSTOMER SERVICES

Our customer service team handles general enquiries, complaints and feedback from customers. Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, we did not receive any material complaint or claim from our customers in relation to our services.

OUR CUSTOMERS

Our Group served over 1,600 customers worldwide for each of FY2016, FY2017, FY2018 and six months ended 30 June 2019 and the main types of customers of our Group are as follow:

End customers – Our end customers are from a wide range of industries, including but not limited to, manufacturer, palm oil processors and trader of construction and building material. They generally require a wide range of logistics services. The end customers will engage us to manage their import and export shipments as well as local movements of goods within Malaysia. Our Group's services to end customers are (i) obtaining cargo space from shipping lines, airlines or relevant agents; (ii) providing flexitank and assist in loading and discharge of our flexitank and fitting of flexitanks into container for our flexitank solution and related services; (iii) handling the land movement of cargo between their warehouses or, other location as instructed, and the designated port; (iv) arranging customs clearance and cargo handling at ports in Malaysia on behalf of end customers, including paying customs duties on behalf of customers; (v) delivering the consigned shipments to the destinations as requested; and (vi) providing warehousing and ancillary services.

Freight forwarder customers – We sell to other freight forwarders who act on behalf of their shipper customers. We mainly provide NVOCC services, flexitank solution and related services and logistics centre and related services to our freight forwardings customers.

Overseas agents – For our overseas markets such as Indonesia, Thailand, Vietnam and South Korea, we either provide flexitank solution and related services to our overseas customers and arrange our overseas agents to provide optional services or sell the flexitanks to our overseas agents and they will provide optional services to the end customers. For details of our business relationship with the overseas agents, please refer to the paragraph headed "Sales and marketing – Overseas agents" in this section.

The following table sets forth our revenue, gross profit and gross profit margin by customer type during the Track Record Period:

	FY2016				FY2017				FY2018				For the six months ended 30 June 2019			
	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin	Revenue	% of total revenue	Gross profit	Gross profit margin
	(RM'000)	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*	*(RM'000)*	*(%)*
End customers	132,828	70.2	20,033	15.1	133,587	70.9	19,814	14.8	140,538	69.8	29,981	21.3	68,074	69.0	16,169	23.8
Freight forwarder customers	31,961	16.9	4,354	13.6	34,775	18.4	4,098	11.8	35,129	17.5	5,972	17.0	16,125	16.3	2,845	17.6
Overseas agents	24,464	12.9	6,643	27.2	20,251	10.7	4,781	23.6	25,516	12.7	8,321	32.6	14,515	14.7	4,614	31.8
Total	189,253	100.0	31,030	16.4	188,613	100.0	28,693	15.2	201,183	100.0	44,274	22.0	98,714	100.0	23,628	23.9

Our Group served over 1,600 customers for each of FY2016, FY2017, FY2018 and the six months ended 30 June 2019. Our five largest customers have maintained from one to 14 years of business relationship with us as at the Latest Practicable Date. During the Track Record Period, (i) the revenue contributed by our five largest customers amounted to approximately RM53.6 million, RM41.2 million, RM33.5 million and RM18.5 million, representing approximately 28.3%, 21.9%, 16.7% and 18.7% of our total revenue, respectively; (ii) the revenue contributed by our largest customer amounted to approximately RM21.3 million, RM11.6 million, RM12.3 million and RM6.3 million, representing approximately 11.3%, 6.1%, 6.1% and 6.3% of our total revenue, respectively; and (iii) our customers generally pay us by bank transfer and we grant credit period ranged from 30 to 60 days from the date of issuance of invoices to our customers.

Our Group generally do not enter into any fixed-term agreement with our customers for the provision of our services, except for the long-term agreement entered with Customer B, Customer G and Customer H.

Our five largest customers

The following tables set forth certain information about of our five largest customers during the Track Record Period:

For the year ended 31 December 2016

Rank	Customer	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered *(days)*	Method of settlement	Revenue contributed *(RM'000)*	% of our total revenue *(%)*
1.	Customer A	Integrated freight forwarding services and logistics centre and related services	Customer A is a Malaysia company and principally engaged in the manufacture and sale of newsprint.	5	30	Bank transfer	21,324	11.3
2.	Customer B	Integrated freight forwarding services, railroad transportation services and logistics centre and related services	Customer B is a subsidiary of a joint venture between a company listed on New York Stock Exchange and a company listed on Australian Securities Exchange. Customer B is incorporated in Singapore and principally engages in general wholesale trade (including import and export) in building materials.	13	30	Bank transfer	11,005	5.8
3.	Customer C	Integrated freight forwarding services, railroad transportation services and our overseas agents	*Note*	14	30	Bank transfer	8,310	4.4
4.	Customer D	Integrated freight forwarding services and logistics centre and related services	Customer D is a group of subsidiaries of a company listed on the Malaysia Stock Exchange. It is principally engaged in the manufacturing, wholesale and distribution of steel related products, general hardware products and construction materials.	4	30	Cheque	6,583	3.5

Rank	Customer	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Revenue contributed	% of our total revenue
				(year)	*(days)*		*(RM'000)*	*(%)*
5.	Customer E	Integrated freight forwarding services and logistics centre and related services	Customer E is a group of subsidiaries of a company listed on the Malaysia Stock Exchange. It is principally engaged in trading and marketing of steel products and manufacturing and trading of purlin and other steel products.	7	30	Cheque	6,386	3.3
	Total						**53,608**	**28.3**

For the year ended 31 December 2017

Rank	Customer	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered *(days)*	Method of settlement	Revenue contributed *(RM'000)*	% of our total revenue *(%)*
1.	Customer A	Integrated freight forwarding services and logistics centre and related services	Customer A is a Malaysia company and principally engaged in the manufacture and sale of newsprint.	5	30	Bank transfer	11,566	6.1
2.	Customer C	Integrated freight forwarding services, railroad transportation services and our overseas agents	*Note*	14	30	Bank transfer	10,786	5.7
3.	Customer B	Integrated freight forwarding services and logistics centre and related services	Customer B is a subsidiary of a joint venture between a company listed on New York Stock Exchange and a company listed on Australian Securities Exchange. Customer B is incorporated in Singapore and principally engages in general wholesale trade (including import and export) in building materials.	13	30	Bank transfer	8,849	4.7
4.	Customer E	Integrated freight forwarding services and logistics centre and related services	Customer E is a group of subsidiaries of a company listed on the Malaysia Stock Exchange. It is principally engaged in trading and marketing of steel products and manufacturing and trading of purlin and other steel products.	7	30	Cheque	5,369	2.8

Rank	Customer	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered *(days)*	Method of settlement	Revenue contributed *(RM'000)*	% of our total revenue *(%)*
5.	Synthomer Sdn Bhd *(Note 6)*	Flexitank solution and related services, integrated freight forwarding services and logistics centre and related services	Synthomer Sdn Bhd is a subsidiary of a company listed on the London Stock Exchange generating revenue of approximately GBP1,618.9 million for FY2018 according to its annual report. Synthomer Sdn Bhd is incorporated in Malaysia and principally engaged in manufacturing and trading of synthetic latex.	4	60	Bank transfer	4,679	2.6
	Total						**41,249**	**21.9**

For the year ended 31 December 2018

Rank	Customer	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered *(days)*	Method of settlement	Revenue contributed *(RM'000)*	% of our total revenue *(%)*
1.	Customer C	Integrated freight forwarding services, railroad transportation services and our overseas agents	*Note*	14	30	Bank transfer	12,305	6.1
2.	Customer B	Integrated freight forwarding services and logistics centre and related services	Customer B is a subsidiary of a joint venture between a company listed on New York Stock Exchange and a company listed on Australian Securities Exchange. Customer B is incorporated in Singapore and principally engages in general wholesale trade (including import and export) in building materials.	13	30	Bank transfer	5,791	2.9
3.	Customer F	Flexitank solution and related services	Customer F is a subsidiary of a company listed on the Singapore Exchange generating revenue of approximately US$2,946.9 million for FY2018 according to its annual report. Customer F is incorporated in Malaysia and principally engaged in manufacturing and selling of downstream palm oil products.	11	30	Cheque	5,427	2.7
4.	SEIOflec Co., Ltd.	Flexitank solution and related services	Our overseas agent located at Seoul, Korea and private limited by shares incorporated in South Korea.	5	30	Bank transfer	5,197	2.6

Rank	Customer	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Revenue contributed	% of our total revenue
				(year)	*(days)*		*(RM'000)*	*(%)*
5.	Synthomer Sdn Bhd	Flexitank solution and related services, integrated freight forwarding services and logistics centre and related services	Synthomer Sdn Bhd is a subsidiary of a company listed on the London Stock Exchange generating revenue of approximately GBP1,618.9 million for FY2018 according to its annual report. Synthomer Sdn Bhd is incorporated in Malaysia and principally engaged in manufacturing and trading of synthetic latex.	4	60	Bank transfer	4,779	2.4
	Total						**33,499**	**16.7**

For the six months ended 30 June 2019

Rank	Customer	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered *(days)*	Method of settlement	Revenue contributed *(RM'000)*	% of our total revenue *(%)*
1.	Customer C	Integrated freight forwarding services, railroad transportation services and our overseas agents	*Note*	14	30	Bank transfer	6,255	6.3
2.	Customer B	Integrated freight forwarding services, railroad transportation services and logistics centre and related services	Customer B is a subsidiary of a joint venture between a company listed on New York Stock Exchange and a company listed on Australian Securities Exchange. Customer B is incorporated in Singapore and principally engages in general wholesale trade (including import and export) in building materials.	13	30	Bank transfer	3,496	3.5
3.	Surabaya Agent Group	Our overseas agents	Surabaya Agent Group comprises two of our overseas agents in Indonesia, namely, PT Infinity Logistindo Surabaya and PT Infinity Logistics Indonesia.	9	30	Bank transfer	3,152	3.2
4.	Customer G	Integrated freight forwarding services and logistics centre and related services	Customer G is a group of companies incorporated in Malaysia which engages in the manufacturing, trading and selling of calcium and limestone products, cement and building materials.	10	30	Bank transfer	2,858	2.9
5.	Customer H	Integrated freight forwarding services and logistics centre and related services	Customer H is a company incorporated in Singapore which operates a fatty alcohol plant in Indonesia and produces surfactants in Germany for the European Market.	1	30	Bank transfer	2,714	2.8
	Total						**18,475**	**18.7**

Note:

Customer C is a group of seven privately owned entities in Thailand and one in Singapore, comprised of (a) Sritrang Landbridge Co., Ltd.; (b) three Thai entities and one Singaporean entity (together the "**Sritrang Group of Companies**"); and (c) the Thailand Agents owned by a Thai national, who is an Independent Third Party, and his spouse (together the "**Sritrang Group's Control Persons**").

To the best of our Director's knowledge and having made reasonable enquiries, based on the fact that (i) the Thailand Agents' Control Person is a director and the controlling shareholder of the Thailand Agents; (ii) Sritrang Group's Control Persons are directors and the controlling shareholders of the Sritrang Group of Companies; and (iii) Thailand Agents' Control Person and Sritrang Group's Control Persons are together the directors and shareholders of Sritrang Landbridge Co., Ltd., our Directors consider the eight entities mentioned above are affiliated entities and shall be taken as same group of customers.

The Sritrang Group of Companies are engaged in freighting business primarily in Thailand. We started to provide ocean freighting services to Sritrang Group of Companies in 2005. To the best knowledge and belief of our Directors, the Sritrang Group's Control Persons are family members of a co-founder and former vice-chairman of an integrated natural rubber company dually listed on the Stock Exchange of Thailand and the Singapore Exchange with a market share of 10% of global natural rubber consumption.

To the best knowledge and belief of our Directors, Sritrang Group's Control Persons came into contact with the Thailand Agents' Control Person in a meeting in 2000 organised by State Railway of Thailand, which is the state-owned rail operator in Thailand. In 2017, Sritrang Group's Control Persons had obtained an operating license in Thungsong Inland Container Depot and set up a depot centre in Southern Thailand. Each of Sritrang Group's Control Persons and the Thailand Agents' Control Person is an Independent Third Party to our Group. Together with the Thailand Agents' Control Person, they set up Sritrang Landbridge Co., Ltd. to cater to the increasing demand in railroad transportation services between Southern Thailand and Malaysia and became our largest customers in FY2018 and the six months ended 30 June 2019.

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, (i) the Thailand Agents contributed approximately RM4.6 million, RM2.8 million, RM2.9 million and RM0.9 million, respectively; (ii) Sritrang Landbridge Co., Ltd. contributed approximately nil, RM7.4 million, RM8.4 million and RM5.3 million, respectively; and (iii) the Sritrang Group of companies contributed approximately RM3.7 million, RM0.6 million, RM1.0 million and RM0.1 million, respectively.

To the best knowledge and belief of our Directors and after making all reasonable enquiries, none of our Directors or their respective close associates or any shareholder who owned more than 5% or more of the Company's issued share capital as at the Latest Practicable Date, had any interest in any of the top five customers of our Group during the Track Record Period.

Our relationship with Customer A

Customer A is one of our five largest customers during the Track Record Period. We had established business relationship with Customer A since 2014. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our total revenue attributable to Customer A amounted to approximately RM21.3 million, RM11.6 million, nil and nil, representing approximately 11.3%, 6.1%, nil and nil of our total revenue for the corresponding period, respectively.

Customer A is a private company with limited liability incorporated in Malaysia on 4 August 1976 and is principally engaged in the manufacture and sale of newsprint. Customer A was placed under creditors' voluntary winding-up proceedings in Malaysia in August 2017. We have ceased our business with Customer A since FY2018. As at the Latest Practicable Date, all receivable from Customer A were fully settled. Our Directors confirm that the proposed winding-up of Customer A did not result in material disruption of our business.

Our relationship with Customer B

Customer B is one of our five largest customers during the Track Record Period and we had established long-term relationship with Customer B since 2006. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our total revenue attributable to Customer B amounted to approximately RM11.0 million, RM8.8 million, RM5.8 million and RM3.5 million, representing approximately 5.8%, 4.7%, 2.9% and 3.5% of our total revenue for the corresponding period, respectively.

Customer B is a private company with limited liability incorporated in Singapore in May 1994. It is a group company of a joint venture between a company listed on New York Stock Exchange and a company listed on Australian Securities Exchange, which engages in general wholesale trade (including import and export) in building materials. We have entered into a two-year agreement with Customer B for the provision of our services to Customer B. Set out below are the salient terms of the agreement entered with Customer B which was subsisting as at the Latest Practicable Date:

Scope of service	:	In general, Customer B appoints our Group to provide handling services including transportation, storage, customs and port clearance, and delivery of goods from Thailand to designated location.
Title of goods	:	The title shall at all times lie solely with Customer B.

Term	:	The agreement shall be effective from 15 July 2018 and shall be valid for the duration of two years with an option to renew for one year based on written agreement between the parties.
Payment term	:	Within 30 days from invoice date
Insurance	:	Our Group shall effect and maintain insurance cover any damages, costs, claims, loss, injury or death which may occur in relation to the goods and/or to any property or to any person by or arising out of or in the course of or caused by the execution of our services and caused by any negligence, omission or default of us and our employees, servants or agents.
Liability	:	Our Group shall be responsible for the safekeeping of the goods during our custody and shall indemnify Customer B for any loss howsoever caused and whosoever caused the said loss.
Termination	:	We or our customers may at any time by giving the other party 60 days prior written notice to terminate the agreement without cause. The service agreements may also generally be terminated immediately by Customer B serving written notice on us if we (i) fail to observe or perform any provisions of the agreement; and (ii) cease to carry on our business.

Our relationship with Customer G

Customer G is one of our five largest customers during the Track Record Period and we had established long-term relationship with Customer G since October 2009. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our total revenue attributable to Customer G amounted to approximately RM0.3 million, RM2.6 million, RM4.6 million and RM2.9 million, representing approximately 0.2%, 1.4%, 2.3% and 2.9% of our total revenue for the corresponding period, respectively.

Customer G is a group of companies incorporated in Malaysia which engages in the manufacturing, trading and selling of calcium and limestone products, cement and building materials. We have entered into a three-year agreement with Customer G for the provision of our services to Customer G. Set out below are the salient terms of the agreement entered with Customer G which was subsisting as at the Latest Practicable Date:

Scope of service	:	Customer G appoints our Group to provide haulage service within Malaysia.

Title of goods	:	The title shall at all times lie solely with Customer G.
Term	:	The agreement shall be effective from 1 June 2018 and shall be valid for the duration of three years.
Payment term	:	Within 45 days from invoice date.
Insurance	:	Our Group shall take out a comprehensive public liability insurance policy to cover all sum which we may become legally liable to pay as compensation consequent upon (i) death of, or bodily injury, to any person; and (ii) loss of, or damage to, property.
Liability	:	We shall be liable for and indemnify Customer G and keep Customer G indemnified from and against any liability and any loss or damage of any kind, arising directly or indirectly from any loss, damage to, or deterioration of the goods after delivery to us and whilst the goods are in our possession or control to the extent caused or contributed by our negligence or fault.
Termination	:	We or Customer G may terminate the agreement by giving the other party 90 days prior written notice without cause. The service agreement may also be terminated by giving the other party 30 days prior written notice if (i) the other party fails to observe or perform any provisions of the agreement; or (ii) an insolvency event occur in relation to the other party.

Our relationship with Customer H

Customer H is one of our five largest customers during the Track Record Period and we had established relationship with Customer H since July 2018. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our total revenue attributable to Customer H amounted to approximately nil, nil, RM2.7 million and RM2.7 million, representing approximately nil, nil, 1.3% and 2.8% of our total revenue for the corresponding period, respectively.

Customer H is a company incorporated in Singapore which operates a fatty alcohol plant in Indonesia and produces surfactants in Germany for the European Market. We have entered into a two-year agreement with Customer H for the provision of our services to Customer H. Set out below are the salient terms of the agreement entered with Customer H which was subsisting as at the Latest Practicable Date:

Scope of services	:	We agree and undertake to provide Customer H total logistics services as stipulated in the agreement such as freight forwarding, barge handling and declaration and Warehouse and Ancillary Services.
Term	:	The agreement shall be valid for a period of two years commencing from 1 July 2018.
Payment term	:	Within 30 days from the invoice date.
Insurance	:	We shall take out and maintain all-risk insurance, public liability insurance, and comprehensive motor vehicle insurance which includes third party insurance for all vehicles and equipment.
Termination	:	We or Customer H may terminate the agreement by giving the other party three months' prior written notice without cause. The service agreement may also be terminated by giving the other party one month prior written notice if the other party (i) fails to observe or perform any provisions of the agreement; and (ii) ceases to carry on business.

Credit policy

Depending on (i) customer's background, reputation and credibility; (ii) customer's payment history in the industry; and (iii) customer's business relationship with our Group, we generally grant credit period ranged from 30 to 60 days from the date of issuance of invoices to our customers. Our Group's credit policy extends to all of our services.

Our Group's account and finance department will monitor material overdue trade receivables and will communicate with the customer responsible for processing payments. We may also place the customer's order on hold and commence the debit recovery procedure if (i) customer's credit line has exceeded the credit limit; or (ii) customer's payments are overdue.

OUR SUPPLIERS

During the Track Record Period, the major type of suppliers of our Group were as follow:

Port operators – Our daily operation in the provision of Logistics Services within the Ports requires the license and permission of the port operators, thus we have entered long-term agreements with Westports Malaysia, Penang Port Sdn Bhd and Port Operators A. The port operators provide (i) cargo handling services within the Ports to facilitate the efficiency and safe handling of cargo; and (ii) other services as requested by us at their discretion.

Railway operator – We operate with KTMB for our railroad transportation services within Malaysia and between Malaysia and Thailand. We co-operate with the railroad operator to secure our wagon on space for railroad transportation.

Flexitank suppliers – We sourced raw materials for our own production of flexitank and finished flexitank mainly from our overseas OEM manufacturers. Our principal raw materials include polyethylene film, polypropylene woven and valve.

Freight forwarder suppliers – We purchase cargo space from airlines, shipping liners or GSAs and sell it to our customers. In general, our Group book cargo space for our customers for export whereas the freight forwarder suppliers handle the booking for import subject to incoterms.

Subcontractors – During the Track Record Period, we subcontracted certain of our logistics centre and related services, generally including local transportation services (i) across Malaysia; and (ii) in the destination of the shipping to our subcontractor.

Overseas agents – We mainly pay commission for NVOCC services and handling fee for flexitank solution related services to our overseas agents pursuant to the agency agreements. For details of our business relationship with the overseas agents, please refer to the paragraph headed “Sales and marketing – Overseas agents” in this section.

We maintain a list of approved supplier. As at the Latest Practicable Date, there were over 1,100 suppliers on our approved list. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, the total purchase attributable to (i) our suppliers amounted to approximately RM169.6 million, RM169.0 million, RM167.1 million and RM83.2 million, respectively; (ii) our five largest suppliers amounted to approximately RM42.6 million, RM47.6 million, RM48.0 million and RM24.6 million, representing approximately 25.1%, 28.2%, 28.7% and 29.6% of our total purchases, respectively; and (iii) our largest supplier amounted to approximately RM14.3 million, RM15.8 million, RM16.1 million and RM7.2 million, representing approximately 8.5%, 9.3%, 9.6% and 8.7% of our total purchases, respectively. As at the Latest Practicable Date, our five largest suppliers have maintained from two to 16 years of business relationship with us as at the Latest Practicable Date. During the Track Record Period, we generally pay our suppliers by bank transfer and the majority of payment terms with suppliers were within 30 days.

Our five largest suppliers

The following tables set forth certain information about our five largest suppliers during the Track Record Period:

For the year ended 31 December 2016

Rank	Supplier	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date (*year*)	Typical credit period offered	Method of settlement	Purchase amount (*RM'000*)	% of our total purchase (*%*)
1.	Westports Malaysia	Container terminal services provider and our lessor	Westports Malaysia is a port operator of Port Klang incorporated in Malaysia and is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad. Westports Malaysia primarily manages port operations dealing with container and conventional cargo. It also provides a wide range of port services, including marine services, rental services and other ancillary services.	12	30 days	Cheque	14,342	8.5
2.	Supplier A	Flexitank supplier	Supplier A is a company incorporated in the PRC which engages in the manufacturing and wholesale of rubber and plastic products, packaging and paper products; and freight forwarding services.	6	Payment on delivery	Bank transfer	10,030	5.9

Rank	Supplier	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
3.	Supplier B	Flexitank supplier	Supplier B is a group of companies which engages in production and sale of liquid packing bags, lining bag and plastic products; and freight forwarding services.	10	30 days after the estimated time of departure from the PRC	Bank transfer	7,177	4.2
4.	KTMB	Railway transportation provider	KTMB is a public limited liability company, incorporated in Malaysia which engages in railway transportation and the provision of related railway service in Malaysia and Singapore. KTMB is the sole railroad cargo transportation operator in Malaysia and wholly-owned by Malaysian government.	16	Seven days	Bank transfer	5,894	3.5
5.	TSM Forwarding Sdn Bhd	Subcontractor for trucking services	TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages forwarding and shipping services and trucking and haulage services.	14	30 days	Bank transfer	5,173	3.0
	Total						**42,616**	**25.1**

For the year ended 31 December 2017

Rank	Supplier	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date (*year*)	Typical credit period offered	Method of settlement	Purchase amount (*RM'000*)	% of our total purchase (*%*)
1.	Westports Malaysia	Container terminal services provider and our lessor	Westports Malaysia is a port operator of Port Klang incorporated in Malaysia and is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad. Westports Malaysia primarily manages port operations dealing with container and conventional cargo. It also provides a wide range of port services, including marine services, rental services and other ancillary services.	12	30 days	Cheque	15,758	9.3
2.	TSM Forwarding Sdn Bhd	Subcontractor for trucking services	TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages forwarding and shipping services and trucking and haulage services.	14	30 days	Bank transfer	10,703	6.3
3.	KTMB	Railway transportation provider	KTMB is a public limited liability company, incorporated in Malaysia which engages in railway transportation and the provision of related railway service in Malaysia and Singapore. KTMB is the sole railroad cargo transportation operator in Malaysia and wholly-owned by Malaysian government.	16	Seven days	Bank transfer	8,466	5.0
4.	Supplier A	Flexitank supplier	Supplier A is a company incorporated in the PRC which engages in the manufacturing and wholesale of rubber and plastic products, packaging and paper products; and freight forwarding services.	6	Payment on delivery	Bank transfer	6,929	4.1
5.	Penang Port Sdn Bhd	Container terminal services provider and our lessor	Penang Port Sdn Bhd is a port operator of Penang Port incorporated in Malaysia and is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad. Penang Port Sdn Bhd primarily operates, maintains, manages and provides port facilities and other related services in Penang Port.	9	30 days	Bank transfer	5,759	3.5
	Total						**47,615**	**28.2**

For the year ended 31 December 2018

Rank	Supplier	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
1.	Westports Malaysia	Container terminal services provider and our lessor	Westports Malaysia is a port operator of Port Klang incorporated in Malaysia and is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad. Westports Malaysia primarily manages port operations dealing with container and conventional cargo. It also provides a wide range of port services, including marine services, rental services and other ancillary services.	12	30 days	Cheque	16,103	9.6
2.	Supplier C	Flexitank supplier	Supplier C is a company incorporated in Hong Kong which engages in the trading business.	2	Payment on delivery	Bank transfer	10,161	6.1
3.	KTMB	Railway transportation provider	KTMB is a public limited liability company, incorporated in Malaysia which engages in railway transportation and the provision of related railway service in Malaysia and Singapore. KTMB is the sole railroad cargo transportation operator in Malaysia and wholly-owned by Malaysian government.	16	Seven days	Bank transfer	9,959	6.0
4.	TSM Forwarding Sdn Bhd	Subcontractor for trucking services	TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages forwarding and shipping services and trucking and haulage services.	14	30 days	Bank transfer	7,683	4.6
5.	Penang Port Sdn Bhd	Container terminal services provider and our lessor	Penang Port Sdn Bhd is a port operator of Penang Port incorporated in Malaysia and is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad. Penang Port Sdn Bhd primarily operates, maintains, manages and provides port facilities and other related services in Penang Port.	9	30 days	Bank transfer	4,061	2.4
	Total						**47,967**	**28.7**

For the six months ended 30 June 2019

Rank	Supplier	Principal business with our Group	Background	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
1.	Westports Malaysia	Container terminal services provider and our lessor	Westports Malaysia is a port operator of Port Klang incorporated in Malaysia and is a subsidiary of a public company listed on the Main Board of Bursa Malaysia Securities Berhad. Westports Malaysia primarily manages port operations dealing with container and conventional cargo. It also provides a wide range of port services, including marine services, rental services and other ancillary services.	12	30 days	Cheque	7,239	8.7
2.	KTMB	Railway transportation provider	KTMB is a public limited liability company, incorporated in Malaysia which engages in railway transportation and the provision of related railway service in Malaysia and Singapore. KTMB is the sole railroad cargo transportation operator in Malaysia and wholly-owned by Malaysian government.	16	Seven days	Bank transfer	6,352	7.7
3.	Supplier C	Flexitank supplier	Supplier C is a company incorporated in Hong Kong which engages in the trading business.	2	Payment on delivery	Bank transfer	4,905	5.9
4.	Shanghai Hitec Plastics, Co. Ltd.	Flexitank supplier	Shanghai Hitec Plastics, Co. Ltd. is a company incorporated in the PRC which engages in the production and sale of multi-functional film and geomembrane.	8	Payment against invoice	Bank transfer	3,145	3.8
5.	Subcontractor A	Subcontractors for local transportation services	Subcontractor A comprises TSM Forwarding Sdn Bhd and BLS Infinity (MY). TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages forwarding and shipping services and trucking and haulage services. BLS Infinity (MY) is a company incorporated in Malaysia which principally engages in the provision of transportation, logistics and freight forwarder services.*(Note 1 and 2)*	14	30 days	Bank transfer	2,948	3.5
	Total						**24,589**	**29.6**

Notes:

1. Immediately prior to the disposal of TSM Forwarding Sdn Bhd by our Group, it was owned as to 70% and 30% by Infinity L&T (MY) and an Independent Third Party, respectively. The reasons of the disposal are (i) trucking market is highly fragmented and competitive due to low entry barrier, it was difficult for our Group to maintain its competitiveness; (ii) time and human resources consuming to manage trucking drivers; and (iii) potential litigation risk incurred by traffic accidents which may lead to suspension of trucking license initiated by governmental organisations and increase in insurance premium. In June 2015, our Group disposed its entire shareholdings in TSM Forwarding Sdn Bhd to two individuals, one is a current employee and the other one is a former employee who resigned in October 2018, at a consideration of RM840,000. Such consideration was determined with reference to "Guidelines on the Stamping of Share Transfer Instruments for Shares that are not Quoted on the Kuala Lumpur Stock Exchange" issued by Inland Revenue Board of Malaysia under the Ministry of Finance. In November 2018, the current employee of our Group transferred its shares to another former employee, who resigned in October 2018. As at the Latest Practicable Date, TSM Forwarding Sdn Bhd was owned by two former employees of our Group. Each of the two former employee and the existing employee has over 10 years experience in the trucking industry. Our Directors confirm that the terms of transaction with TSM Forwarding Sdn Bhd during the Track Record Period were comparable to those with Independent Third Parties.

2. We disposed of BLS Infinity (MY) to common shareholders of TSM Forwarding Sdn Bhd in March 2019. As at the Latest Practicable Date, BLS Infinity (MY) was owned as 51% by two former employees of our Group and 49% by an Independent Third Party. Thus, our Directors consider TSM Forwarding Sdn Bhd and BLS Infinity (MY) are affiliated entities and shall be taken as same group of suppliers.

Save of BLS Infinity (MY) which we disposed of in March 2019, to the best knowledge and belief of our Directors after making all reasonable enquiries, none of our Directors or their close associates or any shareholder who owned 5% or more of our Company's issued share capital as at the Latest Practicable Date, had any interest in any of our top five suppliers of our Group during the Track Record Period. Please refer to the section headed "History, development and Reorganisation – Establishment and development of the subsidiaries and associate company of our Company – Disposal of subsidiaries during the Track Record Period – BLS Infinity (MY)" in this prospectus for the details of the disposal of BLS Infinity (MY).

Supplier concentration

As a logistics service provider operating integrated freight forwarding services and railroad transportation services in Malaysia, our major suppliers including port operators, namely Westports Malaysia and Penang Port Sdn Bhd, and railroad operator, namely KTMB. Westports Malaysia is one of the two port operators of Port Klang; Penang Port Sdn Bhd is the sole port operator of Penang Port; and KTMB is the sole railroad cargo transportation operator in Malaysia and wholly-owned by Malaysian government.

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, the total purchases attributable to our largest supplier, Westports Malaysia, amounted to approximately RM14.3 million, RM15.8 million, RM16.1 million and RM7.2 million, representing approximately 8.5%, 9.3%, 9.6% and 8.7% of our total purchases, respectively. During the same periods, the total purchases attributable to our five largest suppliers amounted to approximately RM42.6 million, RM47.6 million, RM48.0 million and RM24.6 million, representing approximately 25.1%, 28.2%, 28.7% and 29.6% of our total purchases, respectively. Given our business nature, our Directors consider that our reliance on Westports Malaysia, Penang Port Sdn Bhd and KTMB is in line with the market norm. Save for Westports Malaysia, Penang Port Sdn Bhd and KTMB, we believe that we are not dependent on any single supplier and the concentration risk among our five largest suppliers are not significant given their respective contribution to our total purchases during the Track Record Period.

Our Relationship with Westports Malaysia

Our Group's largest supplier during the Track Record Period, Westports Malaysia, is one of is the port operators of Port Klang. Port Klang is situated on the west coast of Malaysia and is one of the seven major ports in Malaysia. We commenced business relationship with Westports Malaysia in 2007. In 2018, we have entered into a service agreement with Westports Malaysia in order to secure its services such as the rendering of berthing facilities and cargo handling. The agreement will expire in December 2023 and the major terms of the agreement are set out below:

Scope of services	:	Westports Malaysia shall render to our Group services include but not limited to the rendering of berthing facilities and cargo handling within the port
Term	:	From 1 July 2018 to 31 December 2023
Payment terms	:	Within 30 days from invoice date
Termination	:	The agreement may be terminated by giving three months written notice to the defaulting party in the event of any substantial or material breach which is incapable of being remedied of any material provisions of the agreement

In addition to the service agreement, we had entered into two tenancy agreements with Westports Malaysia in November 2015 and August 2016, respectively, in respect of warehouse premises located in the same port for our logistics centre and related services. Save and except for rental and commencement period, the two tenancy agreements contained similar provisions, which are set out as follows:

Location:	Warehouse premises located at Pulau Indah, Port Klang, Selangor, Malaysia
Term:	From the date of signing of the agreement and up to 31 August 2024; to be continued up to 31 August 2054, upon Westports Malaysia being granted an extension to its lease with its lessor, which is a statutory corporation in Malaysia that oversees the administration of Northport, Southpoint and Westports

Guaranteed throughput ("**GT**"):	We had committed to a certain amount of cargo being handled through Westports Malaysia every calendar year. If we were unable to achieve the GT in the relevant calendar year, additional rent is payable by us. In addition, Westports Malaysia may terminate the tenancy agreement between us. *(Note)*
Other outgoing:	Depending on the amount of cargo handled through the terminal operated by Westports Malaysia, port charges and wharfage were payable by us. We were also responsible for the cost of utilities, such as water, electricity and gas
Payment terms:	Rent is payable by us to Westports Malaysia quarterly in advance
Termination:	Westports Malaysia may terminate the agreement between us by giving three months' notice if we (i) failed to pay rent or port charges; (ii) failed to achieve the annual GT as stipulated in the agreements between us; or (iii) ceased to conduct business on the premises

Our Relationship with Penang Port Sdn Bhd

Penang Port Sdn Bhd, being one of our Group's five largest suppliers during the Track Record Period, is the sole port operator of Penang Port. Penang Port is located in the north-west of Malaysia and is one of the seven major ports in Malaysia. We commenced business relationship with Penang Port Sdn Bhd in 2010. In 2010, we (as tenant) and Penang Port Sdn Bhd (as landlords) entered into a tenancy agreement for the leasing of two premises. The major terms of the tenancy agreements are set out below:

Tenancy agreement 1

Location:	H.S.(D)28522, PT1, Bandar Prai, Seberang Prai Tengah, Pulau Pinang, Malaysia
Term:	From 15 October 2018 to 14 October 2033
Monthly rent:	RM67,402.16

Note: Based on the confirmation we obtained from Westports Malaysia in August 2019, we met the GT in FY2016 and FY2018. We failed to fulfil the GT in FY2017 and the Westports Malaysia is entitled to charge us approximate RM464,000 for the additional rent.

Other outgoing:	Our Group shall pay a security deposit in the sum of RM134,804.32 and responsible for all outgoing such as assessment and sewerage levies, rates and taxes Our Group shall procure liability insurance and fire insurance as stipulated under the agreement
Payment term:	Our Group shall pay the rent and utilities charges on or before 30th day of each month
Termination:	Either party may terminate the agreement by giving prior written notice of one calendar month The agreement may also be terminated by the landlord serving notice to us if we (i) fail to observe or perform any provision of the agreement; (ii) fail to fulfil our payment obligation; and (iii) go into liquidation

Tenancy agreement 2

Location:	Unit No. Tapak 04 at Butterworth Wharf Container Terminal situated on the property known as No. P. T. A, Bandar Butterworth, Seksyen 4, District Seberang Perai Utara, HS(D) 9813
Term:	a period of 15 years effective from 1 August 2019 until 31 August 2034
Monthly rent:	RM37,435
Other outgoing:	Our Group shall pay a security deposit in the sum of RM74,870 and to pay all electricity, water supply and/or other utilities charges incurred
Payment terms:	Our Group shall pay the rent in advance before 7th of each month
Termination:	Either party has the right to terminate the agreement by giving the other party three months' notice before the termination The agreement may also be terminated by the landlord serving notice to us if we (i) fail to observe or perform any provision of the agreement; (ii) fail to fulfil our payment obligation; and (iii) go into liquidation

Our Relationship with KTMB

KTMB, being one of our Group's five largest suppliers during the Track Record Period, is the sole railroad cargo transportation operator in Malaysia and wholly-owned by Malaysian government. We commenced business relationship with KTMB in 2003. We did not entered into long-term agreements with KTMB. We obtain quotation from KTMB and place order with it on a per order basis. The major terms of the quotation are set out below:

Scope of services	:	KTMB shall provide landbridge service between designated stations of Malaysia and Thailand with a total of 40 wagons for the landbridge at any one time at a prescribed freight rate
Term	:	The quotation shall continue in effect unless terminated by KTMB and KTMB reserves the right to adjust the freight rate every six months and when there is an increase in fuel price
Bank guarantee	:	Our Group is required to produce a bank guarantee of minimum RM1,000,000 in favour of KTMB. Our Directors confirmed that during the Track Record Period and up to the Latest Practicable Date, no enforcement of bank guarantee were made by KTMB against us
Termination	:	KTMB has the right to withdraw the quotation or stop the services at anytime deemed necessary in its interest

Our flexitank suppliers

We sourced raw materials, mainly including polyethylene film, polypropylene woven and valve, for our own production of flexitank and finished flexitank mainly from our overseas OEM manufacturers. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our cost of inventories represented approximately 20.9%, 23.8%, 26.1% and 28.6% of our cost of services and goods sold, respectively. For the sensitivity analysis of our cost of inventories, please refer to the section headed "Financial information – Description of selected items from combined statements of profit or loss and other comprehensive income – Cost of services and goods sold" in this prospectus.

We generally obtain quotations from our approved list of suppliers before we place our procurement orders. We did not enter into long-term procurement agreements with our flexitank suppliers. Depending on the demand for flexitank and the stock level of the relevant materials, we source flexitanks or raw materials from our suppliers on a per order basis. We generally maintain a list of approved suppliers to allow us to have a greater variety of flexitanks and raw materials at good quality, competitive prices and stable supply. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, we purchased from 14, 18, 18 and 12 flexitanks suppliers, respectively. During the Track Record Period, we did not experience a shortage or delay in the supply of flexitanks and raw materials which had imposed a material impact on us.

Our freight forwarder suppliers

Our freight forwarder suppliers include shipping lines, airlines, other freight forwarders and GSAs. We entered into committed purchase arrangements quarterly with four shipping lines for the routes between (i) Port Klang and Chittagong; (ii) Port Klang and Surabaya (iii) Port Klang and Laem Chabang; and (iv) Port Klang and Bangkok. The arrangements guarantee that we are allocated an agreed quantity of vessel space for the four routes for a relevant period (usually three months) at pre-determined rates and any unutilised vessel space would be charged at the end of the arrangement period at the pre-determined rate. Save for the four routes mentioned above, we did not enter into any committed purchase arrangement nor long-term agreement with the suppliers in our NVOCC services during the Track Record Period.

Subcontractors

During the Track Record Period, we used our fleet of transportation vehicles for haulage services and we delegated most of our trucking services under logistics centre and related services across Malaysia to our subcontractors. We consider that this subcontracting arrangement would (i) minimise our need to employ and maintain a large workforce; (ii) reduce our effort on driver management and supervision and the possibility of traffic related accidents and/or litigations; and (iii) increase flexibility and cost effectiveness in carrying out logistics centre and related services. As at the Latest Practicable Date, we had 51 subcontractors on our approved list. We generally compare the quotations provided by at least three of our approved subcontractors before engaging our subcontractors. We select our subcontractors based on various criteria, including relationship with us, familiarity with our customers' needs, price, quality, management team and labour resources. During the Track Record Period, our subcontracting costs amounted to approximately RM49.9 million, RM34.2 million, RM24.9 million and RM9.8 million, respectively, representing approximately 29.4%, 20.2%, 14.9% and 11.8% of our total purchases, respectively. Our Directors confirm that our Group had not experienced any material dispute with our subcontractors during the Track Record Period.

Our five largest subcontractors

The following tables set forth certain information about our five largest subcontractors during the Track Record Period:

For the year ended 31 December 2016

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered *(day)*	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
1.	TSM Forwarding Sdn Bhd	Trucking services	TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages in forwarding and shipping services and trucking and haulage services. Based on the public available information, TSM Forwarding Sdn Bhd recorded a revenue of approximately RM9.0 million for the year ended 31 December 2018	14	30	Bank transfer	5,173	10.4
2.	Subcontractor B	Trucking services	Subcontractor B is a company incorporated in Malaysia which principally engages in the provision of all means of transportation and is a transport contractor and agent. Based on the public available information, Subcontractor B recorded a revenue of approximately RM33.5 million for the year ended 31 December 2017	5	30	Cheque	3,509	7.0
3.	Subcontractor C	Trucking services	Subcontractor C is a company incorporated in Singapore which principally engages in provision of freight transport by road with freight land transport as the secondary activity (Note 1)	5	30	Cheque	2,697	5.4

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date *(year)*	Typical credit period offered *(day)*	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
4.	Subcontractor D	Trucking services	Subcontractor D is a company incorporated in Malaysia which principally engages in the provision of transportation agency services. Based on the public available information, Subcontractor D recorded a revenue of approximately RM3.6 million for the year ended 31 December 2017	5	30	Cheque	2,672	5.3
5.	Subcontractor E	Trucking services	Subcontractor E is a company incorporated in Malaysia which principally engages in provision of warehousing and transportation services. Based on the public available information, Subcontractor E recorded a revenue of approximately RM4.1 million for the year ended 31 December 2017	5	45	Cheque	2,278	4.6
	Total						**16,329**	**32.7**

For the year ended 31 December 2017

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
1.	TSM Forwarding Sdn Bhd	Trucking services	TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages in forwarding and shipping services and trucking and haulage services. Based on the public available information, TSM Forwarding Sdn Bhd recorded a revenue of approximately RM9.0 million for the year ended 31 December 2018	14	30	Bank transfer	10,703	31.3
2.	Subcontractor D	Trucking services	Subcontractor D is a company incorporated in Malaysia which principally engages in the provision of transportation agency services. Based on the public available information, Subcontractor D recorded a revenue of approximately RM3.6 million for the year ended 31 December 2017	5	30	Cheque	1,978	5.8
3.	Subcontractor C	Trucking services	Subcontractor C is a company incorporated in Singapore which principally engages in provision of freight transport by road with freight land transport as the secondary activity *(Note 1)*	5	30	Cheque	1,804	5.3

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
4.	Subcontractor B	Trucking services	Subcontractor B is a company incorporated in Malaysia which principally engages in the provision of all means of transportation and is a transport contractor and agent. Based on the public available information, Subcontractor B recorded a revenue of approximately RM33.5 million for the year ended 31 December 2017	5	30	Cheque	1,535	4.5
5.	Subcontractor F	Trucking services	Subcontractor F is a sole proprietorship established in Malaysia which principally engages in the provision of activity incidental to land transportation and other transportation support activities *(Note 1)*	4	60	Cheque	1,399	4.1
	Total						**17,419**	**51.0**

For the year ended 31 December 2018

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
1.	TSM Forwarding Sdn Bhd	Trucking services	TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages in forwarding and shipping services and trucking and haulage services. Based on the public available information, TSM Forwarding Sdn Bhd recorded a revenue of approximately RM9.0 million for the year ended 31 December 2018	14	30	Bank transfer	7,683	30.9
2.	Subcontractor G	Lifting service in depot	Subcontractor G is a company incorporated in Malaysia which principally engages in the provision of transportation services. Based on the public available information, Subcontractor G recorded a revenue of approximately RM1.2 million for the year ended 31 December 2017	5	30	Cheque and bank transfer	1,593	6.4
3.	Subcontractor F	Trucking services	Subcontractor F is a sole proprietorship established in Malaysia which principally engages in the provision of activity incidental to land transportation and other transportation support activities (Note 1)	4	60	Cheque	1,340	5.4

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
4.	Subcontractor C	Trucking services	Subcontractor C is a company incorporated in Singapore which principally engages in provision of freight transport by road with freight land transport as the secondary activity *(Note 1)*	5	30	Cheque	1,332	5.4
5.	Subcontractor H	Haulage services	Subcontractor H is a company incorporated in Malaysia which principally engages in the provision of lorry container transportation and services and timber business. Based on the public available information, Subcontractor H recorded a revenue of approximately RM5.0 million for the year ended 31 December 2016	5	30	Cheque	1,149	4.6
	Total						**13,097**	**52.7**

For the six months ended 30 June 2019

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
1.	Subcontractor A	Local transportation services	Subcontractor A comprises TSM Forwarding Sdn Bhd and BLS Infinity (MY). TSM Forwarding Sdn Bhd is a company incorporated in Malaysia which principally engages forwarding and shipping services and trucking and haulage services. BLS Infinity (MY) is a company incorporated in Malaysia which principally engages in the provision of transportation, logistics and freight forwarder services. *(Note 2 and 3)* Based on the public available information, TSM Forwarding Sdn Bhd recorded a revenue of approximately RM9.0 million for the year ended 31 December 2018 Based on the public available information, BLS Infinity (MY) recorded a revenue of approximately RM1.9 million for the year ended 30 June 2018	14	30	Bank transfer	2,948	30.2
2.	Subcontractor G	Lifting service in depot	Subcontractor G is a company incorporated in Malaysia which principally engages in the provision of transportation services. Based on the public available information, Subcontractor G recorded a revenue of approximately RM1.2 million for the year ended 31 December 2017	5	30	Cheque and bank transfer	1,078	11.0

Rank	Subcontractor	Principal subcontracted services provided to our Group	Background and scale of operation	Years of business relationship as at the Latest Practicable Date	Typical credit period offered	Method of settlement	Purchase amount *(RM'000)*	% of our total purchase *(%)*
3.	Subcontractor I	Handling and storage of goods	Subcontractor I is a company incorporated in Malaysia which principally engages in the provision of port logistics and ancillary services. Based on the public available information, Subcontractor I recorded a revenue of approximately RM17.0 million for the year ended 31 December 2017	6	30	Cheque	593	6.1
4.	Subcontractor C	Trucking services	Subcontractor C is a company incorporated in Singapore which principally engages in provision of freight transport by road with freight land transport as the secondary activity *(Note 2)*	5	30	Cheque	521	5.3
5.	Subcontractor H	Haulage services	Subcontractor H is a company incorporated in Malaysia which principally engages in the provision of lorry container transportation and services and timber business. Based on the public available information, Subcontractor H recorded a revenue of approximately RM5.0 million for the year ended 31 December 2016	5	30	Cheque	518	5.3
	Total						**5,658**	**57.9**

Notes:

1. The scale of operation is not publicly available.

2. Immediately prior to the disposal of TSM Forwarding Sdn Bhd by our Group, it was owned as to 70% and 30% by Infinity L&T (MY) and an Independent Third Party, respectively. The reasons of the disposal are (i) trucking market is highly fragmented and competitive due to low entry barrier, it was difficult for our Group to maintain its competitiveness; (ii) time and human resources consuming to manage trucking drivers; and (iii) potential litigation risk incurred by traffic accidents which may lead to suspension of trucking license initiated by governmental organisations and increase in insurance premium. In June 2015, our Group disposed its entire shareholdings in TSM Forwarding Sdn Bhd to two individuals, one is a current employee and the other one is a former employee who resigned in October 2018, at a consideration of RM840,000. Such consideration was determined with reference to "Guidelines on the Stamping of Share Transfer Instruments for Shares that are not Quoted on the Kuala Lumpur Stock Exchange" issued by Inland Revenue Board of Malaysia under the Ministry of Finance. In November 2018, the current employee of our Group transferred its shares to another former employee, who resigned in October 2018. As at the Latest Practicable Date, TSM Forwarding Sdn Bhd was owned by two former employees of our Group. Each of the two former employees and the existing employee has over 10 years experience in the trucking industry. Our Directors confirm that the terms of transaction with TSM Forwarding Sdn Bhd during the Track Record Period were comparable to those with Independent Third Parties.

3. We disposed of BLS Infinity (MY) to common shareholders of TSM Forwarding Sdn Bhd in March 2019. As at the Latest Practicable Date, BLS Infinity (MY) was owned as 51% by two former employees of our Group and 49% by an Independent Third Party. Thus, our Directors consider TSM Forwarding Sdn Bhd and BLS Infinity (MY) are affiliated entities and shall be taken as same group of suppliers.

Save of BLS Infinity (MY) which we disposed of in March 2019, to the best knowledge and belief of our Directors after making all reasonable enquiries, none of our Directors or their close associates or any shareholder who owned 5% or more of our Company's issued share capital as at the Latest Practicable Date, had any interest in any of our top five subcontractors of our Group during the Track Record Period. Please refer to the section headed "History, development and Reorganisation – Establishment and development of the subsidiaries and associate company of our Company – Disposal of subsidiaries during the Track Record Period – BLS Infinity (MY)" in this prospectus for the details of the disposal of BLS Infinity (MY).

During the Track Record Period, we did not enter into any long-term subcontracting agreements with any subcontractors for trucking services. Normally, our subcontractors will provide quotations showing prices for different types of services required by our Group. The quotations set out the principal terms of the subcontracting arrangement for trucking services (such as price and payment term) whereas the terms and conditions of an individual transaction (such as quantity of inventory to be delivered, delivery route and delivery schedule) will be set out in the relevant purchase order of the transaction. The salient terms of quotation for trucking services subsisting as at the Latest Practicable Date are set out below:

Charges of service	:	Based on the prescribed rate specified in the quotation
Payment term	:	Bank transfer
Credit period	:	30 days from invoice date
Insurance	:	All shipment with our Group shall be covered by the importer or exporter

Control over subcontractors

In order to monitor the performance of our subcontractors and the relevant laws, rules and regulations in Malaysia, we have put in place the following risk management and control measures:

- we arrange regular meeting with our subcontractors before the shipment in respect of delivery planning; and

- we require our subcontractors to provide consignees signed delivery rate for each completed delivery.

Overseas agents

We mainly pay commission and handling fee to our overseas agents pursuant to the agency agreement. For details of our business relationship with the overseas agents, please refer to the paragraph headed "Our customers – Overseas agents" in this section.

Quality of suppliers

In order to ensure the quality of our suppliers, we implement certain quality control procedures over our suppliers:

(i) Suppliers selection – We maintain a list of approved suppliers which we review and update form time to time. As at the Latest Practicable Date, there were over 1,100 suppliers on our list of approved suppliers. We generally select independent suppliers based on their track record, their availability, ability or capability to handle the relevant orders, and the cost of service.

(ii) Price and performance review – We review the performance, turnaround time and pricing terms offered by our suppliers on an annual basis before we decide to renew the contracts or otherwise. We also assess whether a supplier has sufficient resources and skills to fulfill our requirements. If any suppliers repeatedly fail to meet our quality standards without immediate rectification, we will terminate the agreement with the supplier with immediate effect without compensation and we will not engage such suppliers again.

(iii) Licences check – We will check whether the supplier possess the relevant licences for operating their business.

During the Track Record Period, we did not experience any material delay of supply due to defaults of our suppliers.

THIRD PARTY PAYMENTS

During the Track Record Period, Customer C, who is our third largest customer in 2016, second largest customer in 2017 and largest customer in 2018 and the six months ended 30 June 2019, settled certain payments through third parties (the "**Third Party Payors**") by cash deposit at the banks and bank transfer (the "**Third Party Payments**"). Customer C comprises seven privately owned entities in Thailand and one in Singapore), of which, five of the companies from Customer C, namely Sritrang Landbridge Co., Ltd, Infinity Shipping (Thailand), and three of the Sritrang Group of Companies (the "**Relevant Customers**") were involved in the Third Party Payments. For further details regarding the background and our business relationship with Customer C and Sritrang Group of Companies, please refer to the paragraph headed " Our Customers – Our five largest customers" in this section.

For each of FY2016, FY2017 and FY2018 and the six months ended 30 June 2019, the aggregate revenue settled by Customer C through Third Party Payments were approximately RM4.5 million, RM9.7 million, RM10.3 million and nil, respectively, representing 2.4%, 5.1%, 5.1% and nil of our Group's total revenue for the corresponding periods. As at 30 June 2019, all Third Pay Payments were fully settled.

The Third Party Payors included a group of individuals and companies, which are not designated, unknown and beyond the control of neither of the Relevant Customers nor our Group, arranged by a licensed money changer in Thailand (the "**Money Changer**") and a customer of the Relevant Customers. In particular, four of the Relevant Customers settled all payments to us through the Money Changer and the Money Changer arranged a group of individuals and companies to pay to our bank accounts. Based on the best knowledge of our Directors, the group of individuals and companies are those people or entities having a Malaysian bank account or are able to make bank transfer and/or cash deposit to our Group's bank account in Malaysia. They are designated by the Money Changer, and thus unknown and beyond the control of our Group. The following is a breakdown of the amounts of Third Party Payments by relationship between the Third Party Payors and the Relevant Customers during the Track Record Period:

Relationship types	**Amount of Third Party Payments**	
	(RM'000)	*%*
A group of individuals and companies arranged by the Money Changer	21,135	86.2
Customer of one of the Relevant Customers	3,391	13.8
	24,526	100.0

Reasons for utilising Third Party Payors

Save for our NVOCC services which we issue invoices in USD, we generally issue invoices in Malaysian ringgits. During the Track Record Period, approximately RM21.1 million, representing approximately 86.2% of the total amount of RM24.5 million, was invoiced in Malaysian ringgits. To the best knowledge of our Directors, and confirmed by the Relevant Customers, the occurrence of Third Party Payments was mainly due to the lack of Malaysian ringgit bank accounts for the Relevant Customers and it would save exchange rate and bank handling fee on the Relevant Customers' perspective. During the Track Record Period, we did not object to Third Party Payments from Third Party Payors given that (i) our Directors believe, and F&S concurs, by conducting interviews with the Inland Revenue Board of Malaysia and employees of accounting companies in Malaysia, it is common for freight services providers with operations in Malaysia to adopt Third Party Payments (ii) we confirm with the Relevant Customers on the amount received before Third Party Payments are made; (iii) it did not create any inconvenience to us; and (iv) we are concerned mainly on the settlement of the trade receivables from the Relevant Customers.

To the best information, knowledge and belief of our Directors and after making reasonable enquiries, there has been (i) no dispute relating to the Third Party Payors during the Track Record Period and up to the Latest Practicable Date; (ii) no instance that our Group was required to return funds to any Third Party Payors or other parties in relation to the Third Party Payments; and (iii) no payment of money paid back by us to our customer(s) or the Third Party Payors during the Track Record Period.

As advised by our Malaysian Legal Advisers, regarding Third Party Payments, our Group does not contravene any applicable laws and regulations in Malaysia.

Legal implications relating to Third Party Payments

Money Laundering

As confirmed by our Directors, (i) the Third Party Payments were related to real transactions between us and the Relevant Customers; (ii) the amount of Third Party Payments received by us from the Third Party Payors corresponded with the transaction amount in the relevant sales orders, records and/or invoices between the Relevant Customers and us; (iii) we provided our corresponding services to the Relevant Customers accordingly; (iv) we did not have any reason to suspect that payments provided by the Third Party Payors were proceeds of upstream crime of money laundering or gains derived therefrom; (v) a genuine transaction shall be an absolute defence to the claim under the money-laundering related offences. Based on the above, as advised by our Malaysian Legal Advisors, the risk of committing money laundering crime or bribery by us for receiving payments from Third Party Payors is remote.

Our Directors believe that, the funds for the Third Party Payment was originated from the Relevant Customers because the Relevant Customers would notify us when the payment were made and provide us with (i) payment vouchers setting out the invoice number being settled; and (ii) copies of the bank advices from the group of individuals and companies arranged by the Money Changer to evidence payment. We would then cross check our bank account records in order to ensure we had received the same amount of money as compared to the invoice amounts that the Relevant Customers settled. Also, based on their historical settlement records throughout the long-standing relationship of over 10 years with all Relevant Customers together with no material negative news/publicity, word of mouth were noted about all Relevant customers their shareholders and directors, our Directors believe that all Relevant Customers are capable to settle their bills with our Group and the transactions with the Relevant Customers did not appear to be made in circumstances of unusual or unjustified complexity. The shareholders and directors of the Relevant Customers confirmed that the funds for the Third Party Payment was originated from the Relevant Customers. Based on the aforesaid, our Directors believe the funds for the Third Party Payment was originated from the Relevant Customers.

The risk of claims from liquidators of Third Party Payors when the Third Party Payors became insolvent

There may be possible claims from liquidators of the Third Party Payors if they became insolvent or were presented with a winding-up petition. Liquidators of Third Party Payors may look into the circumstances where the Third Party Payments were made and initiate claims against our Group. Our Malaysian Legal Advisers and Directors are of the belief that the risk of claim against our Group from the liquidators of the Third Party Payors is remote. The Third Party Payors are indirectly instructed by the Relevant Customers to make the Third Party Payments in order to release the Relevant Customers from its debt obligation to our Group. Our Malaysia Legal Adviser is of the view that the payment made by Third Party Payors are as good as if the payment made by the Relevant Customer itself based on the precedent cases in Malaysia, on the basis Malaysian Contracts Act 1950 recognises that any manner of payment is permissible as long as it is agreed by promise and as such the payments made to the agent were as good as if payments were made to the plaintiff as third party was an authorised agent to receive payment or to dictate to whom the payment to be paid. Further, the conduct of set-off by contra of mutual debt as well as by the issuance of payment to third parties is valid offer wherein it was duly accepted by the other party in executing the instruction.

The risk of claims from liquidators of Third Party and Third Party Payors due to absence of contractual indebtedness to our Group

Provided that there is no contractual relationship between the Third Party Payors and us, our Malaysia Legal Advisers and Directors are of the belief that the Third Party Payors may claim against our Group for the return of the respective Third Party Payments is remote, because (i) our Group has not been notified by banks or and/or Third Party Payors for refund in the event that a Third Party Payor remits or deposits a fund to us by mistake; and (ii) if a Third Party Payor deposits a fund to our Group with the intention that it is a loan or advance to our Group, such third party would normally provide the loan at an interests which it would require us to pay and/or to sign a loan note to evidence the loan and the interest payable. During the Track Record Period and up to the Latest Practicable Date, we have not received any such request or paid any interest to any Third Party Payor. Furthermore, the Third Party Payors were aware that the Third Party Payments were used to discharge debt owed to our Group by the Relevant Customers and the Relevant Customers have settled their transactions with the Third Party Payors.

Based on the opinion of our Malaysian Legal Advisers mentioned above, our Directors consider that the risk of possible claims from liquidators of the Third Party Payors is remote. Our Directors confirm that, during the Track Record Period and up to the Latest Practicable Date, we had not received any claims from liquidators of the Third Party Payors.

Internal control measures and cessation of settlements through Third Party Payor

To enhance our internal control measures and to safeguard our interest against risks associated with Third Party Payments, we ceased allowing our customers to settle amounts due to us through Third Party Payors on 6 March 2019. Our Directors confirm that the Relevant Customers continue to have business with our Group after the cessation. After the cessation, the Relevant Customers settled the amount by direct bank transfer through their own local bank account in local currency to our Group's bank account in Malaysia directly. The local bank of the Relevant Customers converted the local currency into Malaysia Ringgit or USD and transferred to our Group's bank account in Malaysia, with handling charges for each transaction. To prevent the occurrence of Third Party Payments going forward, we enhanced our internal control policies in March 2019 in connection with cash and bank deposits to our bank accounts. The enhanced internal control measures are summarised below:

(i) issued a memorandum to our customers informing them that the payments made by third parties including entities and individuals, or in the form of cash would not be accepted;

(ii) issued an internal notice to all our employees to prohibit them from accepting Third Party Payments

Our Group convened a meeting relating to Third Party Payments and issued a notice in 6 March 2019 on our Company's Requirements in respect of Receivables from customers, which specifically prohibited the receipt of payments from customers through third parties. The notice has been circulated to all our employees to ensure that they are informed of our new policy on the cessation of Third Party Payments;

(iii) included a clear statement in our sales invoices that all customers shall settle their payments to us directly and that any Third Party Payments will be rejected by us

In order to ensure that our customers are aware of our new policy on the cessation of Third Party Payments our sales invoice has included a clear statement that all customers shall settle their payments to us directly and that any Third Party Payments will be rejected by us;

(iv) our financial department would conduct random check on overseas settlement to ensure no re-occurrence of third party settlement. Local settlement would be checked by the finance department regarding the settlement.

Given the continuing business relationship with the Relevant Customers since the cessation of Third Party Payments, there had been no material impact to our financial and operational position as a result of our cessation of Third Party Payments arrangements. To minimise the relevant potential impact on our business profitability and results of operations, we have pursued a proactive role in communicating with the Relevant Customers, to ensure a smooth transition of switching to direct payments. the Relevant Customers have established direct payment arrangements to expedite their future orders with us. Based on the above additional internal control measures which have been fully adopted by our Company since March 2019 and the fact that no Third Party Payments have been identified since the cessation of the Third Party Payments, our Directors are of the view that the above additional internal control measures are effective and adequate in preventing Third Party Payments.

ENTITIES WHO ARE OUR CUSTOMERS AND SUPPLIERS

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, 194, 169, 174 and 133 of our customers were also our suppliers (the "**Overlapped Customers and Suppliers**") for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. According to the F&S Report, it is an industry norm for having freight forwarding companies as customers and suppliers at the same time.

Set out below is the revenue and purchase related to the Overlapped Customers and Suppliers during the Track Record Period:

	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**
Revenue from the Overlapped Customers and Suppliers	104,087	76,010	76,929	35,069
As a % of our total revenue	55.0	40.3	38.2	35.5
Purchase from the Overlapped Customers and Suppliers	82,315	96,811	96,657	37,241
As a % of our total purchase	48.5	57.3	57.9	44.8

Our Directors confirmed that the negotiations of the terms of our sales to and purchases from the Overlapped Customers and Suppliers were conducted on arms-length negotiation; and the sale and purchase were independent of and not inter-conditional with each other. Therefore, none of the revenue from or the purchase from all the Overlapped Customers and Suppliers were arisen from the same transaction or contained the same substance. Our Directors further confirmed that the arrangements and terms of transactions with the Overlapped Customers and Suppliers were in line with the market and similar to those transactions with our other customers and suppliers.

Set out below is the revenue and purchase related to our five largest customers and suppliers who are the Overlapped Customers and Suppliers during the Track Record Period:

	FY2016				FY2017				FY2018				For the six months ended 30 June 2019			
	Revenue	% of total revenue	Purchase	% of total purchase	Revenue	% of total revenue	Purchase	% of total purchase	Revenue	% of total revenue	Purchase	% of total purchase	Revenue	% of total revenue	Purchase	% of total purchase
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
Customer																
Customer A	21,324	11.3	249	0.1	11,566	6.1	–*(Note)*	–*(Note)*	–	–	–	–	–	–	–	–
Customer D	6,583	3.5	–*(Note)*	–*(Note)*	4,280	2.3	–*(Note)*	–*(Note)*	4,601	2.3	1	–*(Note)*	1,138	1.2	–	–
Customer E	6,386	3.4	52	–*(Note)*	5,369	2.8	58	–*(Note)*	3,989	2.0	59	–*(Note)*	2,607	2.6	–	–
SEIOflec Co., Ltd.	4,083	2.2	2	–*(Note)*	4,173	2.2	30	–*(Note)*	5,197	2.6	109	0.1	2,643	2.7	105	0.1
Customer F	3,061	1.6	–*(Note)*	–*(Note)*	2,747	1.5	–	–	5,427	2.7	1	–*(Note)*	1,413	1.4	13	–*(Note)*
Customer C	8,310	4.4	4,300	2.5	10,786	5.7	1,899	1.1	12,305	6.1	1,790	1.1	6,255	6.3	659	0.8
Surabuya Agent Group	5,438	2.9	1,436	0.8	4,317	2.3	424	0.3	4,622	2.3	863	0.5	3,152	3.2	926	1.1
Customer G	280	0.1	3	–*(Note)*	2,579	1.4	6	–*(Note)*	4,613	2.3	137	0.1	2,858	2.9	3	–*(Note)*
Supplier																
Westports Malaysia	3	–*(Note)*	14,342	8.5	1,061	0.6	15,758	9.3	2,208	1.1	16,103	9.6	661	0.7	7,239	8.7
Supplier A	2	–*(Note)*	10,030	5.9	3	–*(Note)*	6,929	4.1	–	–	–	–	–	–	–	–
Supplier B	9	–*(Note)*	7,177	4.2	169	0.1	4,520	2.7	–	–	2,881	1.7	–	–	852	1.0
Supplier C	–	–	–	–	–	–	3,554	2.1	11	–*(Note)*	10,161	6.1	–*(Note)*	–*(Note)*	4,905	5.9
KTMB	314	0.2	5,894	3.5	446	0.2	8,466	5.0	238	0.1	9,959	6.0	–	–	6,352	7.6
Subcontractor A*(Note 2)*	492	0.3	5,173	3.1	1,135	0.6	10,703	6.3	1,315	0.7	7,683	4.6	34	–*(Note)*	2,948	3.5
Penang Port Sdn Bhd	–	–	4,447	2.6	–	–	5,759	3.4	826	0.4	4,061	2.4	202	0.2	2,194	2.6

Note: Amount less than RM1,000 and 0.1% (after rounding) was shown as "–" in the above table.

The top Overlapped Customers and Suppliers can be categorised into four types of transactions, namely (i) selling of flexitanks and receipt of local flexitank related services to/from the overseas agents; (ii) provision of local transportation services and received insignificant billing due to penalty/claimant from the end-customers; (iii) port incentive received, or claimant against the Group's suppliers; and (iv) others. Set out below is the nature of, and underlying reasons form the transactions with our five largest customers and suppliers who are the Overlapped Customers and Suppliers during the Track Record Period:

Provision of local transportation services and received insignificant billing due to penalty/claims from our end-customers.

Customers	Principal reason(s) for transaction as Group's customer	Principal reason(s) for transaction as Group's supplier
Customer A	Our Group mainly provided local transportation services to Customer A under third-party logistics arrangement, i.e. our Group outsourced the local transportation services to our subcontractors.	Demurrage and detention charges and damage claims against our Group.
Customer D	Our Group was mainly engaged to provide the local transportation between the Westports and Ijok, Sungai Buluh, Serendah or Kepong during the Track Record Period.	Damage claims, fine and penalty against our Group.
Customer E	Our Group was mainly engaged to provide the local transportation between the Westports and Jalan Kapar, Puncak Alam or Port Klang Free Zone during the Track Record Period.	Damage claims against our Group and purchase of steel bars as flexitank's accessory.

Selling of flexitanks and receipt of local flexitank related services to/from the overseas agents.

Customers	Principal reason(s) for transaction as Group's customer	Principal reason(s) for transaction as Group's supplier
SEIOflec Co., Ltd.	Provision of flexitank solution and related services and our Group's overseas agent.	Handling charges incurred in the provision of flexitank solution and related services in South Korea.
Customer C – The Thailand Agents	Provision of flexitank solution and related services and our Group's overseas agents.	Handling charges incurred in the provision of flexitank solution and related services in Thailand.
Surabaya Agent Group	Provision of flexitank solution and related services and our Group's overseas agents.	Handling charges incurred in the provision of flexitank solution and related services in Indonesia.

Port incentive received, or claimant against the Group's suppliers.

Customers	Principal reason(s) for transaction as Group's customer	Principal reason(s) for transaction as Group's supplier
Westports Malaysia	Port incentive provided by Westports Malaysia.	Container terminal services provider and our lessor.
Supplier A	Claims against Supplier A for rejected PE film & PP woven.	Our flexitank supplier.
Supplier B	Claims against Supplier B for defective flexitanks.	Our flexitank supplier.
Supplier C	Claims against Supplier C for defective flexitanks.	Our flexitank supplier.
Penang Port Sdn Bhd	Port incentive provided by Penang Port Sdn Bhd.	Container terminal services provider and our lessor.

Other

Customers	Principal reason(s) for transaction as Group's customer	Principal reason(s) for transaction as Group's supplier
Customer F	Provision of flexitank solution and related services.	Detention charges against our Group.
Customer C – Sritrang Group of Companies	Provision of integrated freight forwarding services and railroad transportation services. During FY2016, our Group mainly provided freight forwarding services to Sritrang Group of Companies, in particular the forwarding and declaration services in Penang Port and Pedang Basar. During the FY2017, FY2018 and six months ended 30 June 2019, our Group's mainly provided railroad landbridge services to Sritrang Group of Companies, in between Southern Thailand and Malaysia.	Provision of container depot services with container cleaning and general maintenance and repair.
Customer G	Provision of integrated freight forwarding services and logistics centre and related services. During the Track Record Period, our Group was mainly engaged to provide the haulage services between the designated port to either Shah Alam or Simpang Pulai.	Shipping and port charges.
KTMB	Provision of container lifting on and lifting off between the freight wagons and the vessels.	Our railway transportation provider.
Subcontractor A	Provision of haulage services.	Subcontractor for trucking services.

MACHINERY AND EQUIPMENT

We use machinery and equipment to provide integrated freight forwarding services, railroad transportation services and logistics centre and related services. The following table sets out a breakdown of major types of our owned machinery and equipment by type and by age as at the Latest Practicable Date:

Type of machinery and equipment	Total number of machinery and equipment owned by our Group	Average age Years *(Note)*	Remaining useful life (Year) *(Note)*
Trailer	266	6.9	0
Forklift	30	5.4	0.8
Truck	12	3.8	1.5
Crawler Crane	1	14.5	0
Truck Crane	1	4.0	1.0
Empty Stacker	4	6.7	0
Laden Stacker	4	3.4	0.6
Container	1,159	4.7	1.5
Haulage Prime mover	48	5.5	0.4
ISO tank	20	7.8	0
Overhead Crane	5	6.6	0.5

Note: As per the applicable accounting policies adopted by our Group, depreciation of our machineries and equipment is calculated using the straight line method at 20% per annum to allocate their costs to their residual values over the estimated useful lives of the machineries and equipment. Though certain machineries and equipment are used over 5 years, the expected future economic benefits of which would have diminished and be uncertain, our Group will continue to maintain the condition of such machineries and equipment, if economically viable. We do not have a pre-determined or regular replacement cycle for our machinery. Replacement decisions are made on a case-by-case basis having regard to the operating condition of each unit of machinery, the cost effectiveness of replacing only the malfunctioning parts and the customers' requirements.

During the Track Record Period, when our machinery and equipment was out-of-order, it was either (i) sent to the authorised dealer for repairs if the machinery was still under warranty; or (ii) sent to other third party repair companies. Our Directors believe that good conditions of machinery and equipment are important to the efficient and smooth performance of our services and to our workplace safety. Our machineries are inspected and serviced on a periodical basis, and usually based on the manufacturer's recommended mileage clocked. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, the expenses incurred in repair and maintenance of machinery equipment amounted to approximately RM4.7 million, RM3.0 million, RM2.2 million and RM0.7 million, respectively. We replace aged machinery only when the replacement is necessary.

We do not have a pre-determined or regular replacement cycle for our machinery and equipment and replacement decisions are made on a case-by-case basis having regard to the operating condition of individual unit of machinery and equipment.

ENVIRONMENTAL MATTERS

Due to the nature of our business, our Group's operations do not directly generate industrial pollutants, and as such our Group did not incur direct costs of compliance with applicable environmental protection rules and regulations during the Track Record Period. Our Directors expect that our Group will not directly incur significant costs for compliance with applicable environmental protection rules and regulations in the future. During the Track Record Period and up to the Latest Practicable Date, our Group had not come across any material non-compliance issues in respect of any applicable laws and regulations on environmental protection.

EMPLOYEE

As at the Latest Practicable Date, we had a total of 468 employees. The following table sets forth a breakdown of our employees by function for the indicated periods as at 31 December 2016, 2017, 2018, 30 June 2019 and the Latest Practicable Date:

Function	As at 31 December			As at 30 June	As at the Latest Practicable Date
	2016	2017	2018	2019	
Key management	13	12	12	11	12
Accounting and finance	38	38	44	47	44
Administrative	28	29	31	31	32
Sales and customer service	40	44	49	48	55
IT	2	2	5	6	5
Process and quality management	3	4	4	6	6
Operation	299	280	268	290	291
Production	7	8	22	25	24
Flexitank quality control	3	3	5	7	9
Total	433	420	440	471	478

Relationship with our employees

Our Directors considers that our employees play a pivotal role in our continuous growth. It is our policy to maximise the potential of our employees through training and development. Our Group provides both internal and external training related to logistics knowledge good customer service, safety and quality management and other useful topics. For new hires, our Group provides an induction training programme followed by on-the-job training during their probation period, and continually monitors their progress throughout the probation period. Our employee training and development aim at equipping our employees with the knowledge and skills necessary to perform their job functions and enhance their capability.

We do not engage any recruitment agent to hire our staff. We have a recruitment policy in place to maintain a fair and effective recruitment procedure. Under such policy, we normally recruit employees with the appropriate skills, both technical and personal, in order to meet our current and future needs and to ensure that the employees appointed are qualified and competent to carry out the duties. We have always maintained a good working relationship with our employees. During the Track Record Period and up to the Latest Practicable Date, none of our employees had any labour dispute or claim involving and against us.

Employee remuneration and benefits

We entered into individual labour contracts with each of our employees in accordance with the applicable labour laws of Malaysia, which cover matters such as wages, employee benefits and grounds for termination. The remuneration package our Group offers to our employees includes salary, bonuses, allowances and medical benefits. In general, we determine an employee's salary based on each employee's qualifications, experience and capability as well as the prevailing market remuneration rate. As advised by our Malaysian Legal Advisers, during the Track Record Period, we have complied with all employee benefits in kind obligations applicable to us under Malaysian laws and regulations in all material aspects.

Our employee remuneration expenses and Directors' emolument (including salaries, other benefits and retirement benefit costs) amounted to approximately RM23.7 million, RM22.7 million, RM22.7 million and RM11.7 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively.

INSURANCE

Our Group maintains insurance coverage against inherent risks arising out of our ordinary course of business, such as employees' compensation for personal injuries, property damages or losses, third-party liability and various other areas.

We have taken out road and integrated transit insurance policy with coverage normally required for a NVOCC, freight forwarder and warehouse operator for protection against claims for cargo loss or damage and legal liability arising from accidents, with a limit of approximately RM1.0 million for each event.

We have also taken out a comprehensive general liability insurance policy with a limit of US$10.0 million for a single incident against product liability covering various liability, such as (personal injury, pollution fines and penalties) due to manufacturing or installation defects and public liability covering all costs and expenses of third party litigation and claims that arise from the manufacturing or installation defects.

Generally, we are not liable for any damage or loss to our customers' goods unless such damage or loss is caused by our negligence. Where we are liable for the damage or loss to our customers' goods, claims against us from our customers are covered by the insurance policies we maintain as described above. Our business is, however, susceptible to risks arising from losses we sustain during the course of our business operations

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our total insurance expenses amounted to approximately RM1.1 million, RM0.8 million, RM0.8 million and RM0.5 million, respectively. Our Directors consider the insurance coverage we maintain for businesses of our size and nature is customary and in line with industry norm. During the Track Record Period, we had not experienced any material claim from third party nor did we make any material insurance claim in the course of our operations.

OCCUPATIONAL HEALTH AND SAFETY

We place a strong emphasis on occupational safety of our staff. During the course of our business operations, our staff working at our warehouses are required to lift heavy objects and handle heavy mechanical equipment and our staff working at our flexitank production facilities are required to handle production machineries and equipment. They are provided with staff instructions manuals and supervision on-site to ensure their safety and health at work. We also provide regular internal and external trainings to our employees regarding operational and work safety. During the Track Record Period and as at the Latest Practicable Date, there were no material accidents nor claims for personal or property damage. There were also no interruptions in our business which may or have had a significant effect on our financial position during the Track Record Period and up to the Latest Practicable Date.

INTELLECTUAL PROPERTY

As at the Latest Practicable Date, we had registered two trademarks in Malaysia, and had registered one domain name that are, in the opinion of our Directors, material to our business. For further details of our intellectual property rights, please refer to the paragraph headed "B. Further information about the business of our Group – 2. Intellectual property rights of our Company" in Appendix V to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, there had been no material dispute or infringement of our trademarks by third party, nor had we infringed any trademark owned by third party.

PROPERTIES

The following table summarises the information of our owned properties and leased properties as at the Latest Practicable Date:

Owned properties

Address	Gross floor area (approximate)	Owned by	Use of the property as at the Latest Practicable Date
Lot No.26, Phase 3A on Part of P.N. 7935 Lot No. 74078, Mukim and District of Klang, Selangor, Malaysia	908,000 sq.ft.	Infinity L&T (MY)	Vacant
No. 28, Jalan KP2, Kawasan Perindustrian Kota Puteri, 48100 Batu Arang, Selangor, Malaysia	16,000 sq.ft.	Infinity L&T (MY)	On 9 December 2019, we entered into a tenancy agreement with an Independent Third Party for a term of two years from 1 January 2020 to 31 December 2021
2, Jalan Pusat Perniagaan Raja Uda 1, Pusat Perniagaan Raja Uda, 12300 Butterworth, Penang, Malaysia	6,000 sq.ft.	Infinity L&T (MY)	Office
Lot 54, Jalan Sungai Pinang 5/7/KS11, Taman Perindustrian Pulau Indah 2, 42920 Port Klang, Selangor, Malaysia	289,000 sq.ft.	Infinity L&T (MY)	Short term warehouse and Bonded Warehouse

Note: The relevant property valuation report is set forth in Appendix III to this prospectus. Except for the property interest the details of which are set out in Appendix III to this prospectus, our Directors confirm that no single property interest that formed part of our Group's non-property activities had a carrying amount of 15% of more of our consolidated total assets as at 31 December 2018.

Leased properties

Address	Landlord	Tenant	Gross floor area (approximate)	Usage as at the Latest Practicable Date	Key terms of the tenancy
No 2 & 4, Jalan Kasuarina 8, Bandar Botanic, 41200 Klang, Selangor, Malaysia	Infinity Shipping Sdn Bhd *(note)*	Infinity L&T (MY)	6,000 sq.ft.	Office	A term of three years from 1 January 2019 to 31 December 2021 at the monthly rental of RM15,000
PN 24331, Lot 102494 (formerly known as HSD 71668, PT 67100), Mukim Klang, Daerah Klang, Negeri Selangor, Malaysia	An Independent Third Party	Infinity L&T (MY)	198,000 sq.ft.	Local transportation	A term of three years from 1 December 2014 to 30 November 2017 at the monthly rental of RM34,000, and has been further extended for a term from 1 December 2017 to 30 November 2020
Warehouse J, Pulau Indah, 42009, Port Klang, Selangor, Malaysia	An Independent Third Party	Infinity L&T (MY)	240,000 sq.ft.	Leased to an Independent third Party	A term from 19 August 2016 up to 31 August 2024
Warehouse K, L and M, Pulau Indah, 42009, Port Klang, Selangor, Malaysia	An Independent Third Party	Infinity L&T (MY)	196,000 sq.ft.	For provision of our logistics centre and related services	A term from 16 November 2015 up to 31 August 2024

Address	Landlord	Tenant	Gross floor area (approximate)	Usage as at the Latest Practicable Date	Key terms of the tenancy
No 17, Jalan Cempedak 4, Taman Kota Masai 81700 Pasir Gudang, Johor, Malaysia	An Independent Third Party	Infinity Bulk Logistics (MY)	13,000 sq.ft.	Warehouse	A term of three years from 1 November 2018 to 31 October 2021 at the monthly rental of RM13,500, and renewed to a further term of 1 year
Precint 6, Jalan FZ5-P6, Part of P630, Port Klang Free Zone/ KS12, 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia	An Independent Third Party	Infinity L&T (MY)	87,000 sq.ft.	Leased to an Independent third Party	A term of 30 years commencing from 1 September 2016
No. 5, Jalan Besar, 02600 Padang Besar, Perlis, Malaysia	An Independent Third Party	Infinity L&T (MY)	2,000 sq.ft.	Freight forwarding branch office	A term of two years from the date commencing from 1 July 2018 to 30 June 2020 at the monthly rental of RM600 with an option to renew for a further one year term at a rate to be agreed by the landlord and us

Address	Landlord	Tenant	Gross floor area (approximate)	Usage as at the Latest Practicable Date	Key terms of the tenancy
Precint 8, Part of P806, P808, P832 & P833, Port Klang Free Zone/KS 12, 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia	An Independent Third Party	KNS Infinity (MY)	337,000 sq.ft.	Warehouse	A term of 30 years commencing from 27 September 2017, at the monthly rent of RM61,648.7. Rent payable six months after the commencement date or the completion of our warehouse, whichever is earlier
No. P.T A, Bandar Butterworth, Seksyen 4, Daerah Seberang Perai Utara, H.S. (D) 9813, Malaysia	An Independent Third Party	Supply Stram Management (MY)	218,000 sq.ft.	Depot centre	A term of 15 years commencing from 1 August 2019 until 31 August 2034 with monthly rent of RM37,435
151 Chin Swee Road Second Part of #02-02 Manhattan House Singapore 169876	An Independent Third Party	Infinity L&T (SG)	300 sq.ft.	Branch office in Singapore	A term of one year from 1 July 2018 to 30 June 2019, with monthly rent of S$1,150
H.S. (D) 28522, PT1, Bandar Prai, Seberang Prai Tengah, Pulau Pinang, Malaysia	An Independent Third Party	Infinity L&T (MY)	392,000 sq.ft.	Depot centre	A term of one year from 15 October 2018 to 14 October 2033 with monthly rent of RM67,402.16

Address	Landlord	Tenant	Gross floor area (approximate)	Usage as at the Latest Practicable Date	Key terms of the tenancy
HS (D) 303868 PTD 2423, Mukim Tanjung Jupang, District of Johor Bahru, State of Johor, Malaysia	An Independent Third Party	Infinity L&T (MY)	218,000 sq.ft.	Leased to an Independent third Party for the provision of long term warehousing services	A term of 30 years commencing from September 2019. The total consideration for the lease being RM9,801,000, which RM 980,100 shall be paid upon the acceptance of the lease offer and the remaining 8,820,900 shall be paid within two years from the date of initial payment in the manner as stipulated in the agreement
A parcel of land in free zone located in Westports, Port Klang, Malaysia as described in lease agreement	An Independent Third Party	Infinity L&T (MY)	800,000 sq.ft.	Setting up of the Proposed Westports FZ Warehouses	A term of 34 years and eight months commencing from 1 January 2020, with rent of approximately RM2.0 million per annum effective after nine months from 1 January 2020 for the next three years. Thereafter, the rent of approximately RM2.4 million per annum and shall be revised at an interval of every five year period at an incremental basis of 15% from the previous rental rate

Note: Infinity Shipping Sdn Bhd was owned as to 65% by Dato' Chan and 35% by Dato' Kwan and Infinity L&T (MY) because an indirect wholly-owned subsidiary of our Company upon completion of the Reorganisation. As such, the lease will constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon Listing. For details, please refer to the section headed "Connected Transactions" in this prospectus.

Save as disclosed above, our Group did not have any other property interests as at the Latest Practicable Date.

LITIGATION

As advised by our Malaysian Legal Advisers, save for the litigation cases disclosed below, we do not have any pending or threatened litigation, arbitration or administrative proceeding against our Group or our Directors during the Track Record Period, which could have a material adverse effect on our financial condition or result of operations.

As at the Latest Practicable Date, the subsidiaries of our Group involved in the following matters and the details of the disputes and its current status are as follow:

No.	Plaintiff/ Petitioner/ Appellant	Defendant/ Respondent	Details of Suit	Subject Matter	Legal Consequences	Status
1.	Oriental SP Sdn Bhd	Infinity L&T (MY)	Klang Sessions Court Suit No.BL-A52NCVC-105-12/2018	The plaintiff is claiming for the outstanding sum of RM129,802.40 together with interest accrued therein pursuant to Section 73 of the Contracts Act 1950 by the plaintiff against Infinity L&T (MY) whereby the plaintiff alleged that the payment made by the Plaintiff to the Defendant for the release of cargo under the Bill of Lading No. 077XG016 earlier was under duress and Infinity L&T (MY) shall not have the right to retain the cargo.	Our Directors, after obtaining legal advice, are of the view that should the court allows the plaintiff's claim, Infinity L&T (MY) will be exposed to the maximum liabilities as follow: (a) the principal sum of RM129,802.40; (b) interest against the sum of RM129,802.40 at the rate and for a period of which the Court deems just, fair and reasonable; and (c) costs at the discretion of the court.	The trial of this matter was initially fixed on 21 and 22 October 2019 and was extended to 29, 31 October 2019, 12 November 2019 and 17 & 18 December 2019. After the trial, the court directed both parties to file their written submission simultaneously by 6 February 2020 and the written submission in reply (if any) by 13 February 2020. The court fixed 28 February 2020 for decision after the full trial.

No.	Plaintiff/ Petitioner/ Appellant	Defendant/ Respondent	Details of Suit	Subject Matter	Legal Consequences	Status
2.	Shui Xing Ventures Sdn Bhd	Infinity L&T (MY)	Klang Sessions Court Suit No. BL-B52NCVC-12-08/2018	The plaintiff initiated a claim against Infinity L&T (MY) for an outstanding sum of RM544,342.52 together with the interest accrued therein by Infinity L&T (MY) for the warehousing and transportation services rendered by the plaintiff to Infinity L&T (MY). Infinity L&T (MY) has subsequently filed a counter claim of RM501,661.36 being the losses suffered by Infinity L&T (MY) due to the plaintiff's unsatisfactory services including the refund of warehouse rental deposits amounting to RM93,000.00. Prior to the filing of the existing suit, the plaintiff/ petitioner has presented a winding-up petition against Infinity L&T (MY) at the Shah Alam High Court under the winding-up petition number BA-28NCC-249-05/2018 based on the same subject matter in which the petition was subsequently withdrew by the plaintiff/ petitioner before the filing of the existing suit.	The trial has been fixed on 13, 14, 17, 21 June 2019, 22 July 2019. On 11 October 2019, the court dismissed the plaintiff's claim and allowed Infinity L&T (MY)'s counterclaim to offset the amount claimed by the plaintiff with the costs amounting to RM15,000 payable by the plaintiff to Infinity L&T (MY).	The plaintiff has filed a notice of appeal dated 24 October 2019 against the decision of the Sessions Court and the said appeal has been fixed for case management on 22 January 2020 under the appeal case no. BA-12B-NCVC-80-10/2019 pending the grounds of judgement from the Sessions Court.

No.	Plaintiff/ Petitioner/ Appellant	Defendant/ Respondent	Details of Suit	Subject Matter	Legal Consequences	Status
3.	Ramle bin Muhammad and Infinity L&T (MY) as Appellants	Peranathan A/L Krishnasamy and Meenalochani A/P Murugiah as Respondents	Court of Appeal no. P-08-76-02/2019	On 2 January 2017, Peranathan A/L Krishnasamy and Meenalochani A/P Murugiah (as plaintiffs) instituted a claim against Ramle Bin Muhammad in the capacity as a driver and Infinity L&T (MY) in the capacity of insured person (as defendants) for the injuries caused as a result of a road accident on 13 January 2015 involving motorcycle no. PJP 6720 and motor lorry BMX 158 at the traffic light of Jalan BKE (Jalan Heng Choon Thien), Butterworth via Butterworth Magistrates Court Summons No. PB-A73KJ-400-05/2017. The plaintiffs claim for general and special damages arising from the accident. On 13 June 2018, the claim was dismissed with cost as the plaintiffs have failed to prove its case. On 19 June 2018, Peranathan A/L Krishnasamy and Meenalochani A/P Murugiah (as appellants at the Penang High Court) filed an appeal against the Magistrates Court's decision to the Penang High Court via the High Court Civil Appeal No. PA-11B-41-06/2018. On 11 February 2019, the Penang High Court allowed the appeal on 100% liability against Ramle bin Muhammad and Infinity L&T (MY) (as the respondents at the Penang High Court) and cost of RM5,000.00 to be paid by said respondents. On 28 February 2019, Ramle bin Muhammad and Infinity L&T (MY) (as appellants at the Court of Appeal) has filed a notice of motion for leave to appeal to the Court of Appeal against the decision of the Penang High Court dated 11 February 2019.	Our Directors, after obtaining legal advice, are of the view that should the court of Appeal dismissed their application for the leave to appeal, Infinity L&T (MY) will be exposed to the maximum liabilities of RM20,000 and it will be covered by insurance.	Infinity L&T (MY) has filed the notice of appeal to Court of Appeal and the matter has been fixed from hearing on 24 April 2020.

No.	Plaintiff/ Petitioner/ Appellant	Defendant/ Respondent	Details of Suit	Subject Matter	Legal Consequences	Status
4.	Infinity L&T (MY)	Abdul Razak Bin Rahmat & Nur Atikah @ Wati Bt. Salam (as a partner trading in the name of Mestika Sejagat Enterprise)	Klang Magistrate Court Suit No. BL-A72NCVC-625-09/2019	The claim is premised on the transportation services rendered by Infinity L&T (MY) to the defendants whereby the defendants have failed to make the payment in accordance with the invoices issued after the services provided. Infinity L&T (MY) claims for (a) the outstanding sum of RM68,400; (b) the monthly interest of 2% or any other amount as allowed by the Court from the date of the respective invoices up to the date of full settlement; (c) costs; and (d) other orders or reliefs as the Court deemed fair and fit to be granted.	Our Directors, after obtaining the legal advice, are of the view that should the court dismissed the claim by Infinity L&T (MY), Infinity L&T (MY) will not be able to claim the outstanding amount and interest accrued therein from the defendants. Infinity L&T (MY) may also be liable for the costs incurred therein.	The judgement in default of appearance against the 2nd defendant has been entered on 29 October 2019. The court has granted on order in term of the application to serve the writ and statement of claim by way of substituted service on 1st defendant. The next case management has been fixed on 13 January 2020 pending the execution of the order.

REGULATORY COMPLIANCE

As advised by our Malaysian Legal Advisers and confirmed by our Directors, during the Track Record Period and up to the Latest Practicable Date, we complied with all applicable laws and regulations in Malaysia in all material respects.

LICENCES AND REGULATORY APPROVALS

As advised by our Malaysian Legal Advisers, during the Track Record Period and up to the Latest Practicable Date, our Group had obtained and held all necessary approvals, permit, consents, licenses and registrations required for our business and operations in Malaysia, and that all of them remain in force, details of which are as follows:

Licence/permit/ approval	Holding entity	Issuing authority	Date of First Grant	Date of expiry
Forwarding Agent License	Infinity Bulk Logistics (MY)	Royal Malaysian Customs Department	5 September 2018	4 September 2021
Forwarding Agent License	Infinity L&T (MY)	Royal Malaysian Customs Department	23 July 2012	31 July 2022
Shipping Agent License	Infinity L&T (MY)	Royal Malaysian Customs Department	1 September 2015	31 August 2023

Licence/permit/ approval	Holding entity	Issuing authority	Date of First Grant	Date of expiry
Operator Licence	Infinity Bulk Logistics (MY)	Land Public Transport Commission	10 September 2015	9 September 2020
Operator Licence	Infinity L&T (MY)	Land Public Transport Commission	18 September 2015	24 January 2021

During the Track Record Period and up to the Latest Practicable Date, we did not experience any refusal of renewal of any licenses necessary for our business. Our Directors believe that we will not encounter any difficulties in obtaining the renewal of any licenses in the future.

Our Group has been granted by Malaysian Investment Development Authority the Integrated Logistics Services (ILS) status and International Integrated Logistics Services (IILS) status, details of which are as follows:

Name of the subsidiary of our Group	Infinity L&T (MY)	Infinity L&T (MY)	Infinity Bulk Logistics (MY)	Infinity Bulk Logistics (MY)
Status granted	ILS status	IILS status	ILS status	IILS status
Effective Date	3 September 2010	4 May 2011	13 June 2017	13 June 2017

As at the Latest Practicable Date, we were holding valid ILS and IILS status respectively and there is no expiry date for such status so long as the relevant subsidiaries continue providing such promoted activities and in compliance with all the terms and conditions of such grant. Prior to the grant of the first ILS and IILS status to our Group in year 2010 and 2011 respectively, our Group is not qualified for the customs agent license to conduct the custom clearance related activities as our Group does not fulfil the bumiputera participation requirement of at least 51% on its share capital, management and employees. As our Group is restricted by the requirement of bumiputera participation at the material time, all the custom clearance related activities were handled by a third-party freight forwarder who assist in clearing the goods of the Group's customers from the Royal Malaysian Customs Department.

Upon the grant of the ILS and IILS status and the issuance of the requisite license for the provision of custom clearance services to our Group in 2012, our Group is allowed to provide and offer an integrated and seamless logistics services to its customers.

For further details regarding the regulatory requirement of our business, please refer to the paragraphs headed "Regulatory Overview – Overview of Malaysian laws and regulations – A. Laws and Regulations relating to the licenses of the Group's Business & B. Laws and Regulations relating to its Business Operations" in this prospectus.

INTERNAL CONTROL

To assess and identify weakness in our internal procedures, systems and controls, we engaged an independent internal control consultant, APEC RISK MANAGEMENT LIMITED, in January 2019 to review the adequacy and effectiveness of our internal control procedures, systems and controls. Through an initial review conducted from February 2019 to March 2019, our internal control consultant identified some weaknesses and deficiencies in our internal control system and recommended certain measures to be implemented. Following this review, we have taken some remedial measures to improve our internal control system.

The Internal Control Consultant identified the following key findings and our Group has taken the following remedial actions based upon the recommendations from the Internal Control Consultant:

Key findings	**Remedial actions taken**
Some overseas customers settled their payments to our Group via third parties	Our Group ceased Third Party Payments arrangement with our customers since March 2019. Our Group issued a memo to our customers informing them that the payments made by third parties including entities and individuals, or in the form of cash would not be accepted. In addition, we have also issued an internal notice to all our employees to prohibit them from accepting Third Party Payments. Our sales invoices has included a clear statement that all customers shall settle their payments to us directly and that any Third Party Payments will be rejected by us.
Our Group provided staff loans to several of our employees and the human resources department did not make any deduction of wages and no documents in relation to the approval of loan and agreement were signed	Our Group has established a guideline in staff loan regarding the criteria and document required, which was circulated to all the relevant head of department.

Key findings	Remedial actions taken
Our Group did not have approval from respective head of department before issuance of quotations to customers. There is no written acknowledgement or acceptance of such quotations from customer to confirm the rates	Our Group has required customers to sign acknowledgment when accepting quotations to confirm the rates.
Our Group had an inappropriate authority matrix which allowed several staffs members to have access and authority to the payroll salary adjustment module and to add and remove employee records in the human resource management system	The junior employees no longer have the authority and access right to the payroll salary adjustment module and the human resource management system. Only two of the senior members in the human resource department were granted the right to access and edit such module and system.

Our Directors confirmed that our Group did not suffer any loss or damage as a result of the internal control weaknesses identified by the independent internal control consultant.

Internal control measures to improve corporate governance

In order to continuously improve our Group's corporate governance in the future, our Group has adopted or will adopt the following measures recommended by the internal control consultant:

1. On 29 May 2019, our Directors attended training sessions conducted by our Company's legal adviser as to Hong Kong laws on the ongoing obligations and duties of a director of a company whose shares are listed on the Stock Exchange.

2. We have appointed VBG Capital Limited as our compliance adviser upon Listing to advise us on regulatory compliance with the Listing Rules.

3. We have appointed Mr. Lau Wai Piu Patrick, as the company secretary, to handle the secretarial matters and day-to-day compliance matters of our Group. He is also responsible for the timing and procedures for convening annual general meetings, including the time for sending notice of meeting and laying the respective financial statements.

4. On 14 December 2019, we established the Audit Committee which will implement formal and transparent arrangements to apply financial reporting and internal control principles in accounting and financial matters to ensure compliance with the Listing

Rules and all relevant laws and regulations, including timely preparation and laying of accounts. It will also periodically review our compliance status with the Hong Kong laws after Listing. The Audit Committee will exercise its oversight by:

(i) Reviewing our internal control and legal compliance;

(ii) discussing the internal control systems with the management of our Group to ensure that the management has performed its duty to have an effective internal control system; and

(iii) considering the major investigation findings on internal control matters as delegated by the Board.

5. Our Group will seek professional advice and assistance from independent internal control consultants, external legal advisers and/or other appropriate independent professional advisors with respect to matters related to our internal controls and compliance when necessary and appropriate.

View of our Directors

Based on the Internal Control Consultant's review and recommendations, our Group has duly adopted the measures and policies in order to improve our internal control systems and to ensure our compliance with the Listing Rules and relevant Hong Kong and Malaysia laws. Furthermore, after the Internal Control Consultant had performed their follow-up review in June 2019, they did not identify any further issues and made no further recommendations in the respective areas covered in their reviews. Based on the results of the internal control reviews, our Directors are of the view that adequate and effective internal control procedure and policies have been put in place by our Group.

RISK MANAGEMENT

Key risks relating to our business are set out in the section headed "Risk factors" in this prospectus. The following sets out the key measures adopted by our Group under our risk management and internal control systems for managing the more particular operational and financial risks relating to our business operation:

(i) Risk relating to cost inflation

Please refer to the paragraphs headed "Pricing policy" in this section.

(ii) Risk relating to suppliers' performance

Please refer to the paragraphs headed "Suppliers – Selection of suppliers" in this section.

(iii) Safety system

Please refer to the paragraphs headed "Occupational Health and Safety" in this section.

(iv) Financial risks, in particularly interest rate risk, credit risk and liquidity risk

Please refer to the paragraphs headed "Financial information – Financial risk management objectives and policies" in this prospectus and note 30 in the Accountants' Report in Appendix I to this prospectus.

(v) Quality control system

Please refer to the paragraphs headed "Quality Management and Control" in this section.

(vi) Corporate governance measures

Please refer to the paragraphs headed "Relationship with Our Controlling Shareholders – Non-compete undertaking – 3. Corporate governance measures" in this prospectus.

MAJOR CERTIFICATIONS

The following table sets out our major certifications:

Nature	Certification	Scope	Holder	Year of grant	Awarding organisation or authority	Expiry date
Flexitank Certificate of Compliance	COA Flexitank Certificate of Compliance	– Compliance with COA Flexitank Code of Practice quality audits of ISO9001 Management, Materials, Installation & Training and Rail Impart Test	Infinity Bulk Logistics (MY)	2016	Container Owners Association	31 January 2021
Quality management system accreditation	ISO 9001:2015	– Provision of Warehousing & Distribution Services – Provision of Land Transportation Services	Infinity L&T (MY)	2011	AGM Certification Sdn Bhd	17 September 2021

Nature	Certification	Scope	Holder	Year of grant	Awarding organisation or authority	Expiry date
Quality management system accreditation	ISO 9001:2015	– Manufacture of Polyethylene and Polypropylene Flexitank for bulk liquid container for food industry – Installation of Flexitank into container	Infinity Bulk Logistics (MY)	2010	Lloyd's Register of Shipping (M) Bhd	24 January 2022
Food Safety Management System accreditation	ISO 22000:2005, ISO/TS 22002-4:2013 and additional FSSC 22000 requirements	– Manufacture of Polyethylene and Polypropylene Flexitank for bulk liquid container for food industry	Infinity Bulk Logistics (MY)	2015	Lloyd's Register of Shipping (M) Bhd	21 May 2021
Hazard Analysis and Critical Control Point System accreditation	HACCP Codex Alimentarius Annex to CAC/RCP 1-1969 (2009)	– Management of a Hazard Analysis and Critical Control Point (HACCP) System for Manufacture of Polyethylene and Polypropylene Flexitank for bulk liquid container for food industry	Infinity Bulk Logistics (MY)	2015	Lloyd's Register of Shipping (M) Bhd	21 May 2021
Kosher product certification	Kosher Certificate	– Produce kosher products at their production site	Infinity Bulk Logistics (MY)	2011 (note 1)	Klbd – London Beth Din	11 May 2020
Halal product certification	IFRC/ P-EXPORT/ JU/15/089	– Halal products for distribution outside Malaysia	PT. Infinity Logistindo Indonesia	2015 (note 2)	Islamic Food Research Centre (Hong Kong) Co., Ltd	22 June 2021

Note 1: First year of grant. The Kosher product certification is renewed every year.

Note 2: First year of grant. The Halal product certification is renewed every three years.

RECOGNITIONS AND AWARDS

The following table sets out our major awards and recognitions:

Year of award	Recipient	Award	Awarding organization or authority
2018	Infinity L&T (MY)	Star Business Awards – Silver Award: Best in Corporate Social Responsibility	Star Media Group
2014, 2015 and 2016	Infinity L&T (MY)	Golden eagle award – Eminent Eagle Award	Nanyang Siang Pau Sdn. Bhd.
2016	Infinity L&T (MY)	Platinum Business Awards – SME Best Overall Award	SME Association of Malaysia

OVERVIEW

During the Track Record Period, our Group had entered into a number of transactions with connected persons of our Company which will continue and constitute continuing connected transactions (as defined under Chapter 14A of the Listing Rules) of our Company upon the Listing. Set out below is a summary of the discontinued connected transaction and continuing connected transactions after the Listing:

					Connected transaction historical amounts			
Item	**Connected person**	**Relationship with our Group**	**Nature of transactions**	**Type**	**FY2016**	**FY 2017**	**FY2018**	**For the six months ended 30 June 2019**
					RM' 000	*RM' 000*	*RM' 000*	*RM' 000*
1.	Lite Bulk Sdn. Bhd. ("**Lite Bulk**")	Lite Bulk is a limited liability company incorporated in Malaysia on 25 August 2003 and principally engaged in business as manufacturers, dealers, importers, exporters and traders of all kind of packaging containers including cartons, boxes and cases wholly or partly made of papers, boards, wood, glass, rubber metals, tin or otherwise and corrugated containers, corrugated rolling boxes, display boxes, aluminium coils and packing requisite of every kind. It is owned as to 60% by Dato' Chan and 40% by Dato' Kwan. As each of Dato' Chan and Dato' Kwan is holding more than 30% shareholding interest in Lite Bulk, Lite Bulk is therefore considered as an associate of each of Dato' Chan and Dato' Kwan and a connected person of our Company under Chapter 14A of the Listing Rules.	Our Group purchased cardboard containers from Lite Bulk	Continuing connected transaction	41	17	108	40
			Provision of freight forwarding services by our Group to Lite Bulk	Continuing connected transaction	123	5	52	19

Item	Connected person	Relationship with our Group	Nature of transactions	Type	Connected transaction historical amounts FY2016 RM' 000	FY 2017 RM' 000	FY2018 RM' 000	For the six months ended 30 June 2019 RM' 000
2.	Infinity Shipping Sdn. Bhd. ("**Infinity Shipping (MY)**")	Infinity Shipping (MY) is a limited liability company incorporated in Malaysia on 6 June 2003 and principally engaged in property letting. It is owned as to 65% by Dato' Chan and 35% by Dato' Kwan. As each of Dato' Chan and Dato' Kwan is holding more than 30% shareholding interest in Infinity Shipping (MY), Infinity Shipping (MY) is therefore considered as an associate of each of Dato' Chan and Dato' Kwan and a connected person of our Company under Chapter 14A of the Listing Rules.	Lease of property to our Group *(Note 1)*	Continuing connected transaction	84	84	84	90
			Lease of property to our Group *(Note 2)*	Discontinued connected transaction	12	12	3	–
3.	Qingdao Infinity Supply Chain Management Co., Ltd ("**Qingdao Infinity**")	Qingdao Infinity is a limited liability company incorporated in the PRC on 6 September 2015 and principally engaged in wholesale, importation and exportation of plastic products and raw materials, packaging material and excipient and metals; international forwarding services; domestic forwarding services; storage (excluding dangerous goods); loading and unloading services; customs and inspection declaration agent in the PRC. It is owned as to 40% by Mr. Teo, 40% by Mr. Tan Pang Wee and 20% by 青島盈創運通供應鏈有限公司 (Qingdao Wintrust Supply Chain Co., Ltd.), one of our suppliers who had provided freight forwarding services to our Group during the Track Record Period. Mr. Teo is a director of four of our subsidiaries and hence a connected person of our Company at subsidiary level. As Mr. Teo is holding more than 30% shareholding interest in Qingdao Infinity, Qingdao Infinity is therefore considered as an associate of Mr. Teo and a connected person of our Company under Chapter 14A of the Listing Rules.	Provision of freight forwarding service by Qingdao Infinity to our Group	Continuing connected transaction	403	751	1,091	492
			Sales of packing material by our Group to Qingdao Infinity	Continuing connected transaction	583	517	225	27

Item	Connected person	Relationship with our Group	Nature of transactions	Type	Connected transaction historical amounts FY2016 RM' 000	FY 2017 RM' 000	FY2018 RM' 000	For the six months ended 30 June 2019 RM' 000
4.	Infinity Agency (Penang) Sdn. Bhd. ("**Infinity Agency (Penang)**")	Infinity Agency (Penang) is a limited liability company incorporated in Malaysia on 28 June 2005 and was principally engaged in freight forwarding and bulk logistics. It is owned as to 70% by Dato' Kwan and 30% by Mr. Khaw. As at the Latest Practicable Date, Infinity Agency (Penang) had ceased its freight forwarding and bulk logistics business and amended its memorandum regarding its change of business.	Provision of freight forwarding and bulk logistics services by Infinity Agency (Penang) to our Group	Discontinued connected transaction	575	701	714	–
		As Dato' Kwan is holding more than 30% shareholding interest in Infinity Agency (Penang), Infinity Agency (Penang) is therefore considered as an associate of Dato' Kwan and a connected person of our Company under Chapter 14A of the Listing Rules.	Provision of NVOCC flexitank solution services by our Group to Infinity Agency (Penang)	Discontinued connected transaction	2,183	2,786	1,288	–

Notes:

1. Our Group had leased the property since December 2014 and the previous lease agreement expired in May 2018. Our Group had entered into a new lease agreement with Infinity Shipping on 1 March 2019. For details of the lease agreement, please refer to the paragraph headed "Exempt continuing connected transactions – 1. Lease of property by Infinity Shipping to our Group" in this section.

2. The lease agreement was terminated on 31 March 2018.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Lease of property by Infinity Shipping (MY) to our Group

On 1 March 2019, Infinity Shipping (MY) as lessor and Infinity L&T (MY), a subsidiary of our Company, as lessee entered into a lease agreement for the leasing of a property located at Infinity House, No. 2 and 4 Jalan Kasuarina 8, Bandar Botanic, 41200 Klang, Selangor Darul Ehsan, Malaysia for a term commencing from 1 January 2019 to 31 December 2021 at a monthly rent of RM15,000 (the "**Lease Agreement**"). The property was used as an administrative and operational headquarter for logistics and transport services.

Upon the expiry of the term mentioned above, Infinity L&T (MY) has an option to renew the Lease Agreement with Infinity Shipping (MY) for a further one year at the then market rent by serving Infinity Shipping (MY) not less than three months' prior written notice.

The monthly rental of RM15,000 was determined after arm's length negotiations between the parties with reference to the rental rate of similar properties in the vicinity.

The Lease Agreement with Infinity Shipping (MY) will continue after Listing. It is proposed that the annual caps for the rental payable by our Group under the Lease Agreement with Infinity Shipping (MY) will be RM180,000, RM180,000 and RM180,000 for each of the three financial years ending 31 December 2021.

As each of the applicable percentage ratio(s) (as defined in the Listing Rules) with respect to the transactions contemplated under the Lease Agreement with Infinity Shipping (MY) are less than 5% on an annual basis and the annual consideration is less than HK$3 million, the transactions are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Should the annual rental payable exceed the relevant threshold, our Company will comply with the Listing Rules where applicable.

2. Purchase of cardboard containers from Lite Bulk

During the Track Record Period, we purchased cardboard containers from Lite Bulk. There was no long-term agreement between our Group and Lite Bulk. Instead, we placed purchase orders with Lite Bulk at the agreed purchase price after arm's length negotiation on a case-by-case basis. For the relevant historical transaction amount paid by our Group to Lite Bulk, please refer to the paragraph headed "Overview" in this section above.

On 14 December 2019, our Company (for itself and on behalf of other Group companies) entered into a master purchase agreement with Lite Bulk, pursuant to which our Company (for itself and on behalf of other Group companies) agreed to purchase cardboard containers on a non-exclusive basis from Lite Bulk.

Under the master purchase agreement, we can from time to time place purchase order with Lite Bulk, which shall set out, inter alia, the quantity, description of products and the purchase price. The purchase price shall be determined after arm's length negotiation between Lite Bulk and our Group from time to time with reference to the prevailing market price of similar products, and in any event shall not be less favourable than the price charged by independent third party supplier for similar products. As such, our Directors (including the independent non-executive Directors) considered the master purchase agreement is (i) on normal commercial terms; (ii) fair and reasonable; (iii) the transactions contemplated thereunder are conducted in the usual and ordinary course of the business of our Group; and (iv) in the interest of our Group and Shareholders as a whole.

The terms of the master purchase agreement with Lite Bulk shall commence on the Listing Date and will expire on 31 December 2021. Either party may terminate the master purchase agreement by serving a notice of not less than three months to the other.

Our Directors propose to set an annual caps based on the estimate amount payable to Lite Bulk for the purchase of cardboard containers for the three financial years ending 31 December 2021, which will not exceed RM45,000, RM49,000 and RM54,000, respectively.

In determining the above annual caps, our Directors have considered (i) the relevant historical transaction amount paid by our Group to Lite Bulk for the purchase of cardboard containers; and (ii) the future growth and expansion of our Group's business which is expected to result in the increase in demand of our services and (iii) the anticipated stable price trend of cardboard containers for the three years ending 31 December 2021.

As each of the applicable percentage ratio(s) (as defined in the Listing Rules) (other than the profits ratio) for the transactions with Lite Bulk for each of the three financial years ending 31 December 2021 is less than 5% and the annual consideration is less than HK$3 million, the transactions are fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Should the annual transaction amount exceed the relevant threshold, our Company will comply with the Listing Rules where applicable.

3. Supply of freight forwarding services to Lite Bulk

During the Track Record Period, we supplied freight forwarding services to Lite Bulk. There was no long-term agreement between our Group and Lite Bulk. Instead, Lite Bulk placed service orders with our Group at an agreed service fee after arm's length negotiation. For the relevant historical transaction amount paid by Lite Bulk to our Group, please refer to the paragraph headed "Overview" in this section above.

On 14 December 2019, our Company (for itself and on behalf of other Group companies) entered into a master supply agreement with Lite Bulk, pursuant to which our Company (for itself and on behalf of other Group companies) agreed to provide freight forwarding services on a non-exclusive basis to Lite Bulk.

Under the master supply agreement, Lite Bulk shall from time to time place service order to our Group, which shall set out, inter alia, description of the service required, term of payment and the service fee. The service fee shall be determined after arm's length negotiation between Lite Bulk and our Group from time to time with reference to the prevailing market price of similar services, and in any even shall not be more favourable than the price we charged to independent third party customers for similar services. As such, our Directors (including the independent non-executive Directors) considered the transactions under the master supply agreement are (i) on normal commercial terms; (ii) fair and reasonable; (iii) the transactions contemplated thereunder are conducted in the usual and ordinary course of the business of our Group; and (iv) in the interest of our Group and Shareholders as a whole.

The terms of the master supply agreement with Lite Bulk shall commence on the Listing Date and will expire on 31 December 2021. Either party may terminate the master supply agreement by serving a notice of not less than three months to the other.

Our Directors propose to set an annual cap based on the estimate annual amount payable by Lite Bulk with respect to the supply of freight forwarding services for the three financial years ending 31 December 2021, which will not exceed RM96,000, RM106,000 and RM116,000, respectively.

In determining the above annual caps, our Directors have considered (i) the relevant historical transaction amount for the provision of freight forwarding services to Lite Bulk; and (ii) the anticipated stable price trend of our freight forwarding services and packaging products for the three financial year ending 31 December 2021.

As each of the applicable percentage ratio(s) (as defined in the Listing Rules) (other than the profits ratio) for the transaction with Lite Bulk for each of the three financial years ending 31 December 2021 is less than 5% and the annual consideration is less than HK$3 million, the transaction is fully exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Should the annual transaction amount exceed the relevant threshold, our Company will comply with the Listing Rules where applicable.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Upon Listing, it is expected that the following transactions will be carried out by our Group and regarded as partially-exempt continuing connected transactions of our Group which will be subject to the reporting, announcement and annual review requirements but exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

4. Purchase of freight forwarding services from Qingdao Infinity

During the Track Record Period, we engaged Qingdao Infinity for the provision of freight forwarding services in the PRC. There was no long-term agreement between Qingdao Infinity and our Group. Instead, we placed service orders with Qingdao Infinity at the agreed service fee after arm's length negotiation. Our Directors considered that the transactions with Qingdao Infinity during the Track Record Period were conducted on normal commercial terms, fair and reasonable and in the ordinary and usual course of business of our Group. For the relevant transaction amount paid by our Group to Qingdao Infinity during the Track Record Period, please refer to the paragraph headed "Overview" in this section above.

On 14 December 2019, our Company (for itself and on behalf of other Group Companies) entered into a master purchase agreement with Qingdao Infinity, pursuant to which our Company (for itself and on behalf of other companies of our Group) agreed to engage Qingdao Infinity for the provision of freight forwarding services in the PRC on a non-exclusive basis.

Under the master purchase agreement, we can from time to time place service order to Qingdao Infinity, which shall set out, inter alia, the description of the services required, the service fee and term of payment. The service fee shall be determined after arm's length negotiation between Qingdao Infinity and our Group from time to time with reference to the prevailing market price of similar services, and in any event shall be not more than the price paid by our Group to Independent Third Parties for similar services. Our Group will engage Qingdao Infinity on an as-needed basis. As companies providing such services are readily available in the market, we will review the service fee charged by Qingdao Infinity on a regular basis. Based on the fee quotes provided by other independent suppliers, we will be able to ensure that the service fee to be paid to Qingdao Infinity by our Group represent the prevailing market price on normal commercial terms and would not be less favourable than the service fee changed by independent third-party supplier.

The terms of the master purchase agreement with Qingdao Infinity shall commence on the Listing Date and will expire on 31 December 2021. Either party may terminate the master purchase agreement by serving a notice of not less than three months to the other.

Reasons for and the benefits of entering into the master purchase agreement with Qingdao Infinity

We had been engaging Qingdao Infinity for freight forwarding services in the PRC for around three years. Taking into account the stable business relationship between our Group and Qingdao Infinity, our Directors consider that the entering into the master purchase agreement with Qingdao Infinity will enable us to better cater to the needs of our customers. Further, our Directors considered that the terms of the master purchase agreement with Qingdao Infinity are on normal commercial terms, fair and reasonable, and in the ordinary and usual course of business of our Group, and such the entering into the said master purchase agreement is in the interest of our Group and our Shareholders as a whole.

Listing Rules implication and annual caps for the three financial years ending 31 December 2021

Qingdao Infinity is an associate of Mr. Teo who is a director of four of our subsidiaries and hence a connected person of our Company at subsidiary level. Our Directors propose to set an annual cap based on the estimated amount payable to Qingdao Flexitank by our Group under the master purchase agreement for each of the three years ending 31 December 2021, which will not exceed RM1,255,000, RM1,443,000 and RM1,659,000, respectively.

In determining the annual caps, our Directors have considered (i) the historical transaction amounts for the purchase of the freight forwarding services from Qingdao Infinity during the Track Record Period; (ii) the future growth and expansion of our Group's business which is expected to result in the increase in demand for our services; and (iii) the anticipated stable price trend of freight forwarding services for the three financial years ending 31 December 2021.

Pursuant to the Listing Rules, the applicable percentage ratios for the transactions is more than 0.1% but less than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. Moreover, on the basis that Qingdao Infinity is a connected person of our Company at the subsidiary level only, by virtue of Rule 14A.101 of the Listing Rules, such continuing connected transactions shall be exempted from circular, independent financial advice and the independent Shareholders' approval requirement.

5. Sales of packaging materials to Qingdao Infinity

During the Track Record Period, we supplied packaging materials to Qingdao Infinity. There was no long-term agreement between Qingdao Infinity and our Group. Instead, Qingdao Infinity placed purchase orders with our Group at the agreed purchase price after arm's length negotiation. Our Directors considered that the transactions with Qingdao Infinity during the Track Record Period were conducted on normal commercial terms, fair and reasonable and in the ordinary and usual course of business of our Group. For the relevant transaction amount paid by Qingdao Infinity to our Group during the Track Record Period, please refer to the paragraph headed "Overview" in this section above.

On 14 December 2019, our Company (for itself and on behalf of other Group Companies) entered into a master supply agreement with Qingdao Infinity, pursuant to which our Company (for itself and on behalf of other Group Companies) agreed to supply packaging material on a non-exclusive basis to Qingdao Infinity.

Under the master purchase agreement, Qingdao Infinity can from time to time place purchase order to our Group, which shall set out, inter alia, the quantity, description of the product and the purchase price. The purchase price shall be determined after arm's length negotiation between Qingdao Infinity and our Group from time to time with reference to the prevailing market price of similar products, and in any event shall be not more favourable than the price we charge independent third party customers for similar products. As such, our Directors (including the independent non-executive Directors) considered the transactions under the master supply agreement are (i) on normal commercial terms; (ii) fair and reasonable; (iii) conducted in the usual and ordinary course of the business of our Group; and (iv) in the interest of our Group and Shareholders as a whole.

The terms of the master supply agreement with Qingdao Infinity shall commence on the Listing Date and will expire on 31 December 2021. Either party may terminate the master supply agreement by serving a notice of not less than three months to the other.

Reasons for and benefits of entering into the master purchase agreement with Qingdao Infinity

We had been supplying packaging materials to Qingdao Infinity for around three years. Taking into account the stable business relationship between our Group and Qingdao Infinity, our Directors consider that the entering into the master supply agreement with Qingdao Infinity would allow our Group to ensure a stable source of revenue during the term of the agreement and thus bring a positive financial impact on our Group. Further, our Directors considered that the terms of the master supply agreement with Qingdao Infinity are on normal commercial terms, fair and reasonable, and in the ordinary and usual course of business of our Group, and such the entering into the said master supply agreement is in the interest of our Group and our Shareholders as a whole.

Listing Rules implication and annual caps for the three financial years ending 31 December 2021

As aforementioned, Qingdao Infinity is an associate of Mr. Teo who is a director of four of our subsidiaries and hence a connected person of our Company at subsidiary level. As the transactions contemplated under (i) the master purchase agreement with Qingdao Infinity; and (ii) the aforementioned master supply agreement with Qingdao Infinity, constitute a series of connected transactions which are entered into by our Group with the same party, such transactions are aggregated in accordance with Rules 14A.82(1) and 14A.83 of the Listing Rules.

Our Directors propose to set an annual cap based on the estimated amount payable by Qingdao Flexitank to our Group under the master supply agreement for each of the three years ending 31 December 2021, which will not exceed RM641,000, RM705,000 and RM776,000, respectively.

In determining the annual caps, our Directors have considered (i) the historical transaction amounts for the supply of packaging material by our Group to Qingdao Infinity during the Track Record Period; and (ii) the anticipated stable price trend of packaging material for the three financial years ending 31 December 2021.

Pursuant to the Listing Rules, the applicable percentage ratios for the aggregated transactions is more than 0.1% but less than 5% on an annual basis. Accordingly, such continuing connected transactions are subject to the reporting and announcement requirements but exempt from independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. Moreover, on the basis that Qingdao Infinity is a connected person of our Company at the subsidiary level only, by virtue of Rule 14A.101 of the Listing Rules, such continuing connected transactions shall be exempted from the Independent Shareholders' approval requirement.

DISCONTINUED CONNECTED TRANSACTION

During the Track Record Period and up to the Latest Practicable Date, our Group had the following transactions with the connected persons of our Company. These transactions are not expected to continue after Listing.

1. Provision of freight forwarding and bulk logistics services by Infinity Agency (Penang) to our Group

During the Track Record Period, Infinity Agency (Penang) provided freight forwarding and bulk logistics services, to our Group. For FY2016, FY2017 and FY2018, the aggregate amount of the provision of NVOCC and flexibag, handling services was approximately RM0.6 million, RM0.7 million and RM0.7 million, respectively. There was no long term agreement entered into between our Group and Infinity Agency (Penang) with respect to the provision of freight forwarding and bulk logistics services. Instead, our Directors confirmed that our Group placed service orders with Infinity Agency (Penang) at the agreed service fee after arm's length negotiation on a case-by-case basis. The provision of freight forwarding and bulk logistics services ceased from 1 July 2018 onwards.

2. Provision of NVOCC flexitank solution services by our Group to Infinity Agency (Penang)

During the Track Record Period, our Group provided NVOCC flexitank solution services to Infinity Agency (Penang). For FY2016, FY2017 and FY2018, the aggregate amount of the provision of freight forwarding services was approximately RM2.2 million, RM2.8 million and RM1.3 million, respectively. There was no long term agreement entered into between our Group and Infinity Agency (Penang) with respect to the provision of NVOCC flexitank solution services. Instead, our Directors confirmed that Infinity Agency (Penang) placed service orders with our Group at the agreed service fee after arm's length negotiation on a case-by-case basis. The provision of NVOCC flexitank solution services ceased from 1 July 2018 onwards.

3. Lease of property by Infinity Shipping (MY) to our Group

During the Track Record Period, Infinity Shipping as lessor and Infinity Bulk Logistics (MY), a subsidiary of our Group, as lessee, entered into a lease agreement at a monthly rental of RM1,000. Our Directors confirmed that the monthly rental of RM1,000 was determined after arm's length negotiations between the parties. The rental agreement was terminated with effect from 31 March 2018, and Infinity Shipping (MY) ceased to lease its office to Infinity Bulk Logistics (MY) thereafter. For FY2016, FY2017 and FY2018, the aggregate rental fee amounted to approximately RM12,000, RM12,000 and RM3,000 respectively.

INTERNAL CONTROL FOR OUR GROUP'S CONTINUING CONNECTED TRANSACTIONS

The pricing policy for all the aforementioned continuing connected transactions of our Group after Listing will be supervised and monitored by our accounting department and our management team to ensure that such continuing connected transactions are conducted on normal commercial terms and will not be prejudicial to the interests of our Group and our Shareholders as a whole. Our accounting department and our management team will (i) regularly review and assess whether the transactions contemplated under the continuing connected transactions are conducted in accordance with the terms of the relevant master agreements; and (ii) regularly update the market price by obtaining quotes from Independent Third Parties for the purpose of considering if the price charged or payable for a transaction is fair and reasonable and in accordance with the our pricing policy as well as the terms of the relevant master agreement. Further, our independent non-executive Directors and our auditors will review the continuing connected transactions on an annual basis in compliance with the annual reporting and review requirements under the Listing Rules.

WAIVER SOUGHT AND THE PROPOSED CONDITIONS RELATED THERETO

Given that the abovementioned agreements entered into by our Group under the paragraph headed "Partially-exempt continuing connected transaction" in this section above (together, the "**Relevant Agreements**") will be carried out following Listing on recurring basis, our Directors consider that it would be unduly burdensome and impracticable, and would increase the Company's administrative costs if the continuing connected transactions under the Relevant Agreements are subject to strict compliance with the requirements set out under Chapter 14A of the Listing Rules, including, among other things, the requirements for publishing an announcement.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a wavier pursuant to Rule 14A.105 of the Listing Rules to exempt the transactions under the Relevant Agreements from strict compliance with the announcement requirement, for up to the year ending 31 December 2021 under the Listing Rules on the conditions set out below:

(i) the annual cap amounts for the continuing connected transactions under the Relevant Agreements for each of the three years ending 31 December 2021 as stated above will not be exceeded;

(ii) our Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for purpose of the Relevant Agreements including the proposed annual caps set out above. If any of the material terms of such continuing connected transactions is altered and/or if our Group enters into any new continuing connected transactions with the parties of the Relevant Agreements in the future which result in the aggregate annual consideration paid or payable by or to our Group in any of the three years ending 31 December 2021 exceeding any of the proposed annual caps set out above, our Company will issue an announcement, circular and seek independent shareholders' approval (as the case may be) regarding this alteration and/or the new cap for compliance with the applicable requirements under Chapter 14A of the Listing Rules;

(iii) upon expiry of the waiver granted for the period ending 31 December 2021, our Company will comply with the relevant requirements under Chapter 14A of the Listing Rules; and

(iv) in the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable provisions under Chapter 14A of the Listing Rules as at the date of this prospectus relating to the continuing connected transactions, our Company will take appropriate steps to ensure compliance with such requirements within a reasonable period of time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) confirmed that the continuing connected transactions under the Lease Agreement, master supply agreements and master purchase agreements as described above have been entered into in the ordinary and usual course of business of our Group and have been based on arm's length negotiations and on normal commercial terms that are fair and reasonable, the respective terms of the Lease Agreement, master supply agreements and master purchase agreements as mentioned above are fair and reasonable and in the interests of the Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor has reviewed the relevant documents, information and historical figures provided by our Company and has participated in due diligence and discussions with our Company and its legal advisers. Based on the above, the Sponsor is of the view that the continuing connected transactions under the Lease Agreement, the master supply agreements and master purchase agreements (i) have been entered into in the ordinary and usual course of business of our Group; and (ii) are on normal commercial terms and are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

CONTROLLING SHAREHOLDERS OF OUR COMPANY

Immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme):

(i) 2926 Holdings, an investment holding company which is owned as to 63.9% by Dato' Chan and 36.1% by Dato' Kwan, will be interested in approximately 70.875% of the issued share capital of our Company;

(ii) by virtue of the Concert Parties Confirmatory Deed, Dato' Chan and Dato' Kwan will be deemed to be interested in the Shares held by 2926 Holdings under the SFO; and

(iii) by virtue of the Concert Parties Confirmatory Deed, 2926 Holdings, Dato' Chan and Dato' Kwan will collectively control more than 30% of the issued share capital of our Company and will be a group of Controlling Shareholders within the meaning of the Listing Rules.

Dato' Chan and Dato' Kwan are also our executive Directors and for further information about them, please refer to the section headed "Directors and Senior Management" of this prospectus.

Save as disclosed above, there is no other person who will, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), be directly or indirectly interested in 30% or more of the Shares then in issue or have a direct or indirect equity interest in any member of our Group representing 30% or more of the equity in such entity.

COMPANIES OWNED BY OUR CONTROLLING SHAREHOLDERS WHICH WERE NOT INCLUDED IN OUR GROUP

Introduction

In addition to our Group, our Controlling Shareholders or their respective associates own the following companies:

(a) Infinity Shipping (MY)

Infinity Shipping (MY) was incorporated in Malaysia as a limited liability company on 6 June 2003. As at the Latest Practicable Date, Infinity Shipping (MY) was owned as to:

(i) 347,100 shares (representing 65% of the total issued shares) by Dato' Chan, our Controlling Shareholder and executive Director; and

(ii) 186,900 shares (representing 35% of the total issued shares) by Dato' Kwan, our Controlling Shareholder and executive Director.

As at the Latest Practicable Date, Dato' Chan and Dato' Kwan were the directors of Infinity Shipping (MY).

(b) Lite Bulk

Lite Bulk was incorporated in Malaysia as a limited liability company on 25 September 2003. As at the Latest Practicable Date, Infinity Shipping was owned as to:

(i) 120,000 shares (representing 60% of the total issued shares) by Dato' Chan, our Controlling Shareholder and executive Director; and

(ii) 80,000 shares (representing 40% of the total issued shares) by Dato' Kwan, our Controlling Shareholder and executive Director.

As at the Latest Practicable, Ms. Kwan, Mr. Teo and an Independent Third Party were the directors of Lite Bulk.

(c) IS Freight System Sdn. Bhd. ("IS Freight System")

IS Freight System was incorporated in Malaysia as a limited liability company on 22 September 2003. As at the Latest Practicable Date, IS Freight System was owned as to:

(i) 40,000 shares (representing 40% of the total issued shares) by Dato' Chan, our Controlling Shareholder and executive Director;

(ii) 40,000 shares (representing 40% of the total issued shares) by Dato' Kwan, our Controlling Shareholder and executive Director; and

(iii) 20,000 shares (representing 20% of the total issued shares) by an Independent Third Party.

As at the Latest Practicable Date, Dato' Kwan and three Independent Third Parties were the directors of IS Freight System.

(d) Infinity Media Sdn. Bhd. ("Infinity Media")

Infinity Media (formerly known as Infinity Logistics (Johor) Sdn. Bhd.) was incorporated in Malaysia as a limited liability company on 20 August 2004. As at the Latest Practicable Date, Infinity Media was owned as to:

(i) 10 shares (representing 50% of the total issued shares) by Dato' Chan, our Controlling Shareholder and executive Director; and

(ii) 10 shares (representing 50% of the total issued shares) by an Independent Third Party.

As at the Latest Practicable Date, Dato' Chan and three Independent Third Parties were the directors of Infinity Media.

(e) Infinity Agency (Penang)

Infinity Agency (Penang) (formerly known as Infinity SFS Global Logistics Sdn. Bhd.) was incorporated in Malaysia as a limited liability company on 28 June 2005. As at the Latest Practicable Date, Infinity Agency (Penang) was owned as to:

(i) 70,000 shares (representing 70% of the total issued shares) by Dato' Kwan, our Controlling Shareholder and executive Director; and

(ii) 30,000 shares (representing 30% of the total issued shares) by an Independent Third Party.

As at the Latest Practicable Date, Dato' Kwan, Datin Lo, Mr. Khaw and two Independent Third Parties were the directors of Infinity Agency (Penang).

(f) Make Arch Development Efficacy Sdn. Bhd ("Make Arch")

Make Arch was incorporated in Malaysia as a limited liability company on 16 April 2019. As at the Latest Practicable Date, Make Arch was owned as to:

(i) 90 shares (representing 90% of the total issued shares) by Dato' Chan, our Controlling Shareholder and executive Director; and

(ii) 10 shares (representing 10% of the total issued shares) by Ms. Chan Mei Chun, sister of Dato' Chan.

As at the Latest Practicable Date, Dato' Chan and Ms. Chan Mei Chun were the directors of Make Arch.

Delineation of the business of Excluded Companies and our Group

Our Directors believe that there is a clear delineation in the business activities of our Group and that of the Excluded Companies in terms of their business nature, customers and management as detailed below:

	Our Group	Infinity Shipping (MY)	Lite Bulk	IS Freight System	Infinity Media	Infinity Agency (Penang)	Make Arch
Major services provided	Provision of: (i) flexitank solution and related services; (ii) integrated freight forwarding services; (iii) railroad transportation services; and (iv) logistics centre and related services	Property letting	Manufacturers, dealers, importers, exporters and traders of all kind of packaging containers including cartons, boxes and cases wholly or partly made of papers, boards, wood, glass, plastic, rubber, metals, tin or otherwise and corrugated containers, corrugated rolling boxes, display boxes, aluminium coils and packing requisite of every kind	Deal in all kinds of building and construction materials	Business of advertising agents and contractors	Ceased its freight forwarder and bulk logistics business since the end of June 2018. As at the Latest Practicable Date, it has amended the scope of business set out in its memorandum to, *inter alia*, investment holding etc.	The Company has been inactive since the date of incorporation

	Our Group	Infinity Shipping (MY)	Lite Bulk	IS Freight System	Infinity Media	Infinity Agency (Penang)	Make Arch
Major source of income	We generated revenue from the provision of (i) flexitank solution and related services; (ii) integrated freight forwarding services; (iii) railroad transportation services; and (iv) logistics centre and related services. Our revenue for FY2016, FY2017 and FY2018 amounted to approximately RM189.2 million, RM188.6 million and RM201.1 million	Rental income from one property only Based on its financial statement for the three years ended 30 June 2018, its revenue amounted to approximately RM96,000, RM97,200 and RM96,600, respectively, and had recorded net loss of approximately RM49,400, RM40,800 and RM47,900, respectively The net asset value of the company as at 30 June 2018 was approximately RM1.2 million	Sales of cardboard containers Based on its financial statement for the three years ended 30 September 2018, its revenue amounted to approximately RM 1 million, RM0.62 million and RM0.72 million, respectively.	The company has been inactive during the Track Record Period	The company has been inactive during the Track Record Period	Freight forwarding service fee Based on its financial statement for the three years ended 30 June 2018, its revenue amounted to approximately RM4.0 million, RM4.7 million and RM6.3 million, respectively	The company has been inactive since the date of incorporation
Customers	During the Track Record Period, our customers include end customers, freight forwarder customers and overseas agents, which did not overlap with the customers of the Excluded Companies	During the Track Record Period, the company had two customers	The main type of customers of Lite Bulk is chemical companies	The company has been inactive during the Track Record Period	The company has been inactive during the Track Record Period	The company has been inactive since the end of June 2018	The company has been inactive since the date of incorporation
Supplier	Our suppliers mainly included port operators, railway operator, flexitank suppliers, freight forwarder suppliers, subcontractors and overseas agents	The company is a property investment company and does not have any supplier	The company has only one supplier who supplied paper packaging material to Lite Bulk. This supplier is independent of our Group	The company has been inactive during the Track Record Period	The company has been inactive during the Track Record Period	The company has been inactive since the end of June 2018	The company has been inactive since the date of incorporation

	Our Group	Infinity Shipping (MY)	Lite Bulk	IS Freight System	Infinity Media	Infinity Agency (Penang)	Make Arch
Management	Our existing executive Directors and senior management continue to hold directorship and/or senior management position in our Company and our subsidiaries	Dato' Chan and Dato' Kwan hold directorship in Infinity Shipping but they were not involved in the daily operation of it. Infinity Shipping has its own management team to handle the day-to-day operation. Save for Dato' Chan and Dato' Kwan, none of our Directors nor our senior management team hold any executive or non-executive position in Infinity Shipping (MY)	Mr. Teo and Ms. Kwan hold directorship in Lite Bulk but they were not involved in the daily operation of it. Lite Bulk has its own management and daily operation team to handle the day-to-day operation. Save for Mr. Teo and Ms. Kwan, none of our Directors nor our senior management team hold any executive or non-executive position in Lite Bulk	Dato' Kwan holds directorship in IS Freight System but he was not involved in the management and daily operation of it. IS Freight System has been inactive during the Track Record Period and does not have any employee. Save for Dato' Kwan, none of our Directors nor our senior management hold any executive or non-executive position in IS Freight System	Dato' Chan holds directorship in Infinity Media but he was not involved in the management and daily operation of it. Infinity Media has been inactive during the Track Record Period and does not have any employee. Save for Dato' Chan, none of our Directors nor our senior management hold any executive or non-executive position in Infinity Media	Dato' Kwan holds directorship in Infinity Agency (Penang) but he was not involved in the management and daily operation of it. Infinity Agency (Penang) was inactive and did not have any employee as at the Latest Practicable Date. Save for Dato' Kwan, none of our Directors nor our senior management hold any executive or non-executive position in Infinity Agency (Penang)	Dato' Chan holds directorship in Make Arch but he was not involved in the management and daily operation of it. Make Arch has been inactive since the date of incorporation and does not have any employee. Save for Dato' Chan, none of our Directors nor our senior management team hold any executive or non-executive position in Make Arch
Employees as at LPD	468, who did not and will not work for the Excluded Companies	2, who did not and will not work for our Group	3, who did not and will not work for our Group	The company does not have any employee	The company does not have any employee	The company does not have any employee	The company does not have any employee
Office premises	Our Group's headquarter is situated in Malaysia	Infinity Shipping has a separate office in Malaysia	Lite Bulk has a separate office in Malaysia	IS Freight System is currently inactive and does not have an office in operation	Infinity Media is currently inactive and does not have an office in operation	Infinity Agency (Penang) is currently inactive and does not have an office in operation	Make Arch is currently inactive and does not have an office in operation
Strategy, growth and expansion plan	Our Group intends to further strengthen our position in the logistics industry in Malaysia. For further details, please see the paragraph headed "Business – Business Strategies" in this prospectus	Infinity Shipping will remain as a property investment company	Lite Bulk will focus on the sales of cardboard containers in Malaysia	The company has no plan to conduct business	The company has no plan to conduct business	The company has no plan to conduct business	The company plans to engage in business relating to real estate activities with own or leased property; other specialised construction activities and wholesale of a variety of goods without any particular specialisation

Reasons for exclusion

As set out above, the operation our Group are independent of and separate from the Excluded Companies. Our Directors are of the view that there is a clear delineation between those Excluded Companies and our Group. The Excluded Companies were not included in our Group as our Directors are of the view that (i) the business of the Excluded Companies did not form part of our core business; and (ii) the business of the Excluded Companies is not in line with our overall strategy to maintain and strengthen our market position in the logistics industry in Malaysia; and (iii) the exclusion of the Excluded Companies can help streamline our business and operation.

Although Infinity Shipping (MY) also engaged in the business of property letting in Malaysia, our Directors consider there is a clear delineation between the business of Infinity Shipping (MY) and the business of Group and there is no competition between these them due to the following reasons: (i) as confirmed by our Directors, Infinity Shipping had only one commercial property which was leased to the tenants for use as office, whereas the properties leased from our Group are warehouses; and (ii) the commercial property owned by Infinity Shipping (MY) is located in a commercial area, whereas the warehouses leased from our Group are located in Port Klang and Johor Bahru, Malaysia.

Given the different nature of business between our Group and the Excluded Companies, after the Listing, our Directors do not expect there will be any overlap nor competition between the business of the Excluded Companies and our Group. Notwithstanding this, to avoid future possible competition that the Excluded Companies may have against our Group's business, each of Dato' Chan and Dato' Kwan has undertaken to our Company to procure the Excluded Companies (and its associates) not to carry out the provision of (i) flexitank solution and related services – provision of customised flexitanks and related services for the transportation of bulk non-hazardous liquid; (ii) integrated freight forwarding services – provision of NVOCC and freight forwarding services; (iii) railroad transportation services – provision of goods transportation by trains between different rail stations within Malaysia and between Malaysia and Thailand; and (iv) logistics centre and related services – provision of Warehouse and Ancillary Services and container depot services by itself or conduct any business which will be in direct or indirect competition with our Group. Our Controlling Shareholders have also executed the Deed of Non-competition in favour of our Company. Please refer to the paragraph headed "Non-competition undertakings" in this section for further details.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Save as otherwise disclosed in the section headed "Continuing Connected Transactions" in this prospectus, our Directors do not expect that there will be any other significant transactions between our Group and our Controlling Shareholders and their respective associates upon or shortly after the Listing. Having considered the following factors, our Directors believe that our Group is capable of carrying on our business independently from our Controlling Shareholders and their respective close associates after the Share Offer:

Management independence

The day-to-day management and operation of our Group will be the responsibility of all our executive Directors and senior management of our Company. The Board consists of six Directors, comprised of three executive Directors and three independent non-executive Directors. Although Dato' Chan and Dato' Kwan, being the ultimate Controlling Shareholders, also hold directorship in our Company, we consider that our Board and senior management will function independently from our Controlling Shareholders because:

(a) each Director is aware of his/her fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the best interest of our Company and does not allow any conflict between his duties as a Director and his personal interests;

(b) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings in respect of such transactions, and shall not be counted in forming quorum;

(c) our three independent non-executive Director have sufficient and competent knowledge and experience, and will bring independent judgment to the decision-making process of the Board; and

(d) all our senior management members are independent from our Controlling Shareholders. They have served our Group for a sufficient length of time during which they have demonstrated their capability of discharging their duties independently from our Controlling Shareholders

Based on the above, our Directors are of the view that the Board is capable of managing our Group's business independently from the Controlling Shareholders after the Listing.

Operational independence

Our Group has established our own organisational structure comprising of individual departments, each with specific areas of responsibilities. Our Group has not shared our operational resources and general administration resources with the Controlling Shareholders and/or their respective close associates. Save as disclosed in the section headed "Continuing

Connected Transactions" in this prospectus, the customers, suppliers and subcontractors of our Group are all independent from our Controlling Shareholders and our Group does not rely on our Controlling Shareholders or their respective close associates and has independent access to customers and suppliers. Our Group has also established a set of internal controls to facilitate the effective operation of our business.

In light of the above, our Directors are of the view that our Group is capable of operating its business independently from the Controlling Shareholders after the Listing.

Financial independence

Our Group has its own financial management and accounting systems and functions and makes financial decisions according to our own business needs. Our Group has the ability to operate independently from the Controlling Shareholders from a financial perspective.

During the Track Record Period, our Group had certain amounts due to our Controlling Shareholders and related parties. The amounts due to our Controlling Shareholders and related parties were caused by the advancements made to our Group from time to time as its working capital for business operation. Such amounts have been subsequently settled as at the Latest Practicable Date. For details of the amounts due to our Controlling Shareholders and related parties, please refer to note 20 to the Accountants' Report set out in Appendix I to this prospectus.

During the Track Record Period and up to the Latest Practicable Date, Dato' Chan and Dato' Kwan has also provided personal guarantees for the banking facilities and financial lease arrangement used by our Group. The above personal guarantees will be replaced by the corporate guarantees executed by our Group upon the Listing. Save as disclosed above, our Directors are of the view that our Group is not financially dependent on the Controlling Shareholders or their respective close associates in our Group's business operations and our Group is able to obtain external financing on market terms and conditions for its business operations as and when required without reliance on the Controlling Shareholders after Listing.

Having considered the above factors, our Directors consider that our Group is able to maintain financial independence from the Controlling Shareholders and their respective close associates after Listing.

NON-COMPETITION UNDERTAKINGS

The Controlling Shareholders as covenantors (each of them, a "**Covenantor**" and collectively, the "**Covenantors**") executed the Deed of Non-competition in favour of our Company (for itself and as trustee for and on behalf of its subsidiaries).

In accordance with the Deed of Non-competition, each Covenantor undertakes that, from the Listing Date and ending on the occurrence of the earliest of (i) the date on which the Shares cease to be listed on the Stock Exchange; or (ii) the date on which that Covenantor and his/its close associates (individually or taken as a whole) ceases to be a Controlling Shareholder.

1. Non-competition

Each Covenantor jointly and severally and irrevocably undertakes and covenants to our Company (for itself and as trustee for and on behalf of its subsidiaries) that each of them will not, and will procure that its/his close associates (except any member of our Group) will not, either on his/its own account or in conjunction with or on behalf of any person, firm or company, directly or indirectly, among other things, carry on, participate or be interested or engaged in or acquire or hold any right or interest (in each case whether as an investor, a shareholder, principal, partner, director, employee, consultant, agent or otherwise and whether for profit, reward, interest or otherwise), or otherwise be involved in any business which is or may be in competition, whether directly or indirectly, with the business carried on including but not limited to (i) flexitank solution and related services – provision of customised flexitanks and related services for the transportation of bulk non-hazardous liquid; (ii) integrated freight forwarding services – provision of NVOCC and freight forwarding services; (iii) railroad transportation services – provision of goods transportation by trains between different rail stations within Malaysia and between Malaysia and Thailand; and (iv) logistics centre and related services – provision of Warehouse and Ancillary Services and container depot services or contemplated to be carried on by any member of our Group in Malaysia, Indonesia, Singapore and Thailand or any place where our Group has conducted business as at the date of the Deed of Non-competition or may conduct business from time to time in the future (the "**Restricted Business**").

2. New business opportunity

Each of the Covenantors hereby represents and warrants that neither it/he nor any of its/his close associates currently carries out, participates in or is interested or engaging in, invests in, acquires or holds, directly or indirectly (in each case whether as a shareholder, director, partner, agent or otherwise and whether for profit, reward, interest or otherwise) or otherwise is involved in the Restricted Business other than through our Group.

Each of the Covenantors further undertakes to refer to our Company within 10 days any and all new opportunities in connection with the Restricted Business (the "**New Business Opportunity**") which are identified by or made available to any of them.

Notwithstanding the aforesaid, the Deed of Non-competition does not apply where:

1. any opportunity to invest, participate, be engaged in and/or operate with a third party any Restricted Business has first been offered or made available to our Group by written notice, and that the offer should contain all information reasonably necessary for our Group to consider, among others, whether (i) such opportunity would constitute competition with any member of our Group and (ii) it is in the interest of our Group and the shareholders of our Company as a whole to pursue such

opportunity, and our Company has, after review by the independent non-executive Directors, declined such opportunity to invest, participate, be engaged in or operate the Restricted Business either alone or with such third party or together with the Covenantor and/or its/his close associate(s), provided that the principal terms by which that Covenantor (or its/his close associate(s)) subsequently invests, participates, engages in or operates the Restricted Business are not more favourable than those disclosed to our Company. A Covenantor may only engage in the New Business Opportunity if (i) a notice is received by the Covenantor from our Company confirming that the New Business Opportunity is not accepted and/or does not constitute competition with the Restricted Business (the "**Non-acceptance Notice**"); or (ii) the Non-acceptance Notice is not received by the Covenantor within 30 days after the proposal of the New Business Opportunity is received by our Company, or such longer period of time, not longer than 180 days to be specified by our Company by notice in writing to the Covenantors, where our Company's acceptance of the New Business Opportunity is subject to the approval from the Stock Exchange or the independent shareholders of our Company or governmental or regulatory authorities;

2. each Covenantor having interests in the shares or other securities in a company whose shares are listed on a recognised stock exchange provided that:

   (a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of the relevant company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or

   (b) the total number of the shares held by the Covenantors and/or their respective close associates or in which they are together interested does not exceed 5% of the issued shares of that class of the company in question (the "**Relevant Company**"), provided that (i) the total number of the relevant Covenantors' representatives on the board of directors of the Relevant Company is not significantly disproportionate with respect to his shareholdings in the Relevant Company; and (ii) at all times there is a holder of such shareholding (together, where appropriate, with its close associates) a larger percentage of the shares in question than the Covenantors and their respective close associates together hold.

3. Corporate governance measures

In order to ensure the performance of the above non-competition undertakings, the Covenantors will:

(a) as required by our Company, provide all information which is necessary for our independent non-executive Directors to conduct annual examination with regard to the compliance of the terms of the Deed of Non-competition and the enforcement of it;

(b) procure our Company to disclose to the public either in the annual report of our Company or issue a public announcement in relation to any decisions made by our independent non-executive Directors with regard to the compliance of the terms of the Deed of Non-competition and the enforcement of it;

(c) where our independent non-executive Directors shall deem fit, make a declaration in relation to the compliance of the terms of the Deed of Non-competition in the annual report of our Company, and ensure that the disclosure of information relating to compliance with the terms of the Deed of Non-competition and the enforcement of it are in accordance with the requirements of the Listing Rules; and

(d) that during the period when the Deed of Non-competition is in force, fully and effectually indemnify our Company against any losses, liabilities, damages, costs, fees and expenses as a result of any breach on the part of such Covenantor of any statement, warrant or undertaking made under the Deed of Non-competition.

The Deed of Non-competition and the rights and obligations thereunder are conditional upon (a) the Listing Division granting the listing of, and the permission to deal in, the Shares, as described in this prospectus, and (b) the Listing and dealings in the Shares on the Stock Exchange taking place.

As the Covenantors have given non-competition undertakings in favour of our Company, and none of them have interests in other businesses that compete or are likely to compete with the business of our Group, our Directors are of the view that they are capable of carrying on our Group's business independently of the Covenantors following the Listing.

RULE 8.10 OF THE LISTING RULES

Save as disclosed in this prospectus, our Controlling Shareholders, our Directors and their respective close associates do not have any interest in a business apart from our Group's business which competes and is likely to compete, directly or indirectly, with our Group's business and would require disclosure under Rule 8.10 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), each of the following persons will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name	**Capacity/Nature of Interest**	**Number of Shares held immediately after completion of the Share Offer and the Capitalisation Issue**	**Approximate percentage of interests in our Company immediately after completion of the Share Offer and the Capitalisation Issue**
2926 Holdings *(Note 1)*	Beneficial owner	1,417,500,000 Shares	70.875%
Dato' Chan *(Note 1)*	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000 Shares	70.875%
Dato' Kwan *(Note 1)*	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000 Shares	70.875%
Datin Lo *(Note 2)*	Interest of spouse	1,417,500,000 Shares	70.875%

Notes:

1. 2926 Holdings is the registered and beneficial owner holding 70.875% of the issued Shares of our Company. 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 Code) with respect to each of the members of our Group during the Track Record Period and shall continue to do the same as of and after the date of the Concert Parties Confirmatory Deed. Details of the Concert Parties Confirmatory Deed are set out in the section headed "History, Development and Reorganisation – Parties acting in concert" in this prospectus. 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.

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 herein, our Directors are not aware of any person who will, immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), have an interest or short position in the Shares or underlying Shares which fail to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

SHARE CAPITAL

The following is a description of the share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the Capitalisation Issue and the Share Offer, without taking into account any Shares which may be allotted and issued by our Company pursuant to the exercise of any options which may be granted under the Share Option Scheme and of any Shares which may be allotted and issued or repurchased by our Company under the general mandates for the allotment and issue or repurchase of Shares granted to our Directors as referred to below:

Authorised share capital		*HK$*
15,000,000,000	Shares of HK$0.01 each	150,000,000
Issued and to be issued, fully paid or credited as fully paid		
2,000	Shares in issue as at the date of this prospectus	20
1,499,998,000	Shares to be issued pursuant to the Capitalisation Issue	14,999,980
500,000,000	Shares to be issued pursuant to the Share Offer	5,000,000
2,000,000,000	Total Shares issued and to be issued upon completion of the Capitalisation Issue and Share Offer	20,000,000

MINIMUM PUBLIC FLOAT

The minimum level of public float to be maintained by our Company at all times after Listing under the Listing Rules is 25% of its share capital in issue from time to time. The 500,000,000 Offer Shares represent not less than 25% of the issued share capital of our Company upon the Listing.

RANKING

The Shares are ordinary shares in the share capital of our Company and rank equally in all respects with all other Shares currently in issue or to be issued as mentioned in this prospectus and, in particular, will rank in full for all dividends or other distributions thereafter declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for any entitlement under the Capitalisation Issue.

SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on 14 December 2019, the principal terms of which are summarised in the section headed "Statutory and General Information – D. Share Option Scheme" in Appendix V to this prospectus. As at the Latest Practicable Date, no option had been granted under the Share Option Scheme.

CAPITALISATION ISSUE

Pursuant to the written resolutions of our Shareholders passed on 14 December 2019, subject to the share premium account of our Company being credited as a result of the issue Offer Shares pursuant to the Share Offer, our Directors were authorised to allot and issue a total of 1,499,998,000 Shares credited as fully paid to the holders of shares on the register of members of our Company at the close of business on 14 December 2019 (or as they may direct) in proportion to their respective shareholdings (save that no Shareholder shall be entitled to be allotted or issued any fraction of a Share) by way of Capitalisation of the sum of HK$14,999,980 standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued pursuant to this resolution shall rank pari passu in all respects with the existing issued Shares (other than the right to participate in the Capitalisation Issue).

GENERAL MANDATE TO ISSUE SHARES

Subject to the conditions set forth in the paragraph headed "Structure and conditions of the Share Offer – Conditions of the Public Offer" in this prospectus being fulfilled or waived (if applicable), our Directors have been granted a general unconditional mandate to exercise all power of our Company to allot, issue and deal with, otherwise by way of rights issue or an issue of Shares upon exercise of any subscription rights attached to any warrants of our Company or pursuant to the exercise of any options which might be granted under the Share Option Scheme or under any other option scheme or other similar arrangements providing for the allotment and issue of shares of our Company in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or a specific authority granted by our Shareholders in general meeting, such number of Shares not exceeding:

- 20% of the aggregate number of our issued Shares as enlarged by the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme); and

- the aggregate number of our issued Shares repurchased under the authority granted by us to our Directors pursuant to the Repurchase Mandate referred to below (if any).

This mandate shall remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or

(iii) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate.

For further details of the general mandate for the allotment and issue of Shares, please refer to "Statutory and General Information – A. Further information about our Company – 3. Written resolutions of our Shareholders" in Appendix V to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions set forth in the paragraph headed "Structure and conditions of the Share Offer – Conditions of the Public Offer" in this prospectus being fulfilled or waived (if applicable), our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares not exceeding 10% of the aggregate number of our issued Shares immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme).

This mandate relates only to repurchases made on the Stock Exchange or on any other stock exchange on which the Shares are listed (and which is recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with all applicable laws and the Listing Rules. A summary of the relevant Listing Rules is set out in "Statutory and General Information – A. Further information about our Company – 6. Repurchase by our Company of its own securities" in Appendix V to this prospectus.

This mandate shall remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company;

(ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any other applicable law; or

(iii) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate.

For further details of the general mandate for the repurchase of Shares, see "Statutory and General Information – A. Further information about our Company – 3. Written resolutions of our Shareholders" in Appendix V to this prospectus.

SHAREHOLDERS' GENERAL MEETING

The method and procedures for holding of general meeting or class meeting of a Cayman Islands exempted company and the circumstances under which such meetings are required are prescribed under and set out in the articles of association of such company. Accordingly, our Company will hold general meetings as prescribed for under the Articles, a summary of which is set out in "Summary of constitution of our Company and Cayman Islands Company Law" set out in Appendix IV to this prospectus.

DIRECTORS

Our Board of Directors consists of six Directors, comprising three executive Directors, and three independent non-executive Directors. Our Board of Directors is responsible for and has general powers for the management and conduct of our business. Our senior management is responsible for the day-to-day management of our business. The following table sets out certain information concerning our Directors:

Name	Age	Position	Date of Appointment	Date of joining our Group	Role and Responsibilities	Relationships amongst Directors and senior management
Dato' Chan Kong Yew	47	Executive Director, chief executive officer and chairman of our Board	29 May 2019	March 2003	Responsible for the overall business planning and operational development, planning and execution of business strategic direction. He is serving as the chairman of the Nomination Committee	Spouse of Datin Lo
Dato' Kwan Siew Deeg	47	Executive Director	29 May 2019	January 2004	Responsible for overseeing our Group's operational processes. He is serving as a member of the Remuneration Committee	Brother of Ms. Kwan
Datin Lo Shing Ping	46	Executive Director	29 May 2019	March 2003	Responsible for overseeing our Group's general administration policies and procedures and human resources matters	Spouse of Dato' Chan

Name	Age	Position	Date of Appointment	Date of joining our Group	Role and Responsibilities	Relationships amongst Directors and senior management
Mr. Chan Leng Wai	63	Independent Non-executive Director	14 December 2019	14 December 2019	Providing independence advice to the Board; advising on corporate governance matters and serving as the chairman of the Audit Committee and a member of the Nomination Committee	N/A
Mr. Li Chi Keung (李志強)	62	Independent Non-executive Director	14 December 2019	14 December 2019	Providing independence advice to the Board; advising on corporate governance matters and serving as the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee	N/A
Mr. Tan Poay Teik	34	Independent Non-executive Director	14 December 2019	14 December 2019	Providing independence advice to the Board; advising on corporate governance matters and serving as a member of the Audit Committee and Remuneration Committee	N/A

Executive Directors

Dato' Chan Kong Yew, aged 47, was appointed as the executive Director, chief executive officer and the chairman of the Board on 29 May 2019. He is also the chairman of the Nomination Committee.

Dato' Chan established Infinity L&T (MY), which commenced business in 2003, and he is currently the managing director of our Group. He is responsible for our Group's overall business planning and operational development, planning and execution of business strategic direction. He also identifies opportunities for the business growth of our Group for expansion, ensures implementation of our governance and risk management policies for corporate sustainability, establishes and maintains effective formal and informal relationship with all our major stakeholders and ensures budgetary control across our Group. Dato' Chan is also a director of each of ILNT 2926, IBL2926, ILNT Holding (MY), Infinity Flexitank Holding (MY), Infinity Bulk Logistics (MY), Infinity Lines (MY), KNS Infinity (MY), Supply Stream Management (MY), Infinity Logistics (Labuan), Infinity Bulk Logistics (Labuan), Infinity Logistics (SG) and Asia Global (MY).

Dato' Chan has over 23 years of experience in the logistics industry. Prior to founding Infinity Logistics (MY), he was employed by Union Transport (M) Sdn. Bhd. as a branch executive from March 1996 to October 1996 where he was responsible for managing day-to-day air freight and sea freight operation. He then worked as a warehouse manager of Target Warehouse (M) Sdn. Bhd. from November 1996 to February 1997 where he was responsible for managing sea freight and bonded warehouse operation. From February 1997 to February 2003, he was employed by TS Warehouse & Distribution Sdn. Bhd. as the business development director where he was responsible for overseeing the rail transport business of the company. Attributed to his reputation in the logistics industry in Malaysia, he has been appointed as a member of the board of directors of the following statutory bodies in Malaysia: Perbadanan Stadium Malaysia from October 2018, director of Johor Port Commission and Penang Port Commission in January 2019, director of Johor Port Commission (Tg Pelepas) and director of Port of Penang Port Commission Telok Ewa in March 2019. He is also a director of a number of private companies such as real estate holding companies and investment properties. Dato' Chan was appointed as an independent non-executive director of Boustead Plantations Bhd (a company listed on Malaysia Stock Exchange (stock code: 5254)) with effect from 22 July 2019.

Dato' Chan obtained a bachelor's degree in social science majoring in political science from the Universiti Sains Malaysia in August 1996. He became a chartered member of The Chartered Institute of Logistics and Transport in December 2006.

Dato' Chan was a director of the following companies which were incorporated in Malaysia before their respective dissolution:

Name of company	Nature of business	Means of dissolution	Date of dissolution
Infinity Forwarding (Padang Besar) Sdn. Bhd.	Forwarding agent	Dissolved by striking off pursuant to section 551 of Companies Act 2016 under the laws of Malaysia *(Note)*	16 May 2011
Infinity Unlimited Sdn. Bhd.	Investment holding	Dissolved by striking off pursuant to section 551 of Companies Act 2016 under the laws of Malaysia *(Note)*	6 March 2019

Note: Pursuant to Section 551 of the Companies Act 2016 (*pari materia* to Section 308 of the Companies Act 1965 which was repealed on 31 January 2017), where the Registrar of Companies in Malaysia has reasonable cause to believe that a company is not carrying on business or is not in operation, the Registrar of Companies in Malaysia may strike the name of the company off the register after the expiration of a prescribed period.

Dato' Chan confirmed that each of the relevant companies was solvent and had not carried out substantial business at the time of it being struck off.

Dato' Kwan Siew Deeg, aged 47, was appointed as executive Director on 29 May 2019. He is also a member of the Remuneration Committee. Dato' Kwan joined our Group in January 2004 and he is responsible for overseeing our Group's operational processes, ensuring proper operational controls are in place, and optimizing our capabilities to achieve operational efficiency. Besides that, he also leads the implementation of our business and marketing strategies to improve our Group's sales by developing new customers and retaining existing customers. Dato' Kwan is also a director of Infinity Logistics (MY), Infinity Lines (MY), Optimus Flexitank (MY), KNS Infinity (MY), Supply Stream Management (MY), Infinity Logistics (Labuan) and Infinity Logistics (SG).

He has been instrumental in helping our Group to be awarded the Silver Award for Best Innovation by the Star Business Awards 2014, by introducing and promoting the 20' HC Container to the market, providing better payload and offering lower shipping cost per cubic meter to the shippers.

Dato' Kwan has over 18 years of experience in the logistics industry. Prior to joining our Group from March 1995 to January 2000, he was a production planning executive at Delloyd Industries Sdn Bhd, an automotive parts manufacturer, and was responsible for supply chain management from procuring material for production to delivery to customers. He was later employed by Dolphin Shipping Agency Sdn. Bhd. as a sales executive from January 2000 to June 2001 where he was responsible for handling shipping documentation and shipment related operations. From June 2001 to December 2003, he was employed as sea division manager of TS Freight Services Sdn. Bhd. where he has been exposed to the various aspects of the shipping sector and gained knowledge in the management of containerized transportation. He is also a director of a number of private companies such as investment and property holding companies.

He holds a Diploma in Business Administration from the Binary College in December 1994.

Dato' Kwan was a director of the following company which was incorporated in Malaysia before its respective dissolution:

Name of company	Nature of business	Means of dissolution	Date of dissolution
Infinity Unlimited Sdn. Bhd.	Investment holding	Dissolved by striking off pursuant to section 551 of Companies Act 2016 under the laws of Malaysia *(Note)*	6 March 2019

Note: Pursuant to Section 551 of the Companies Act 2016 (*pari materia* to Section 308 of the Companies Act 1965 which was repealed on 31 January 2017), where the Registrar of Companies in Malaysia has reasonable cause to believe that a company is not carrying on business or is not in operation, the Registrar of Companies in Malaysia may strike the name of the company off the register after the expiration of a prescribed period.

Dato' Kwan confirmed that the company was solvent and had not carried out substantial business at the time of it being struck off.

Datin Lo Shing Ping, aged 46, spouse of Dato' Chan, joined our Group in March 2003 and is the administration director of our Group overlooking the development of our Group's general administration policies and procedures and human resources matters, ensuring our internal controls measures are duly implemented throughout our organization as well as providing leadership in development of our Group's human resources through conducting effective recruitment, training and succession planning programs.

Datin Lo was employed by Vertitech (M) Sdn. Bhd. as an administration executive from March 1998 to May 1999. From May 1999 to April 2001, she worked in Yongshen Heat Treatment Sdn. Bhd. as a sales executive. She was employed by Casco Décor Sdn. Bhd. as a sales executive from May 2001 to November 2001.

Datin Lo obtained a bachelor's degree of art from the Universiti Sains Malaysia in July 1998. She became a chartered member of The Chartered Institute of Logistics & Transport in December 2006.

Datin Lo was a director of the following companies which were incorporated in Malaysia before their respective dissolution:

Name of company	Nature of business	Means of dissolution	Date of dissolution
Supply Stream Technology Sdn. Bhd.	Provision of information technology services	Dissolved by striking off pursuant to section 551 of Companies Act 2016 under the laws of Malaysia *(Note)*	6 February 2018
Infinity Unlimited Sdn. Bhd.	Investment holding	Dissolved by striking off pursuant to section 551 of Companies Act 2016 under the laws of Malaysia *(Note)*	6 March 2019

Note: Pursuant to Section 551 of the Companies Act 2016 (*pari materia* to Section 308 of the Companies Act 1965 which was repealed on 31 January 2017), where the Registrar of Companies in Malaysia has reasonable cause to believe that a company is not carrying on business or is not in operation, the Registrar of Companies in Malaysia may strike the name of the company off the register after the expiration of a prescribed period.

Datin Lo confirmed that each of the relevant companies was solvent and had not carried out any substantial business at the time of it being struck off.

Independent Non-executive Directors

Mr. Chan Leng Wai ("Mr. Chan"), aged 63, was appointed as the independent non-executive Director of our Group on 14 December 2019. He is the chairman of the Audit Committee and a member of the Nomination Committee.

Mr. Chan was employed by Malaysian Overseas Investment Corporation Sdn. Bhd. from October 1983 to August 1987, with his last position as general manager. He was then employed by MiniScribe (HK) Ltd. from September 1987 to April 1990, with his last position as chief financial officer. Between May 1990 to October 1995, he worked for Maxtor Asia Pacific with his last position as chief financial officer. He founded PeopleNet Associates Pte Ltd and PeopleNet Associates Sdn. Bhd., a business and human resources consultancy firm with offices in Singapore and Malaysia in December 1995 and October 1997, respectively and is currently the chief executive officer of both companies, where he is responsible for the overseeing the overall operation of the companies. He was an independent non-executive director and a member of the audit committee of Trek 2000 International Limited, a company listed on the Singapore Stock Exchange (stock code: 5AB), from June 2016 to June 2017. He was appointed as the chairman of Port Klang Free Zone Sdn. Bhd. since July 2018 and is responsible for managing the overall operation of the free zone facility in Port Klang.

Mr. Chan obtained a master's degree in management studies from the University of East Asia in October 1991. He is currently a chartered accountant of the Malaysian Institute of Accountants. Mr. Chan was appointed as the president of the Chartered Institute of Management Accountants, Singapore, from 1995 to 1996. He was also a committee member of the Singapore Institute of Directors from January 2018 to December 2018.

Mr. Li Chi Keung (李志強) ("Mr. Li"), aged 62, was appointed as the independent non-executive Director of our Group on 14 December 2019. He is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

Mr. Li has over 31 years of experience in the logistics industry. He joined the OOCL group of companies from November 1988 to November 2007. He worked in one of the OOCL group of companies in Hong Kong from November 1988 to August 1994 and was transferred to the United States in September 1994 as pricing manager. He then rejoined the Hong Kong office of OOCL group in July 2000 with his last position as general manager. From November 2007 to present, he worked for the group companies of Mitsui O.S.K Lines Ltd which is listed on the Tokyo Stock Exchange (stock code: 91040) and his current position is trade consultant. During his employment with Mitsui O.S.K Lines Ltd, he was seconded to Malaysia from February 2014 to March 2017 as country director.

Mr. Li obtained a bachelor's degree in business studies from the Bolton University in August 2004 and a master's degree in international shipping and transport logistics from the Hong Kong Polytechnic University in October 2008.

Mr. Tan Poay Teik ("Mr. Tan"), aged 34, was appointed as the independent non-executive Director of our Group on 14 December 2019. He is a member of the Audit Committee and Remuneration Committee.

Mr. Tan was employed by Greenfield Partners, an accounting firm based in Australia, as an accountant from August 2009 to January 2011. He then worked for Ernst & Young from January 2011 to July 2015 with his last position as assistant manager. He joined The Commons, a shared workspace provider based in Melbourne, Australia, and is currently the chief financial officer and director of the company where he is responsible for overseeing the financial activities and the overall operation of the company.

Mr. Tan obtained a bachelor's degree in commerce and a bachelor's degree in arts (media and communications) from the University of Melbourne in December 2008 and a graduate diploma of chartered accounting from The Institute of Chartered Accountants in Australia in April 2012. He became a member of Chartered Accountants Australia and New Zealand in September 2012.

Other disclosure pursuant to Rule 13.51(2) of the Listing Rules

Save as disclosed above, each of our Directors (i) did not hold other positions in our Company or other members of our Group as at the Latest Practicable Date; (ii) had no other relationship with any Directors, senior management or substantial or controlling shareholders of our Company as at the Latest Practicable Date; and (iii) did not hold any other directorships in listed public companies in the three years prior to the date of this prospectus. Immediately following completion of the Capitalisation Issue and the Share offer, save as the interests in the Shares which are disclosed in the ''Substantial Shareholders'' in this prospectus, each of our Directors will not have any interest in the Shares within the meaning of Part XV of the SFO. Save as disclosed herein, to the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, there were no other matters with respect to the appointment of our Directors that need to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rules 13.51(2) of the Listing Rules as at the Latest Practicable Date.

SENIOR MANAGEMENT

The following table sets out certain information concerning our senior management:

Name	Age	Present position in our Company	Date of joining our Group	Role and Responsibilities	Relationships amongst Directors and senior management
Mr. Ng Soon Aik	48	Chief financial officer	November 2018	Responsible for the overall financial operation of our Group	N/A
Ms. Kwan Siew Mun	53	Customer service and procurement senior manager	November 2005	Responsible for overseeing internal and quality control and customer relationship management	Sister of Dato' Kwan

Mr. Ng Soon Aik, aged 48, joined our Group in November 2018 and is currently the chief financial officer of our Group. He is responsible for the overall financial operation of our Group.

Mr. Ng was employed by OCBC Bank (Malaysia) Berhad from October 1999 to August 2001 with his last position as head of treasury control unit where he was responsible for establishment and implementation of treasury control policies and procedures in compliance with treasury policies and risk management practice. Between March 2003 to July 2007, Mr. Ng worked for a number of private companies with finance or accounting roles. From August 2007 to December 2011, he was employed by Century Logistics Holdings Berhad as a personal assistant to the managing director where he was responsible for overseeing the business operation in China, development and implementation of financial plans and financial reporting.

He was then employed by Harbour Dredging Engineering (M) Sdn. Bhd. from January 2012 and October 2018 as a project consultant where he was responsible for overseeing the execution of projects.

Mr. Ng obtained a bachelor's degree in business administration from the National University of Malaysia in August 1996 and a master's degree in information technology from the University of Malaya in August 2003. He became a member of the Malaysian Institute of Accountants in January 2003 and a member of the Association of Chartered Certified Accountants in November 2002.

Ms. Kwan Siew Mun, aged 53, sister of Dato' Kwan, joined our Group in November 2005 and is currently the customer service and procurement senior manager of our Group. She is responsible for overseeing internal quality control for the Group's systems, procedures, and processes, ensuring optimal operational efficiency and improvements, and customer relationship management, as well as overseeing and managing the operations and activities of the procurement function of Infinity Bulk Logistics (MY).

Ms. Kwan has over 24 years of experience in the logistics industry. From 1986 to 1997, she was employed by Tuck Sun & Co. (Malaysia) Sdn. Bhd. with her last position as warehouse executive. She joined our Group in November 2005 as a customer service manager and was promoted to her current position in July 2012.

Ms. Kwan obtained a diploma in business administration from The Association of Business Executive in June 1996.

COMPANY SECRETARY

Mr. Lau Wai Piu Patrick (劉偉彪), aged 45, was appointed as the company secretary of our Group on 29 May 2019.

Mr. Lau has over 20 years of experience in aspect of financial reporting, accounting and auditing. He was employed by C.B. Wong & Co., an accounting firm in Hong Kong from June 1997 to August 2000 with his last position as audit senior. From October 2000 to May 2004, he worked in Yau & Leung, an accounting firm in Hong Kong, as an audit supervisor. In May 2006, he was employed by Eyston Company Limited as a senior accounting supervisor. Between May 2006 and December 2006, he worked in Takson Garment Manufacturing Limited as an accounting manager. He joined Hembly International Holdings Limited, a company listed on the Main Board and subsequently renamed as Capital Environment Holdings Limited (stock code: 3989) from December 2006 to April 2012 with his last position as Financial Controller of the retail division. He was appointed as the company secretary of Shinhint Acoustic Link Holdings Limited, a company listed on the Main Board (stock code: 2728) and subsequently renamed as Yuhua Energy Holdings Limited, with effect from June 2012 until his resignation in March 2013 and he rejoined the company from May 2013 to September 2017 and his last position was financial controller and company secretary.

Mr. Lau obtained a higher diploma in accountancy from the City University of Hong Kong in November 1997 and a master's degree of arts in international accounting from the same university in November 2002. He was admitted as a fellow of the Association of Chartered Certified Accountants in July 2005 and a fellow of the Hong Kong Institute of Certified Public Accountants in September 2007.

AUTHORISED REPRESENTATIVES

Dato' Chan and Mr. Lau have been appointed as the authorised representatives of our Company.

COMPLIANCE ADVISER

We have appointed VBG Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules. The compliance adviser will advise us in the following circumstances:

(i) before the publication of any regulatory announcement, circular or financial report;

(ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(iii) where our Company proposes to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or if the business activities, developments or results of our Group deviate from any forecast, estimate or other information in this prospectus; and

(iv) where the Stock Exchange makes an inquiry of our Group under the Listing Rules regarding unusual movements in the price or trading volume of the Shares.

The term of appointment of the compliance adviser shall commence on the Listing Date and end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date and such appointment may be subject to extension by mutual agreement.

BOARD COMMITTEES

Audit Committee

Our Company has established the Audit Committee on 14 December 2019 with written terms of reference in compliance with paragraphs C.3.3 and C.3.7 of the Corporate Governance Code. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control system of our Group. The Audit Committee comprises three members, namely Mr. Chan Leng Wai, Mr. Li Chi Keung and Mr. Tan Poay Teik. Mr. Chan Leng Wai is the chairman of the Audit Committee.

Remuneration Committee

Our Company has established the Remuneration Committee on 14 December 2019 with written terms of reference in compliance with paragraph B.1.2 of the Corporate Governance Code. The Remuneration Committee comprises three members, namely Mr. Li Chi Keung, Dato' Kwan and Mr. Tan Poay Teik. Mr. Li Chi Keung is the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are, amongst other things, to make recommendations to our Board on the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management and on our Group's policy and structure for all remuneration of our Directors and senior management.

Nomination Committee

Our Company has established the Nomination Committee on 14 December 2019 with written terms of reference in compliance with paragraph A.5.2 of the Corporate Governance Code. The Nomination Committee comprises three members, namely Dato' Chan, Mr. Chan Leng Wai and Mr. Li Chi Keung. Dato' Chan is the chairman of the Nomination Committee. The Nomination Committee is mainly responsible for making recommendations to our Board on appointment of Directors and succession planning for our Directors.

BOARD DIVERSITY POLICY

We will adopt a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of our Board that are relevant to our business growth. Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diverse perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to our Board.

Our nomination committee is responsible for ensuring the diversity of our Board. After the Listing, our nomination committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Directors are committed to achieving high standards of corporate governance with a view to safeguarding the interests of the Shareholders. Our Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code in Appendix 14 to the Listing Rules. Except for the deviation from code provision A.2.1 and F.1.1 of the Corporate Governance Code, our Company's corporate governance practices have complied with the code on corporate governance practices.

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

Pursuant to Code F.1.1 of the Corporate Governance Code, an issuer can engage an external service provider as its company secretary, provided that the issuer should disclose the identity of a person with sufficient seniority at the issuer whom the external provider can contact. 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 our Company is well aware of the importance of the company secretary in supporting the Board on governance matters, our Company, after having considered Mr. Lau's employment at Ascent Corporate Service Ptd, which provides corporate advisory and company secretarial services, both our 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 our Company.

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amounts of compensation (including fees, salaries, allowances and benefits in kind, discretionary bonus and contributions to defined contribution plans) which are paid by our Group to our Directors for each of the three years ended 31 December 2018 and the six months ended 30 June 2019 were approximately RM0.9 million, RM1.3 million, RM1.2 million and RM0.7 million, respectively.

Two of our Directors, namely Dato' Chan and Dato' Kwan, were amongst the Group's five highest paid individuals for the three years ended 31 December 2018. Three of our Directors, namely Dato' Chan, Dato' Kwan and Datin Lo, were amongst the Group's five highest paid individuals for the six months ended 30 June 2019. The aggregate remuneration including salaries, allowances and benefits in kind and contributions to defined contribution plans paid to our Group's five highest paid individuals (excluding our Directors) for each of the three years ended 31 December 2018 and the six months ended 30 June 2019 were as follows:

	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Salaries, allowances and benefits in kind	541	589	632	310
Contributions to defined contribution plans	59	65	71	34

During the Track Record Period, no emolument was paid by our Group to any of our Directors or the five highest paid individuals (including Directors and employees) as an inducement to join or upon joining our Group or as compensation for loss of office. None of our Directors has waived any emoluments during the Track Record Period.

Except as disclosed above, no other payments of remuneration have been made, or are payable, in respect of the Track Record Period, by our Group to or on behalf of any of our Directors. For additional information on Directors' remuneration during the Track Record Period as well as information on the highest paid individuals, please refer to note 8 and note 9 in the Accountants' Report set out in Appendix I to this prospectus.

An aggregate sum of approximately RM1.4 million is expected to be paid to our Directors as annual Directors' fees and other emoluments by our Group for the year ending 31 December 2019 under the arrangements in force at the date of this prospectus excluding discretionary bonus.

REMUNERATION POLICY

The Director's fee for each of our Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of our Remuneration Committee. The remuneration package of each of our Directors is determined by reference to market terms, seniority, experiences, duties and responsibilities of that Director within our Group. Our Directors are entitled to statutory benefits as required by law from time to time such as pension.

Prior to the Listing, the remuneration policy of our Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprises salary, contribution to pension schemes and discretionary bonuses relating to the profit of the relevant company. Upon and after the Listing, the remuneration package of our Directors and the senior management will, in addition to the above factors, be linked to the return to the Shareholders. The Remuneration Committee will review annually the remuneration of all our Directors to ensure that it is attractive enough to attract and retain a competent team of executive members.

STAFF RELATIONS

Our Group recognises the importance of a good relationship with the employees. The remuneration payable to the employees includes basic salaries, allowances, commission, pension and bonus. The ability to recruit and retain experienced and skilled labour is crucial to the growth and development of our Group. In addition to providing the staff the opportunities to receive regular on-the-job trainings, our Group strives to create a harmonious and caring working environment for its staff.

Our Group has not experienced any significant problems with its employees save as those arising from ordinary course of business. Our Group had neither experienced any disruption to the operations due to labour disputes, nor any difficulties in the recruitment and retention of staff.

Please refer to the section headed "Business – Employee" in this prospectus for further details relating to the number of staff, staff benefits, training and recruitment policy of our Group.

DIRECTORS' COMPETING INTERESTS

None of our Directors and their respective close associates are interested in any business which competes or is likely to compete with that of our Group.

*You should read this section in conjunction with our audited combined financial statements, including the notes thereto, as set out in the Accountants' Report set out in Appendix I to this prospectus. Our Group's combined financial statements have been prepared in accordance with the International Financial Reporting Standards ("**IFRSs**"). You should read the entire Accountants' Report and not merely rely on the information contained in this section.*

The following discussion and analysis contains certain forward-looking statements that reflect the current views with respect to future events and financial performance. These statements are based on assumptions and analyses made by our Group in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors our Group believes are appropriate under the circumstances. However, whether actual outcomes and developments will meet our Group's expectations and projections depends on a number of risks and uncertainties over which our Group does not have control. For further information, you should refer to the section "Risk Factors" in this prospectus.

The following discussion and analysis also contain certain amounts and percentage figures that have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and all monetary amounts shown are approximate amounts only.

OVERVIEW

We are a logistics service provider based in Malaysia with a strong presence in Southeast Asia and business coverage over 15 countries. We have an established track record of over 16 years in the logistics industry in Malaysia and our offices are strategically located in Klang, Penang, Johor Bahru and Padang Besar, where the major gateways in Malaysia are located, to capture the growing demand in logistics services in Malaysia. We pride ourselves as a solution provider in the logistic value chain to customers in a wide range of industries, including but not limited to, manufacturing, palm oil processing and trader of construction and building materials, mainly located in Malaysia, Indonesia, Singapore, Thailand and Vietnam with a special focus on: (i) flexitank solution and related services – provision of customised flexitanks and related services for the transportation of bulk non-hazardous liquid; (ii) integrated freight forwarding services – provision of NVOCC and freight forwarding services; (iii) railroad transportation services – provision of goods transportation by trains between different rail stations within Malaysia and between Malaysia and Thailand; and (iv) logistics centre and related services – provision of Warehouse and Ancillary Services and container depot services.

According to the F&S Report, the logistics industry, which refers to the transportation and storage section in Malaysia, which is highly fragmented. The gross output of the logistics industry is estimated of approximately RM130.6 billion in 2018, of which our Group accounted for approximately 0.2%. Nevertheless, we are the fifth player in the flexitank solution and related services market in the world with a market share of 7.1% in terms of flexitank produced by COA certified producers in 2018. For our railroad transportation services, we are the largest landbridge services provider between Malaysia and Thailand with a market share of 61.0% in terms of revenue in 2018. In addition, we are the fourth largest player as a NVOCC in the busiest port in Malaysia, namely the Port Klang, in terms of container throughput and we are one of the largest 20' high cube containers operator in the Southeast Asia. We plan to leverage our market leading position to capture the growing logistics business opportunity in Malaysia arising from, among other things, the Belt and Road Initiative and other PRC related investments initiated or to be initiated by the state-owed enterprises in the PRC.

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our total revenue amounted to approximately RM189.3 million, RM188.6 million, RM201.2 million and RM98.7 million, respectively, whilst for the respective periods, our total net profit amounted to approximately RM11.8 million, RM8.9 million, RM22.5 million and RM8.5 million, respectively. The following table sets forth a breakdown of our Group's revenue by business segment during the Track Record Period:

							For the six months ended 30 June			
	FY2016		**FY2017**		**FY2018**		**2018**		**2019**	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
Flexitank solution and related services	47,670	25.2	51,686	27.4	63,498	31.6	30,362	31.4	31,261	31.7
Integrated freight forwarding services	52,910	28.0	62,979	33.4	68,288	33.9	33,359	34.5	34,617	35.1
Railroad transportation services	12,957	6.8	14,688	7.8	15,599	7.8	7,012	7.2	9,295	9.4
Logistics centre and related services	75,716	40.0	59,260	31.4	53,798	26.7	26,052	26.9	23,541	23.8
Total	189,253	100.0	188,613	100.0	201,183	100.0	96,785	100.0	98,714	100.0

BASIS OF PREPARATION

Our Company was incorporated in the Cayman Islands on 7 March 2019 as an exempted company with limited liability. Upon completion of the Reorganisation before the Listing, our Company will become the holding company of the companies comprising our Group. For further details of our Reorganisation, please refer to the section headed "History, development and Reorganisation" in this prospectus.

Except for the acquisition of BLS Infinity (MY) which was completed on 29 January 2018 and the step acquisition of AWH Infinity (MY) which was completed on 16 May 2018 for which acquisition method of accounting was adopted in accordance with the accounting policy as set out in note 3 of the Accountants' Report set out in Appendix I to this prospectus, the combined statements of profit or loss and other comprehensive income, combined statements of financial position, combined statements of changes in equity and combined statements of cash flows for the Track Record Period were prepared as if our Company had always been the holding company of our Group and the current group structure had been in existence throughout the Track Record Period, taking into account the respective dates of the incorporation of our subsidiaries. The combined statements of financial position as at 31 December 2016, 2017, 2018 and 30 June 2019 were prepared to present the assets and liabilities of the companies now comprising our Group as if the current group structure had been in existence at those dates, taking into account the respective dates of the incorporation of our subsidiaries.

Our combined financial statements were prepared on a historical cost basis except for certain financial instruments that were measured at fair value at the end of each reporting period, as appropriate, and in accordance with IFRSs issued by the International Accounting Standards Board. In addition, our combined financial statements have included the applicable disclosures requirements under the Listing Rules and the Companies Ordinance. For more information on the basis of presentation of the financial information included in this section, please refer to note 1 and note 2 of the Accountants' Report set out in Appendix I to this prospectus.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

Critical accounting policies

The Accountants' Report in Appendix I to this prospectus sets out further information regarding certain significant accounting policies, which are important for an understanding of the financial condition and results of operations of our Group. Some of our accounting policies involve subjective assumptions, estimations and judgments that are discussed in notes 3 of the Accountants' Report set out in Appendix I to this prospectus.

Revenue recognition

Revenue is recognised when or as our Group satisfies a performance obligation by transferring a promised good or service to a customer. Depending on the terms of contract and the laws that apply to the contract, control of the good or service may be transferred over time or at a point in time. Our Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by our Group's performance as we perform;

(b) our Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) our Group's performance does not create an asset with an alternative use to our Group and we have an enforceable right to payment for performance completed to date.

The income from integrated freight forwarding services, railroad transportation services, logistics centre and related services, and flexitank solution and related services is recognised over time when services are rendered. The income from flexitank solution services is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

For revenue recognised over time under IFRS 15, provided the outcome of the performance obligation can be reasonably measured, our Group applies the input method (i.e. based on the proportion of the actual inputs deployed to date as compared to the estimated total inputs) to measure the progress towards complete satisfaction of the performance obligation because there is a direct relationship between the Group's inputs and the transfer of control of goods or services to the customers and reliable information is available to our Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. The principal input applied in the input method for integrated freight forwarding services, logistics centre and related services, railroad transportation services, and flexitank solution and related services is cost incurred.

Dividend income from financial assets is recognised when our Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to our Group and the amount of the dividend can be measured reliably.

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Rental income from properties is recognised on the straight-line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

Our Group has applied the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, over their estimated useful lives at the annual rate or useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Right-of-use assets	Shorter of assets useful lives or over the unexpired term of lease
Buildings	3%
Containers and tanks	20% – 50%
Furniture and fittings	20% – 50%
Computer and office equipment	20% – 50%
Motor vehicles	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Construction in progress represents buildings under construction. It is stated at cost less any accumulated impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when the construction is completed and the asset is ready for use.

Lease

Our Group as lessee

Our Group leases various properties, containers and motor vehicles. Rental contracts are typically made for fixed periods of two to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset (included in property, plant and equipment) and corresponding liability at the date of which the leased asset is available for use by our Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Our Group as lessor

Our Group enters into lease agreements as a lessor with respect to certain of its property, plant and equipment, comprising warehouses, to other parties.

Rental income from leases is recognised in revenue on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Financial instruments – impairment

Our Group recognises loss allowances for expected credit losses ("**ECL**") on financial assets that are measured at amortised cost which the impairment requirements apply in accordance with IFRS 9. Except for the specific treatments as detailed below, at each reporting date, our Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, our Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Our Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that our Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria:

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including our Group, in full (without taking into account any collaterals held by our Group); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, our Group considers that default has occurred when a financial asset is more than 90 days past due unless our Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Our Group writes off a financial asset when our Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. Our Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under our Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are nonassessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

Early adoption of IFRS 9, IFRS 15 and IFRS 16

Our Group has consistently adopted all new/revised IFRSs that are relevant to our operations and are effective throughout the Track Record Period, including early adopted IFRS 9, IFRS 15 and IFRS 16 from the beginning of the Track Record Period. Our Directors believe that the adoption of IFRS 9, IFRS 15 and IFRS 16, as compared to the requirements of IAS 39, IAS 18 and IAS 17, did not have any significant impact on our financial position and performance during the Track Record Period.

Critical accounting estimates and judgements

In the application of our accounting policies, our management is required to make estimations and assumptions about the carry amounts of assets and liabilities that are not readily apparent from other sources. Our estimations and other associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Our estimates and underlying assumptions are reviewed by our management on an ongoing basis. Please refer to note 3 of the Accountants' Report set out in Appendix I to this prospectus for further details.

Useful lives of property, plant and equipment

Our management determines the estimated useful lives of our Group's property, plant and equipment based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

Impairment of property, plant and equipment

Our management determines whether our Group's property, plant and equipment are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of the property, plant and equipment, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires our management to make an estimate of the expected future cash flows from the property, plant and equipment and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

Provision for leakage claims

Our Group makes provisions under the leakage claims on the income from flexitanks solution and related services , under which faulty flexitanks are repaired, replaced or the leakage loss are claimed. The amount of provisions is estimated based on the past claims experience of the level of repairs, returns and leakage claims. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

Income taxes

Significant estimates are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain where the final tax outcome of these matters may be different from the amounts that were initially recorded and such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

FACTORS AFFECTING OUR GROUP'S RESULTS OF OPERATIONS

Our results of operations and financial performance are subject to the influence of numerous factors, including those set out below and in the section headed "Risk factors" in this prospectus.

Market demand

During the Track Record Period, we generated our revenue from the provision of logistics service mainly conducted in Malaysia. We serve our customers' needs along their respective supply chain including cargo handling services and land transportation services. We are indirectly and largely dependent on our customers' business performance and developments in their markets and industries. If our customers experience any adverse economic, political or regulatory conditions due to events beyond our control, such as economic downturn, natural disasters, contagious disease outbreaks, terrorist attacks, or if the government adopts regulations that place restrictions or burdens on us or on our industry in general, our business, financial condition, results of operations and prospects may be material and adversely affected.

Competition within the market

According to the F&S Report, the logistics industry, which refers to the transportation and storage section in Malaysia, is highly fragmented and competitive due to the presence of numerous small local companies. Industry players also face competition from international competitors which compete, among other factors, on pricing, quality, reliability of services, range of services, network of partners. Price is also becoming increasingly transparent. These factors create the need for logistics companies to provide more relevant and effective solutions to win over their customers. Intense competition within the market means that it is generally difficult for us to mark up the price of cargo space we sell significantly to capture a higher profit. There is no assurance that our attempts to remain competitive in the market will succeed. If our attempts to remain competitive fail and our market share shrinks, our overall performance may be adversely affected.

Significant fluctuations in our cost of services and goods sold

We may face price fluctuations of finished flexitank and raw materials for our flexitank production. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our cost of inventories accounted for approximately 20.9%, 23.8%, 26.1% and 28.7%, respectively, of our cost of services and goods sold. Furthermore, as we have not entered into long-term contracts for purchase of raw materials with our suppliers, we cannot ensure that we are able to obtain sufficient raw materials from our suppliers for the manufacture of our flexitank. Also, our Group incurs significant costs in procuring cargo space from freight forwarder suppliers such as ocean carriers and airlines. For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, freight charges accounted for approximately 15.3%, 25.2%, 25.6% and 22.8%, respectively, of our costs of services and goods sold. For a sensitivity analysis of the impact of hypothetical fluctuations in cost of inventories and freight charges on our profit before tax, please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Cost of services and goods sold" in this section.

Credit risks

Our trade receivables were approximately RM40.4 million, RM48.7 million, RM48.4 million and RM38.4 million as at 31 December 2016, 2017, 2018 and 30 June 2019, respectively. In FY2017, we recognised a provision of impairment loss of trade receivables of approximately RM0.8 million in our profit or loss. Furthermore, our Group recorded impairment loss allowance of trade receivables of approximately RM3.0 million, RM3.8 million, RM3.0 million and RM2.0 million as at 31 December 2016, 2017, 2018 and 30 June 2019, respectively. There is no assurance that the financial position of our customers will remain healthy in the future. We also cannot assure that we will be able to collect receivables from our customers on a timely basis or that there will not be any future dispute in terms of collection of receivables with our customers which may result in significant delay in receivables collection. If our customers experience financial distress or are unable to settle their payments due to us or release the retention monies to us in a timely manner or at all, our liquidity and the financial condition of our Group could be adversely affected. Any material non-payment or non-performance by customers or counterparties could adversely affect our Group's financial position, results of operations and cash flows.

RESULTS OF OPERATIONS

The table below sets out our Group's combined statements of profit or loss and other comprehensive income during the Track Record Period, which was derived from the Accountants' Report set out in Appendix I to this prospectus:

				For the six months ended 30 June	
	FY2016	FY2017	FY2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(Unaudited)	
Revenue	189,253	188,613	201,183	96,785	98,714
Cost of services and goods sold	(158,223)	(159,919)	(156,908)	(78,620)	(75,086)
Gross profit	31,030	28,694	44,275	18,165	23,628
Other income	480	865	1,275	427	1,990
Administrative and other operating expenses	(17,505)	(15,732)	(15,362)	(7,376)	(8,754)
Reversal of (Provision for) impairment loss of trade receivables	1,103	(826)	516	357	912
Finance costs	(1,435)	(2,312)	(2,726)	(1,695)	(1,648)
Loss on disposal of equity interests in an associate	(38)	–	–	–	–
(Loss) Gain on disposal of subsidiaries	(911)	–	27	–	–
Share of results of associates	(1)	(40)	33	18	66
Listing expenses	–	–	(1,859)	–	(5,360)
Profit before tax	12,723	10,649	26,179	9,896	10,834
Income tax expenses	(906)	(1,716)	(3,676)	(1,945)	(2,303)
Profit for the year/period	11,817	8,933	22,503	7,951	8,531
Other comprehensive income (loss):					
Item that may be reclassified subsequently to profit or loss:					
– Exchange differences on combination/ consolidation	740	(896)	109	(548)	(286)
Total comprehensive income for the year/period	12,557	8,037	22,612	7,403	8,245

DESCRIPTION OF SELECTED ITEMS FROM COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue

During the Track Record Period, we generated revenue from the provision of (i) flexitank solution and related services; (ii) integrated freight forwarding services; (iii) railroad transportation services; and (iv) logistics centre and related services to customers in various industries mainly located in Malaysia. For FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, our total revenue amounted to approximately RM189.3 million, RM188.6 million, RM201.2 million, RM96.8 million and RM98.7 million, respectively.

The following table sets forth a breakdown of our revenue by business segment during the Track Record Period:

							For the six months ended 30 June			
	FY2016		**FY2017**		**FY2018**		**2018**		**2019**	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
Flexitank solution and related services	47,670	25.2	51,686	27.4	63,498	31.6	30,362	31.4	31,261	31.7
Integrated freight forwarding services	52,910	28.0	62,979	33.4	68,288	33.9	33,359	34.5	34,617	35.1
Railroad transportation services	12,957	6.8	14,688	7.8	15,599	7.8	7,012	7.2	9,295	9.4
Logistics centre and related services	75,716	40.0	59,260	31.4	53,798	26.7	26,052	26.9	23,541	23.8
Total	189,253	100.0	188,613	100.0	201,183	100.0	96,785	100.0	98,714	100.0

Flexitank solution and related services

Our flexitank solution and related services provide customised flexitank solution and related services to our customers for bulk non-hazardous liquid transportation. Our revenue generated from flexitank solution and related services was approximately RM47.7 million, RM51.7 million, RM63.5 million, RM30.4 million and RM31.3 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. According to the F&S Report, Malaysia is a prime commodity exporter of palm oil and rubber intermediate materials. Driven by the strategic trade location of Malaysia, growing trading activities in Southeast Asia and Malaysian active palm oil export industry, the demand for flexitank solution and related services increased and resulted in the steady increase in revenue of our flexitank solution and related services throughout the Track Record Period.

Integrated freight forwarding services

Our revenue generated from the integrated freight forwarding services accounted for approximately RM52.9 million, RM63.0 million, RM68.3 million, RM33.4 million and RM34.6 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. Revenue from integrated freight forwarding services mainly consists of NVOCC services. The following table sets forth a breakdown of our revenue by type of our integrated freight forwarding services during the Track Record Period:

							For the six months ended 30 June			
	FY2016		**FY2017**		**FY2018**		**2018**		**2019**	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
NVOCC services	35,165	66.5	45,427	72.1	48,321	70.8	25,153	75.4	24,532	70.9
Freight forwarding services	17,745	33.5	17,552	27.9	19,967	29.2	8,206	24.6	10,085	29.1
– Ocean freight	10,044	19.0	11,712	18.6	14,851	21.7	5,853	17.6	7,370	21.3
– Forwarding	5,956	11.3	4,691	7.4	3,879	5.7	1,781	5.3	2,056	5.9
– Air freight	1,745	3.2	1,149	1.9	1,237	1.8	572	1.7	659	1.9
Total	52,910	100.0	62,979	100.0	68,288	100.0	33,359	100.0	34,617	100.0

NVOCC services

During the Track Record Period, our NVOCC services focus on providing full container load shipments and vessel space as carriers to our customers. We provide containers to our customers for the purpose of the shipment. NVOCC services was the major part of revenue generated in our integrated freight forwarding services throughout the Track Record Period. The revenue generated from NVOCC services accounted for RM35.2 million, RM45.4 million, RM48.3 million, RM25.2 million and RM24.5 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively, representing 66.5%, 72.1%, 70.8%, 75.4% and 70.9% of our revenue from integrated freight forwarding services for the corresponding period.

The following table sets forth a breakdown of revenue of by type of our NVOCC services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		2019	
	RM'000	%	*RM'000*	%	*RM'000*	%	*RM'000* (Unaudited)	%	*RM'000*	%
Provision of vessel space and our containers	33,331	94.8	40,689	89.6	45,952	95.1	23,661	94.1	23,567	96.1
Provision of vessel space only	1,834	5.2	4,738	10.4	2,369	4.9	1,492	5.9	965	3.9
Total	35,165	100.0	45,427	100.0	48,321	100.0	25,153	100.0	24,532	100.0

The revenue generated from our NVOCC services increased throughout FY2016, FY2017 and FY2018 mainly due to the improved economics and trading activities in Southeast Asia, in particular, the significant increase in transhipment for FY2018. According to the F&S Report, such economics environment had created more opportunities for logistics industry in facilitating the trade activities. The revenue generated from our NVOCC services slightly decreased from approximately RM25.2 million for the six months ended 30 June 2018 to approximately RM24.5 million for the six months ended 30 June 2019, representing a decrease of approximately RM0.7 million or 2.8%. Such decrease was primarily attributable to the decrease in the revenue from the provision of vessel space only in our NVOCC services.

The following table sets forth the breakdown of our NVOCC services using our containers of the route by volume during the Track Record Period:

	FY2016	FY2017	FY2018	For the six months ended 30 June 2018	2019
	TEUs	*TEUs*	*TEUs*	*TEUs*	*TEUs*
Between Malaysia and Indonesia	6,193	7,379	7,898	4,383	4,788
Between Malaysia and Thailand	3,447	3,109	4,008	1,859	1,833
Between Malaysia and Bangladesh	2,119	4,572	5,473	2,635	1,922
Between Malaysia and Vietnam	999	1,164	1,295	730	568
Transhipment	3,297	4,260	11,376	6,089	6,182
Others	875	390	998	542	355
Total	16,930	20,874	31,048	16,238	15,648

The revenue generated from the customers using our NVOCC services using our containers accounted for approximately RM33.3 million, RM40.7 million and RM46.0 million for FY2016, FY2017 and FY2018, representing approximately 94.8%, 89.6% and 95.1% of our revenue from NVOCC services for the same period. The increase in revenue throughout FY2016, FY2017 and FY2018 was mainly due to the increase in shipment volume of Vietnam route, Indonesia route and Bangladesh route. The slight decrease in revenue between the six months ended 30 June 2018 and 2019 was mainly due to the decrease in shipment volume of Bangladesh route and Vietnam route which partially offset by the increase in shipment volume of Indonesia route.

Freight forwarding services

Our freight forwarding services focus on providing ocean freight and forwarding services in Malaysia to end customers. Ocean freight services was the major part of revenue generated in our freight forwarding services throughout the Track Record Period. The revenue generated from ocean freight services accounted for RM10.0 million, RM11.7 million, RM14.9 million, RM5.9 million and RM7.4 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. The steady increase in revenue generated from ocean freight services throughout the Track Record Period was mainly due to the expansion of Southeast Asian economy and trade activities.

The revenue generated from our ocean freight services during the Track Record Period is set out in the table as below:

				For the six months ended 30 June	
	FY2016	**FY2017**	**FY2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(Unaudited)	
Ocean freight	10,044	11,712	14,851	5,853	7,370
– Export	8,272	9,763	11,985	5,290	6,497
– Import	1,772	1,949	2,866	563	873

Railroad transportation services

The revenue generated from the railroad transportation services accounted for approximately RM13.0 million, RM14.7 million, RM15.6 million, RM7.0 million and RM9.3 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. Revenue from railroad transportation services mainly consists of fee of import and export railroad wagon space, customs clearance and other services related to railway freight. Such revenue was primarily driven by the volume of goods and the original/destination of the service, among other factors.

The following table sets forth a breakdown of our revenue by type of our railroad transportation services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
Landbridge	9,931	76.6	12,472	84.9	13,327	85.4	5,545	79.1	8,413	90.5
Landfeeder	3,026	23.4	2,216	15.1	2,272	14.6	1,467	20.9	882	9.5
Total	12,957	100.0	14,688	100.0	15,599	100.0	7,012	100.0	9,295	100.0

The shipment volume of the Group's railroad transportation services during the Track Record Period is set out in the table as below:

	FY2016	FY2017	FY2018	For the six months ended 30 June 2018	2019
	TEUs	*TEUs*	*TEUs*	*TEUs*	*TEUs*
Railroad freight shipment volume	11,717	14,859	17,676	8,746	9,111
– Landbridge	3,876	8,996	10,984	4,952	6,128
– Landfeeder	7,841	5,863	6,692	3,794	2,983

Our railroad transportation services cover the provision of import and export freight services by railroad within Malaysia and between Malaysia and Thailand. The Malaysia inland ports served include Port Klang, Port of Tanjung Pelepas and Padang Besar, while coverage of Thailand stations include Hadyai and Bangkok. Revenue generated from our landbridge services increased between FY2017 and FY2018 and the six months ended 30 June 2018 and 2019 was mainly due to the increase in trade activities between Malaysia and Thailand.

Logistics centre and related services

Our revenue from logistics centre and related services accounted for approximately RM75.7 million, RM59.3 million, RM53.8 million, RM26.1 million and RM23.5 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. Our logistics centre and related services provide warehousing and ancillary services including short term and long term warehouse services, repackaging and labelling, palletising, local transportation services and other ancillary services such as third party logistics management will also be provided upon request by our customers and container depot services such as storage of empty containers, washing and repair and maintenance of freight containers.

The following table sets forth a breakdown of our revenue by type of our logistics centre and related services during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		2019	
	RM'000	%	*RM'000*	%	*RM'000*	%	*RM'000* (Unaudited)	%	*RM'000*	%
Warehouse and Ancillary Services	71,510	94.4	55,728	94.0	48,585	90.3	24,008	92.2	19,528	83.0
Depot centre	4,206	5.6	3,532	6.0	5,213	9.7	2,044	7.8	4,013	17.0
Total	75,716	100.0	59,260	100.0	53,798	100.0	26,052	100.0	23,541	100.0

The revenue generated from Warehouse and Ancillary Services decreased from approximately RM71.5 million for FY2016 to approximately RM55.7 million for FY2017 and further decreased to RM48.6 million for FY2018. The decrease was mainly due to the loss of our major customer, Customer A, during FY2017. Customer A was our largest customer for FY2016 and FY2017 which account for approximately RM21.3 million and RM11.6 million, respectively. On 1 August 2017, Customer A was placed creditors' voluntary winding-up proceedings in Malaysia. As a result, we have ceased our business with Customer A since FY2018 and Customer A was no longer our customer accordingly. After our cessation of business with Customer A since FY2018 and up to the Latest Practicable Date, we have substantially utilised our warehouse space that previously used by Customer A to provide Warehouse and Ancillary Services to other customers. The revenue generated from Warehouse and Ancillary Services decreased from approximately RM24.0 million for the six months ended 30 June 2018 to approximately RM19.5 million for the six months ended 30 June 2019. Such decrease was mainly due to the loss of business from our customers, in particular the revenue contributed by Customer D from the provision of local transportation services in this segment decreased by approximately RM1.5 million between the six months ended 30 June 2018 and 2019.

In October 2018, our second depot centre commenced its operation, please refer to the section headed "Business – Our services – Container depot services" in this prospectus for further details of our depot centres. As a result, we recorded an increase in revenue of depot centre services of approximately RM2.0 million between the six month ended 30 June 2018 and 2019.

Cost of services and goods sold

The following table sets forth a breakdown of our cost of services and goods sold during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
Raw material and finished goods	29,010	18.3	31,774	19.9	37,260	23.7	18,470	23.5	17,868	23.8
Lease expenses	362	0.2	393	0.1	368	0.3	200	0.3	204	0.3
Depreciation	71	0.1	89	0.1	365	0.2	148	0.2	223	0.3
Cost of handling	334	0.2	450	0.3	707	0.5	481	0.6	170	0.1
(Reversal of) Provision for leakage claim	1,273	0.8	2,807	1.8	(1,684)	(1.1)	100	0.1	434	0.6
Staff costs	2,055	1.3	2,508	1.6	3,938	2.5	1,910	2.4	2,610	3.5
Cost of inventories	**33,105**	**20.9**	**38,021**	**23.8**	**40,954**	**26.1**	**21,309**	**27.1**	**21,509**	**28.6**
Transportation and haulage charges	33,404	21.1	24,577	15.4	19,304	12.3	9,269	11.8	6,750	9.0
Freight charges	24,160	15.3	40,245	25.2	40,142	25.6	20,281	25.8	17,156	22.8
Lease expenses	3,427	2.1	2,559	1.6	2,314	1.5	1,023	1.3	601	0.8
Depreciation	4,866	3.1	5,672	3.5	6,546	4.2	3,202	4.1	3,968	5.3
Staff cost	16,431	10.4	14,680	9.2	13,231	8.4	6,817	8.7	5,610	7.5
Port and shipping charges	15,272	9.7	12,464	7.8	13,595	8.7	5,632	7.2	8,284	11.0
Cost of handling	10,236	6.5	7,963	5.0	7,601	4.8	3,343	4.2	3,239	4.4
Others	17,322	10.9	13,738	8.5	13,221	8.4	7,744	9.8	7,969	10.6
Total	158,223	100.0	159,919	100.0	156,908	100.0	78,620	100	75,086	100

Cost of inventories

Our cost of inventories accounted for approximately 20.9%, 23.8%, 26.1%, 27.1% and 28.6% of our total cost of services and goods sold for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. Our cost of inventories mainly comprises cost of raw material and finished goods of our flexitanks. Our Directors consider that (i) the increase in cost of inventories throughout FY2016, FY2017 and FY2018 was generally in line with our growth in flexitank solution and related services; and (ii) the cost of inventories for the six months ended 30 June 2018 and 2019 remained stable.

Sensitivity analysis

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in cost of inventories on our profit before tax during the Track Record Period. Fluctuations are assumed to be approximately 2.0% and 4.0% for FY2016, FY2017, FY2018 and the six months ended 30

June 2019, respectively, which correspond to the range of historical fluctuations of our cost of inventories during the Track Record Period.

	(RM'000, except percentages)			
Hypothetical Fluctuation	-4%	-2%	+2%	+4%
Impact on certain combined profit or loss items for FY2016				
Change in cost of inventories	(1,324)	(662)	662	1,324
Change on profit before tax	1,324	662	(662)	(1,324)
Impact on certain combined profit or loss items for FY2017				
Change in cost of inventories	(1,520)	(760)	760	1,520
Change on profit before tax	1,520	760	(760)	(1,520)
Impact on certain combined profit or loss items for FY2018				
Change in cost of inventories	(1,638)	(819)	819	1,638
Change on profit before tax	1,638	819	(819)	(1,638)
Impact on certain combined profit or loss items for the six months ended 30 June 2019				
Change in cost of inventories	(860)	(430)	430	860
Change on profit before tax	860	430	(430)	(860)

Freight charges

Our freight charges amounted for approximately 15.3%, 25.2%, 25.6%, 25.8% and 22.8% of our cost of services and goods sold for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively, which mainly represents the freight charges for our ocean freight, railroad transportation and air freight services. Our Group obtains cargo space from shipping lines and railroad operator, their agents/overseas freight forwarders and international airlines at the rate depending on freight destination and volume/weight, among other factors. The freight charges increased from approximately RM24.2 million for FY2016 to approximately RM40.2 million for FY2017, representing an increase of approximately RM16.0 million or 66.1%. Such increase was in line with the increase in total revenue from our NVOCC services, ocean freight services, air freight services and railroad transportation services. The revenue of the integrated freight forwarding services increase from approximately RM63.0 million for FY2017 to approximately RM68.3 million for FY2018. However, our freight charges remained stable at approximately RM40.2 million and RM40.1 million for FY2017 and FY2018. In July

2018, we engaged Customer H which contributed a revenue of approximately RM2.7 million for FY2018 with a higher gross profit and gross profit margin. We charged a higher freight rate to Customer H due to its request for services at the port of loading, which in turn led to a higher gross profit and gross profit margin contributed. Also, as our shipping volume increased between FY2017 and FY2018, we were able to secure a lower costs from shipping lines. Accordingly, we were able to maintain a stable freight charges between FY2017 and FY2018.

The freight charges decreased from approximately RM20.3 million for the six months ended 30 June 2018 to approximately RM17.2 million for the six months ended 30 June 2019, representing a decrease of approximately RM3.1 million or 15.3%. Such decrease was mainly due to the decreased in volume of our NVOCC services using our containers from 16,238 TEUs for the six months ended 30 June 2018 to 15,648 TEUs for the six months ended 30 June 2019.

Sensitivity analysis

The following sensitivity analysis illustrates the impact of hypothetical fluctuations in freight charges on our profit before tax during the Track Record Period. Fluctuations are assumed to be approximately 5.0% and 10.0% for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively, which correspond to the range of historical fluctuations of our freight charges during the Track Record Period.

	(RM'000, except percentages)			
Hypothetical Fluctuation	-10%	-5%	+5%	+10%
Impact on certain combined profit or loss items for FY2016				
Change in freight charges	(2,416)	(1,208)	1,208	2,416
Change on profit before tax	2,416	1,208	(1,208)	(2,416)
Impact on certain combined profit or loss items for FY2017				
Change in freight charges	(4,025)	(2,012)	2,012	4,025
Change on profit before tax	4,025	2,012	(2,012)	(4,025)
Impact on certain combined profit or loss items for FY2018				
Change in freight charges	(4,014)	(2,007)	2,007	4,014
Change on profit before tax	4,014	2,007	(2,007)	(4,014)

	(RM'000, except percentages)			
Impact on certain combined profit or loss items for the six months ended 30 June 2019				
Change in freight charges	(1,716)	(858)	858	1,716
Change on profit before tax	1,716	858	(858)	(1,716)

Transportation and haulage charges

Transportation and haulage charges mainly include cost of our local transportation services (i) across Malaysia; and (ii) in the destination, amounted to approximately RM33.4 million, RM24.6 million, RM19.3 million, RM9.3 million and RM6.8 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. The decrease in transportation and haulage charges throughout the Track Record Period was in line with the decrease in revenue from our Warehouse and Ancillary Services under logistics centre and related services segment as a result of the proposed winding-up of Customer A placed on 1 August 2017. Our transportation and haulage charges decreased from approximately RM9.3 million for the six months ended 30 June 2018 to RM6.8 million for the six months ended 30 June 2019. During the six months ended 30 June 2019, we had disposed prime movers, forklift and trailers with a gain of approximately RM1.5 million. As a result of such disposal, our fixed cost incurred for transportation and haulage such as repair and maintenance cost, fuel cost decreased as compared with the six months ended 30 June 2018.

Staff cost

The total staff cost incurred in our cost of services and goods sold represented by (i) our direct staff cost involved in production of flexitank; and (ii) our staff cost involved in providing other services, aggregately accounted to RM18.5 million, RM17.2 million and RM17.2 million for FY2016, FY2017 and FY2018, respectively. We had a total number of operational staff of 352, 339 and 348 for the same period. The decrease in total staff cost between FY2016 and FY2017 was mainly due to the decrease in number of operational staffs. Our staff cost remained stable in FY2017 and FY2018 despite the increase of headcount. Our increase in headcount was due to a net effect of increase of production staff, partly offset by the decrease in headcount involved in providing other services. Our average salary to production staff tends to be lower.

Our total staff cost remained relatively stable and amounted to RM8.7 million and RM8.2 million for the six months ended 30 June 2018 and 2019, respectively. The staff cost excluding those incurred in cost of inventory decreased from RM6.8 million for the six months ended 30 June 2018 to RM5.6 million for the six months ended 30 June 2019, representing a decrease of RM1.2 million or 17.6%. Such decrease was mainly because we reduced our engagement of casual workers at port and outsourced an independent third party during the six months ended 30 June 2019. Such costs were accounted for port charges and shipping charges for the six months ended 30 June 2019.

Gross profit and gross profit margin

Our gross profit amounted to approximately RM31.0 million, RM28.7 million, RM44.3 million, RM18.2 million and RM23.6 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively; and our gross profit margin was approximately 16.4%, 15.2%, 22.0%, 18.8% and 23.9% for the corresponding year.

The following table sets forth our gross profit and gross profit margin by business segment during the Track Record Period:

	FY2016		FY2017		FY2018		For the six months ended 30 June 2018		2019	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
Flexitank solution and related services	14,565	30.6	13,665	26.4	22,544	35.5	9,053	29.8	9,752	31.2
Integrated freight forwarding services	5,814	11.0	7,677	12.2	13,025	19.1	5,627	16.9	7,397	21.4
Railroad transportation services	5,822	44.9	4,157	28.3	4,736	30.4	1,913	27.3	3,101	33.4
Logistics centre and related services	4,829	6.4	3,195	5.4	3,970	7.4	1,572	6.0	3,378	14.3
Total	31,030	16.4	28,694	15.2	44,275	22.0	18,165	18.8	23,628	23.9

Our gross profit increased from approximately RM28.7 million for FY2017 to RM44.3 million for FY2018, representing an increase of approximately RM15.6 million or 54.4%. The increase was mainly due to the increase in revenue contributed by our flexitank solution and related services segment which generally has higher gross profit and gross profit margin when compared with our other business segments. Our gross profit increased from approximately RM18.2 million for the six month ended 30 June 2018 to RM23.6 million for the six months ended 30 June 2019, representing an increase of approximately RM5.4 million or 29.7%. The increase was mainly due to the improvement in our gross profit of our integrated freight forwarding services and logistics centre and related services.

Flexitank solution and related services

For FY2016, FY2017 and FY2018, our gross profit for flexitank solution and related services amounted to approximately RM14.6 million, RM13.7 million and RM22.5 million, respectively and the gross profit margin was approximately 30.6%, 26.4% and 35.5% for the same period. The fluctuation of gross profit and gross profit margin of flexitank solution and related services is in line with the change in provision for or reversal of provision for leakage claim during FY2016 to FY2018. We recorded a net provision for leakage claim of approximately RM1.3 million for FY2016 and RM2.8 million for FY2017; while we recorded a net reversal of provision of leakage claim of approximately RM1.7 million for FY2018. The gross profit margin of our flexitank solution and related services decreased between FY2016 and FY2017 was mainly due to the one-off provision for leakage claims of approximately RM2.0 million recognised as cost of inventories in profit or loss. During FY2017, we encountered two leakage disputes from two customers. Based on the management estimation, we made a one-off provision of approximately RM2.0 million. Subsequently, one dispute was settled by our insurer and we declined another dispute as no fault on our own. As a result, the provision for leakage claim was fully reversed during FY2018 and resulted in the increase in gross profit margin between FY2017 and FY2018. Without taking into account of the provision for and reversal of leakage claims recognised in profit or loss during FY2017 and FY2018, respectively, our Directors consider that the gross profit margin and gross profit of our flexitank solution and related services remained stable and in line with the growth in revenue in this segment throughout FY2016, FY2017 and FY2018. For the six months ended 30 June 2018 and 2019, our gross profit for flexitank solution and related services amounted to approximately RM9.1 million and RM9.8 million, respectively and the gross profit margin was approximately 29.8% and 31.2% for the corresponding period. Our Directors consider that the gross profit and gross profit margin of flexitank solution and related services segment remained stable for the six months ended 30 June 2019 when compared to the six months ended 30 June 2018.

Integrated freight forwarding services

During the Track Record Period, our gross profit for integrated freight forwarding services amounted to approximately RM5.8 million, RM7.7 million, RM13.0 million, RM5.6 million and RM7.4 million, respectively and the gross profit margin was approximately 11.0%, 12.2%, 19.1%, 16.9% and 21.4% for the same period. The following table sets forth the gross profit and gross profit margin of our integrated freight forwarding services by services type during the Track Record Period:

							For the six months ended 30 June			
		FY2016		FY2017		FY2018		2018		2019
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
NVOCC services	3,095	8.8	5,494	12.1	9,404	19.5	4,434	17.6	5,059	20.6
Freight forwarding services	2,719	15.3	2,183	12.4	3,621	18.1	1,193	14.5	2,338	23.2
Total	5,814	11.0	7,677	12.2	13,025	19.1	5,627	16.9	7,397	21.4

The gross profit of integrated freight forwarding services increased from approximately RM5.8 million for FY2016 to RM7.7 million for FY2017. The gross profit margin increased from approximately 11.0% for FY2016 to 12.2% for FY2017. Both increases were mainly attributable to the increase of our revenue generated from the integrated freight forwarding services from approximately RM52.9 million for FY2016 to RM63.0 million for FY2017 as a result of the improved economics and trading activities in Southeast Asia.

For integrated freight forwarding services, our gross profit increased by RM5.3 million, from approximately RM7.7 million for FY2017 to RM13.0 million for FY2018, respectively whereas our gross profit margin increased by approximately 6.9% from approximately 12.2% for FY2017 to 19.1% for FY2018. The reasons for increase in gross profit margin are three folds:

(i) In respect of our freight forwarding and NVOCC services

Our new customer, Customer H, who commenced business relationship with our Group in July 2018, contributed to revenue of approximately RM2.7 million for FY2018 with a relatively high profit margin.

Since July 2018, our Group (i) arranged barges, which is a kind of shoal-draft flat bottomed boats, to transport goods from a remote location in Indonesia, where Customer H's factory is located, mainly to Malaysia; (ii) provided forwarding services to Customer H when the goods arrived Port Klang from Indonesia; and (iii) transferred Customer H's goods to the vehicles of international shipping lines and distribute to Customer H's customers around the globe. Such process normally will occupy the containers for 21 days.

As advised by our executive Directors, the high profit margin charged was mainly due to (i) the remote pick-up location in Indonesia for Customer H; (ii) the lack of port infrastructure for using large vessel for the transportation services at the pick-up location; (iii) the shipping lines were not willing to provide similar services due to the remoteness and lack of infrastructure for the pick-up point of the shipment; (iv) the complication of the services provided in a timely basis; and (iv) our skills and network for providing such services.

(ii) In respect of our NVOCC services

– as a result of the increased of throughput volume during FY2018, we received discount from port operators of approximately RM1.1 million for FY2017 and RM2.2 million for FY2018;

– the volume of our NVOCC services using our containers increased from 20,874 TEUs for FY2017 to 31,048 TEUs for FY2018 and enable us to secure a cargo space at a lower cost from shipping lines; and

– our revenue generated from leasing of unutilised containers increased by approximately RM1.5 million from RM2.0 million for FY2017 to RM3.5 million for FY2018 due to the increasing demand.

(iii) In respect of our freight forwarding services

Our increase of gross profit and gross profit margin from FY2017 and FY2018 were attributable to the increase in the provision of freight forwarding services such as custom clearance charges and documentation charges with stable fixed costs such as staff costs.

The gross profit of integrated freight forwarding services increased from approximately RM5.6 million for the six months ended 30 June 2018 to RM7.4 million for the six months ended 30 June 2019. The gross profit margin increased from approximately 16.9% for the six months ended 30 June 2018 to approximately 21.4% for the six months ended 30 June 2019. Such increase was attributable to securing Customer H in July 2018 as discussed. Further, the gross profit and gross profit margin of our NVOCC services increased from RM4.4 million and 17.6% to RM5.1 million and 20.6% for the six months ended 30 June 2018 and 2019, respectively. Although our revenue from NVOCC services slightly decreased for the six months ended 30 June 2019, our staff cost (excluding the staff cost incurred in cost of inventory) recorded in our cost of goods and services sold decreased in a larger extend from approximately RM6.8 million from the six months ended 30 June 2018 to approximately RM5.6 million for the six months ended 30 June 2019. As a result, the gross profit and gross profit margin of our NVOCC services increased. Please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Cost of services and goods sold – Staff cost" in this section for the fluctuation of staff cost.

Railroad transportation services

During the Track Record Period, our gross profit for railroad transportation services amounted to approximately RM5.8 million, RM4.2 million, RM4.7 million and RM3.1 million, respectively and the gross profit margin was approximately 44.9%, 28.3%, 30.4% and 33.4% for the same period. The following table sets forth the gross profit and gross profit margin of our railroad transportation services by services type during the Track Record Period:

							For the six months ended 30 June			
	FY2016		FY2017		FY2018		2018		2019	
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(Unaudited)			
Landbridge	4,531	45.6	3,527	28.3	4,025	30.2	1,443	26.0	2,807	33.4
Landfeeder	1,291	42.7	630	28.4	711	31.3	470	32.0	294	33.3
Total	5,822	44.9	4,157	28.3	4,736	30.4	1,913	27.3	3,101	33.4

The gross profit and gross profit margin of our railroad transportation services decreased from approximately RM5.8 million and 44.9% for FY2016 to RM4.2 million and 28.3% for FY2017, respectively. However, the revenue of railroad transportation services increased from approximately RM13.0 million for FY2016 to RM14.7 million for FY2017. The reason for the decrease in gross profit and gross profit margin was mainly due to the decrease in revenue from Customer B from approximately RM11.0 million for FY2016 to RM8.8 million for FY2017. Further, due to the drop in revenue from Customer B, we secured a new customer Sritrang Landbridge Co., Ltd. during FY2017 which contributed a revenue of approximately RM7.4 million for FY2017. The gross profit and gross profit margin contributed by Sritrang Landbridge Co., Ltd. is lower than that contributed by Customer B in FY2017. The reasons for lower gross profit and gross profit margin attributed to Sritrang Landbridge Co., Ltd. is because we offered a lower average selling price to Sritrang Landbridge Co., Ltd. due to (i) Sritrang Landbridge Co., Ltd. is part of Customer C, whom our Group have a long relationship with its shareholders; (ii) offsetting the loss of business from Customer B; and (iii) the large shipment volume from Sritrang Landbridge Co., Ltd.. As a result, despite the fact that our revenue of railroad transportation services increased between FY2016 and FY2017, our gross profit and gross profit margin decreased.

The increase in gross profit of our railroad transportation services from approximately RM4.2 million for FY2017 to RM4.7 million for FY2018 was due to the increase in revenue of railroad transportation services. The gross profit margin of railroad transportation services remained stable between FY2017 and FY2018.

The gross profit and the gross profit margin of our railroad transportation services increased from approximately RM1.9 million and 27.3% for the six months ended 30 June 2018 to RM3.1 million and 33.4% for the six months ended 30 June 2019. The reason for such increases were mainly due to the combined effect of (i) the increase in revenue of landbridge services which the increase contributed by Customer B outpaced the increase contributed by Sritrang Landbridge Co., Ltd.; and (ii) the gross profit and gross profit margin contributed by Customer B is higher than those contributed by Sritrang Landbridge Co., Ltd.

Logistics centre and related services

During the Track Record Period, our gross profit for logistics centre and related services amounted to approximately RM4.8 million, RM3.2 million, RM4.0 million and RM3.4 million, respectively and the gross profit margin was approximately 6.4%, 5.4%, 7.4% and 14.3% for the same period. The following table sets forth the gross profit and gross profit margin of our logistics centre and related services by services type during the Track Record Period:

							For the six months ended 30 June			
		FY2016		FY2017		FY2018		2018		2019
	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin	Gross profit	Gross profit margin
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000*	*%*
							(Unaudited)			
Warehouse and Ancillary Services	4,413	6.2	2,845	5.1	3,051	6.3	1,357	5.7	1,970	10.1
Depot centre	416	9.9	350	9.9	919	17.6	215	10.5	1,408	35.1
Total	4,829	6.4	3,195	5.4	3,970	7.4	1,572	6.0	3,378	14.3

The gross profit of Warehouse and Ancillary Services decreased from approximately RM4.4 million for FY2016 to RM2.8 million for FY2017, and the gross profit margin decreased from approximately 6.2% for FY2016 to 5.1% for FY2017. Such decrease in gross profit and gross profit margin was primarily attributable to the decrease in revenue of Warehouse and Ancillary Services as a result of the proposed winding-up of Customer A placed on 1 August 2017, combined with the steady cost, such as lease expenses, that drive up the average cost. The gross profit and gross profit margin of Warehouse and Ancillary Services increased from approximately RM2.8 million and 5.1% for FY2017 to approximately RM3.1 million and 6.3% for FY2018. After our cessation of business with Customer A since FY2018 and up to the Latest Practicable Date, we have substantially utilised our warehouse space that previously used by Customer A to provide Warehouse and Ancillary Services to other customers. Therefore, despite our revenue generated from Warehouse and Ancillary Services decreased from approximately RM55.7 million for FY2017 to approximately RM48.6 million for FY2018, our gross profit margin increased between FY2017 and FY2018 to a level which is comparable to FY2016.

The gross profit and gross profit margin of depot centre increased from approximately RM0.4 million for FY2017 to RM0.9 million for FY2018, and the gross profit margin increased from approximately 9.9% for FY2017 to 17.6% for FY2018. Such increase in gross profit and gross profit margin was primarily attributable to the increase in revenue of depot services, which drive the average fixed costs (e.g. lease expenses) down.

The gross profit and the gross profit margin of logistics centre and related services increased from approximately RM1.6 million and 6.0% for the six months ended 30 June 2018 to RM3.4 million and 14.3% for the six months ended 30 June 2019. In particular, the gross profit and gross profit margin of Warehouse and Ancillary Services increased from approximately RM1.4 million and 5.7% for the six months ended 30 June 2018 to RM2.0 and 10.1% for the six months ended 30 June 2019. The improved gross profit margin was mainly due to the decrease of repair and maintenance cost of RM0.3 million resulted from the disposal of certain prime movers, forklift and trailers that had past its expected useful lives with minimal net book value.

The gross profit and gross profit margin of depot centre services increased from approximately RM0.2 million and 10.5% for the six months ended 30 June 2018 to RM1.4 and 35.1% for the six months ended 30 June 2019. Our increase in gross profit and gross profit margin was mainly due to (i) commence of business of our second depot centre in October 2018 which drive up the revenue and drive down the average fixed costs (e.g. lease expenses down); and (ii) we obtained a waiver of the levy charges from port operator during the six months ended 30 June 2019.

Other income

Our other income primarily consists of (i) gain on disposal of property, plant and equipment; (ii) investment income arising from financial assets at fair value through profit or loss and (iii) sundry income. The following table sets forth the breakdown of our other income during the Track Record Period:

				For the six months ended 30 June	
	FY2016	**FY2017**	**FY2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(Unaudited)	
Bank interest income	16	6	19	2	1
Gain on disposal of property, plant and equipment	–	449	557	120	1,653
Investment income arising from financial assets at fair value through profit or loss	181	92	111	22	–
Sundry income	283	318	588	283	336
Total	480	865	1,275	427	1,990

Other income amounted to approximately RM0.5 million, RM0.9 million, RM1.3 million, RM0.4 million and RM2.0 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. The increase throughout the Track Record Period was mainly due to the gain on disposal of our property, plant and equipment. For the six months ended 30 June 2019, we recorded a gain on disposal of property, plant and equipment of approximately RM1.7 million which was mainly due to our disposal of prime movers, forklift, and trailers with a gain of approximately RM1.5 million.

Administrative and other operating expenses

The following table sets forth administrative and other operating expenses during the Track Record Period:

							For the six months ended 30 June			
	FY2016		FY2017		FY2018		2018		2019	
	RM'000	*%*	*RM'000*	*%*	*RM'000*	*%*	*RM'000* (Unaudited)	*%*	*RM'000*	*%*
Depreciation	3,773	21.6	4,598	29.2	4,783	31.1	2,367	32.1	2,065	23.6
Legal and professional fees	622	3.6	116	0.7	1,330	8.7	143	1.9	214	2.4
Repair and maintenance expenses	2,704	15.4	449	2.9	569	3.7	199	2.7	264	3.0
Staff cost (including director fees)	5,205	29.7	5,507	35.0	5,540	36.1	3,008	40.8	3,459	39.6
Office and utility expenses	771	4.4	664	4.2	408	2.6	98	1.3	429	4.9
Travelling expenses	385	2.2	506	3.2	471	3.1	205	2.8	235	2.7
Others	4,045	23.1	3,892	24.8	2,261	14.7	1,356	18.4	2,088	23.8
Total	17,505	100.0	15,732	100.0	15,362	100.0	7,376	100.0	8,754	100.0

Our administrative and other operating expenses amounted to approximately RM17.5 million, RM15.7 million, RM15.4 million, RM7.4 million and RM8.8 million, representing approximately 9.2%, 8.3%, 7.6%, 7.6% and 8.9% of our total revenue for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively.

Staff cost

The staff cost were the biggest component of our Group's total administrative and other operating expenses and they accounted for approximately 29.7%, 35.0%, 36.1% and 39.6% of our Group's total administrative and other operating expenses for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively, and we had a total number of administrative staff of 81, 81, 92, 77 and 95 for the same period.

Legal and professional fees

We recorded legal and professional fees of approximately RM0.6 million for FY2016 mainly due to the legal fee incurred in the course of the advising on banking facilities for the purchase of a plot of land identified as Lot 26 during FY2016. We recorded legal and professional fees of approximately RM1.3 million during FY2018 mainly due to the stamping duties paid in relation to the lease of the land where the New PKFZ Warehouse is situated.

Repair and maintenance expenses

We recorded repair and maintenance expenses of approximately RM2.7 million for FY2016 mainly due to the earthwork performed for the land subsidence of the land which the Freight Village Bonded Warehouse and Freight Village Warehouse are situated of approximately RM1.6 million.

Finance costs

Finance costs mainly represent interest on interest-bearing borrowings and lease liabilities. Our finance costs were approximately RM1.4 million, RM2.3 million, RM2.7 million, RM1.7 million and RM1.6 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. The increase of our finance cost throughout FY2016, FY2017 and FY2018 is mainly due to the increase in interest-bearing borrowings and bank overdrafts. Our finance costs remained stable for the six months ended 30 June 2018 and 2019. The following table sets out a breakdown of our finance costs during the Track Record Period:

				For the six months ended 30 June	
	FY2016	**FY2017**	**FY2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(Unaudited)	
Interest on bank overdrafts	30	94	114	49	195
Interest on interest-bearing borrowings	604	1,155	1,450	1,023	734
Interest on lease liabilities	801	1,063	1,162	623	719
Total	1,435	2,312	2,726	1,695	1,648

Loss on disposal of equity interests in an associate

Our loss on disposal of equity interests in an associate amounted to approximately RM38,000, nil, nil, nil and nil for FY2016, FY2017, FY2018 and the six months ended 30 June 2018 and 2019, respectively. The loss was due to the disposal of the equity interests in FGN Logistics Sdn. Bhd. during the Track Record Period, which resulted in loss recognised in profit or loss. For details, please refer to note 15 of the Accountants' Report set out in Appendix I to this prospectus.

Loss or gain on disposal of subsidiaries

Our loss on disposal of subsidiaries amounted to approximately RM0.9 million for FY2016, while we recorded a gain on disposal of approximately RM27,000 for FY2018. The loss or gain was due to the disposal of the equity interests in Andaman Coastal, BLS Infinity (MY) and AWH Infinity (MY) during the Track Record Period, which resulted in gain or loss recognised in profit or loss. For details, please refer to note 29 of the Accountants' Report set out in Appendix I to this prospectus.

Share of results of associates

We recorded share of loss of associates of approximately RM1,000 and RM40,000 for FY2016 and FY2017, respectively, while we recorded share of gain of associates of approximately RM33,000 for FY2018. For the six months ended 30 June 2018 and 2019, we recorded share of gain of associates of approximately RM18,000 and RM66,000, respectively. Share of results of associates represented the aggregate share of our associates' net profits or losses attributable to our interests in those associates. During the Track Record Period, our share of results of associates mainly comprised our share of results of AWH Infinity (MY) and Asia Global (MY), in which our Group had disposed of AWH Infinity (MY)'s entire equity interests during FY2018. For details, please refer to note 15 and 29 of the Accountants' Report set out in Appendix I to this prospectus.

Listing expenses

Listing expenses was related to expenses in relation to the Listing charged to our Group's combined statements of profit or loss and other comprehensive income during the Track Record Period. For details, please refer to the paragraph headed "Listing expenses" in this section.

Income tax expenses

During the Track Record Period, the income tax expenses incurred by our Group amounted to approximately RM0.9 million, RM1.7 million, RM3.7 million and RM2.3 million, respectively. The following table sets forth breakdown of the income tax expenses of our Group during the Track Record Period:

				For the six months ended 30 June	
	FY2016	**FY2017**	**FY2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(Unaudited)	
Current tax					
Malaysia corporate income tax	1,410	1,674	4,034	2,125	2,630
Labuan corporate income tax	26	46	41	19	10
Singapore corporate income tax	43	41	17	9	–
	1,479	1,761	4,092	2,153	2,640
Deferred tax	(573)	(45)	(416)	(208)	(337)
Total	906	1,716	3,676	1,945	2,303

The majority of the profit was generated by our operations in Malaysia (except for the Federal Territory of Labuan) which were subject to a profit tax rate of 24% on the estimated assessable profits arising in Malaysia during the Track Record Period. However, Infinity L&T (MY) and Infinity Bulk Logistics (MY) enjoyed incentive tax rate with the grant of pioneer status from 12 July 2011 to 11 July 2016 and from 5 January 2018 to 4 January 2023, respectively. As a result, we enjoyed tax incentive under pioneer status of Infinity L&T (MY) for FY2016 and that of Infinity Bulk Logistics (MY) for FY2018 and the six months ended 30 June 2019. Therefore, our effective tax rate was approximately 7.1%, 16.1%, 14.0% and 21.3% for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively, which were lower than the Malaysian statutory tax rate. The fluctuation of our effective tax rate throughout the Track Record Period was also because of the incentive tax rate. The increase in effective tax rate from approximately 7.1% for FY2016 to approximately 16.1% for FY2017 was mainly due to the decrease in tax incentive under pioneer status as a result of the lapse of pioneer status of Infinity L&T (MY) on 11 July 2016. The decrease in effective tax rate from approximately 16.1% for FY2017 to approximately 14.0% for FY2018 was mainly due to the increase in tax incentive under pioneer status as a result of the grant of pioneer status to Infinity Bulk Logistics (MY) on 5 January 2018. Our effective tax rate remained stable at approximately 19.7% for the six months ended 30 June 2018 and 21.3% for the six months ended 30 June 2019. Our Directors are not aware of any unpaid tax, dispute or unresolved tax issue with the relevant tax authority. The following table sets forth the reconciliation of our income tax expenses during the Track Record Period:

				For the six months ended 30 June	
	FY2016	**FY2017**	**FY2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(Unaudited)	
Profit before tax	12,723	10,649	26,179	9,896	10,834
Income tax at applicable tax rate	1,894	1,665	5,407	2,070	1,818
Effect of graduated tax rate	(104)	(30)	–	–	–
Non-deductible expenses	1,138	244	755	1,148	1,775
Tax exempt revenue	(366)	(163)	(414)	(237)	(789)
Tax incentive under pioneer status	(1,656)	–	(2,072)	(1,036)	(501)
Income tax expenses	906	1,716	3,676	1,945	2,303

YEAR/PERIOD TO YEAR/PERIOD COMPARISON OF RESULTS OF OPERATIONS

FY2017 compared with FY2016

Revenue

Our revenue remained stable of approximately RM189.3 million and RM188.6 million for FY2016 and FY2017, respectively.

The revenue contributable to our flexitank solution and related services increased from approximately RM47.7 million for FY2016 to approximately RM51.7 million for FY2017, representing an increase of approximately RM4.0 million or 8.4%. Such increase was primarily attributable to the growing export activity and active palm oil export industry in Malaysia.

The revenue contributable to our integrated freight forwarding services increased from approximately RM52.9 million for FY2016 to approximately RM63.0 million for FY2017, representing an increase of approximately RM10.1 million or 19.1%. Such increase was because the increase in revenue of NVOCC services from approximately RM35.2 million in FY2016 to approximately RM45.4 million in FY2017, while the revenue of integrated freight forwarding services segment remined stable of approximately RM17.7 million and RM17.6 million for FY2016 and FY2017, respectively. Such increase in revenue of NVOCC services was mainly due to improved economics and trading activities in Southeast Asia.

The revenue contributable to our railroad transportation services increased from approximately RM13.0 million for FY2016 to approximately RM14.7 million for FY2017, representing an increase of approximately RM1.7 million or 13.1%. Such difference was mainly due to the new customer Sritrang Landbridge Co., Ltd secured during FY2017 and the decrease in revenue from Customer B between FY2016 and FY2017.

The revenue contributable to our logistics centre and related services decreased from approximately RM75.7 million for FY2016 to approximately RM59.3 million for FY2017, representing a decrease of approximately RM16.4 million or 21.7%. Such decrease was mainly due to the decrease in revenue of Warehouse and Ancillary Services from approximately RM71.5 million to RM55.7 million. Such decrease was mainly due to the proposed winding-up of Customer A placed on 1 August 2017 which resulted in the decrease in sale to Customer A between FY2017 and FY2018.

Cost of services and goods sold

The cost of services and goods sold increased from approximately RM158.2 million for FY2016 to approximately RM159.9 million for FY2017, representing an increase of approximately RM1.7 million or 1.1%. Our Directors consider that there was no material fluctuation in our cost of services and goods sold between FY2016 and FY2017.

The cost of inventories increased from approximately RM33.1 million for FY2016 to approximately RM38.0 million for FY2017, representing an increase of approximately RM4.9 million or 14.8%. During FY2017, we recognised a one-off provision of leakage claim of approximately RM2.0 million in cost of inventories. For details, please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Flexitank solution and related services" in this section. Without taking into account of such provision of leakage claims recognised in profit or loss, the increase of cost of inventories was in line with the increase of our revenue from flexitank solution and related services.

The freight charges increased from approximately RM24.2 million for FY2016 to approximately RM40.2 million for FY2017, representing an increase of approximately RM16.0 million or 66.1%. Such increase was in line with the increase in total revenue from our NVOCC services, ocean freight services, air freight services, and railroad transportation services.

The transportation and haulage charges decreased from approximately RM33.4 million for FY2016 to approximately RM24.6 million for FY2017, representing a decrease of approximately RM8.8 million or 26.3%. Such decrease was in line with the decrease in revenue of our logistics centre and related services business in FY2017.

The total staff cost decreased from approximately RM18.5 million for FY2016 to approximately RM17.2 million for FY2017, representing a decrease of approximately RM1.3 million or 7.0%. Such decrease was mainly due to the decrease in total number of operational staff.

Gross profit and gross profit margin

Our gross profit decreased from approximately RM31.0 million for FY2016 to approximately RM28.7 million for FY2017, representing a decrease of approximately RM2.3 million or 7.4%. The decrease was mainly attributable to the decrease of gross profit of our (i) flexitank solution and related services, (ii) railroad transportation services and (iii) logistics centre and related services by approximately RM0.9 million, RM1.6 million and RM1.6 million, respectively; and partial offset by the increase of gross profit of our integrated freight forwarding services by approximately RM1.9 million.

In particular, the gross profit of flexitank solution and related services decreased from approximately RM14.6 million for FY2016 to approximately RM13.7 million for FY2017, representing a decrease of approximately RM0.9 million or 6.2%. The gross profit margin also decreased from approximately 30.6% for FY2016 to approximately 26.4% for FY2017. Both were primarily due to the one-off provision for leakage claims of approximately RM2.0 million recognised as cost of inventories in profit or loss during FY2017. Our Directors consider that the gross profit and gross profit margin of our flexitank solution and related services was stable between FY2016 and FY2017 without taking into account of the provision of leakage claims.

The gross profit of integrated freight forwarding services increased from approximately RM5.8 million for FY2016 to approximately RM7.7 million for FY2017, representing an increase of approximately RM1.9 million or 32.8%. Apart from the increased gross profit, the gross profit margin increased from approximately 11.0% for FY2016 to approximately 12.2% for FY2017. Please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Integrated freight forwarding services" in this section for the reason of fluctuation.

The gross profit of railroad transportation services decreased from approximately RM5.8 million for FY2016 to approximately RM4.2 million for FY2017, representing decrease of approximately RM1.6 million or 27.6%. The gross profit margin decreased from approximately 44.9% for FY2016 to 28.3% for FY2017. Please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Railroad transportation services" in this section for the reason of fluctuation.

The gross profit of logistics centre and related services decreased from approximately RM4.8 million for FY2016 to approximately RM3.2 million for FY2017, representing a decrease of approximately RM1.6 million or 33.3%. The gross profit margin decreased from approximately 6.4% for FY2016 to approximately 5.4% for FY2017. Both were primarily because the decrease in revenue of our logistics centre and related services combined with the continued incurrence of our fixed cost such as lease expenses.

Other income

Our other income increased from approximately RM0.5 million for FY2016 to approximately RM0.9 million for FY2017, representing an increase of approximately RM0.4 million or 80.0%. Such increase was mainly due to the increase in gain on disposal of our property, plant and equipment.

Administrative and other operating expenses

Our administrative and other operating expenses decreased from approximately RM17.5 million for FY2016 to approximately RM15.7 million for FY2017, representing a decrease of approximately RM1.8 million or 10.3%. Such decrease was mainly due to the decrease in legal and professional fees and repair and maintenance expenses.

Finance costs

Financial costs increased from approximately RM1.4 million for FY2016 to approximately RM2.3 million for FY2017, representing an increase of approximately RM0.9 million or 64.3%. The increase was mainly due to the increase in interest on interest-bearing borrowings from approximately RM0.6 million for FY2016 to approximately RM1.2 million for FY2017, which was in line with the increase in interest-bearing borrowings between FY2016 and FY2017. For details of our indebtedness, please refer to the paragraph headed "Indebtedness" in this section.

Income tax expenses

Income tax expenses increased from approximately RM0.9 million for FY2016 to approximately RM1.7 million for FY2017, representing an increase of approximately RM0.8 million or 88.9%. The increase was mainly due to the lapse of pioneer status of Infinity L&T (MY) on 11 July 2016.

Profit for the year and net profit margin

As a result of the above factors, our profit for the year decreased by approximately RM2.9 million or approximately 24.6% from approximately RM11.8 million for FY2016 to approximately RM8.9 million for FY2017. Our net profit margin decreased from approximately 6.2% for FY2016 to approximately 4.7% for FY2017.

FY2018 compared with FY2017

Revenue

Our revenue increased from approximately RM188.6 million for FY2017 to approximately RM201.2 million for FY2018, representing an increase of approximately RM12.6 million or 6.7%. The increase in revenue primarily due to the increase of revenue of flexitank solution and related services, integrated freight forwarding services, and railroad transportation services by approximately RM11.8 million, RM5.3 million and RM0.9 million, respectively, and partially offset by the decrease of revenue of logistics centre and related services by approximately RM5.5 million.

The revenue contributable to our flexitank solution and related services increased from approximately RM51.7 million for FY2017 to approximately RM63.5 million for FY2018, representing an increase of approximately RM11.8 million or 22.8%. Such increase was because primarily attributable to the growing export activity and active palm oil export industry in Malaysia.

The revenue contributable to our integrated freight forwarding services increased from approximately RM63.0 million for FY2017 to approximately RM68.3 million for FY2018, representing an increase of approximately RM5.3 million or 8.4%. Such increase was the increase in revenue of NVOCC services from approximately RM45.4 million for FY2017 to approximately RM48.3 million for FY2018 and the increase in revenue of ocean freight services segment from approximately RM11.7 million for FY2017 to approximately RM14.9 million for FY2018. Such increase in revenue of NVOCC services and ocean freight services was due to the improved economics and trading activities in Southeast Asia.

The revenue contributable to our railroad transportation services increased from approximately RM14.7 million for FY2017 to approximately RM15.6 million for FY2018, representing an increase of approximately RM0.9 million or 6.1%. Such increase was mainly due to the increase in revenue of landbridge services from approximately RM12.5 million in FY2017 to approximately RM13.3 million in FY2018 resulted from the increased trade activities between Malaysia and Thailand.

The revenue contributable to our logistics centre and related services decreased from approximately RM59.3 million for FY2017 to approximately RM53.8 million for FY2018, representing a decrease of approximately RM5.5 million or 9.3%. Such decrease was mainly due to the cessation of business with Customer A since FY2018 result from its winding-up petition placed on 1 August 2017.

Cost of services and goods sold

The cost of services and goods sold remained stable at approximately RM159.9 million for FY2017 and RM156.9 million for FY2018.

The cost of inventories increased from approximately RM38.0 million for FY2017 to approximately RM41.0 million for FY2018, representing an increase of approximately RM3.0 million or 7.9%. During FY2017, we recognised a one-off provision for leakage claims of approximately RM2.0 million in cost of inventories. Such provision was fully reversed during FY2018. For details, please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Flexitank solution and related services" in this section. Without taking into account of such recognition and reversal of provision of leakage claims, the increase of cost of inventories was in line with the increase of our revenue from flexitank solution and related services.

The freight charges remained stable at approximately RM40.2 million and RM40.1 million for FY2017 and FY2018, respectively.

The transportation and haulage charges decreased from approximately RM24.6 million for FY2017 to approximately RM19.3 million for FY2018, representing a decrease of approximately RM5.3 million or 21.5%. Such decrease was in line with the decrease in revenue of our logistics centre and related services business in FY2017.

The total staff cost maintained at approximately RM17.2 million for FY2017 and FY2018 due to the different composition of our employees by function.

Gross profit and gross profit margin

Our gross profit increased from approximately RM28.7 million for FY2017 to approximately RM44.3 million for FY2018, representing an increase of approximately RM15.6 million or 54.4%. The increase was mainly attributable to the increase of gross profit of our (i) flexitank solution and related services; (ii) integrated freight forwarding services; (iii) railroad transportation services; and (iv) logistics centre and related services by approximately RM8.8 million, RM5.3 million, RM0.5 million and RM0.8 million, respectively.

In particular, the gross profit of flexitank solution and related services increased from approximately RM13.7 million for FY2017 to approximately RM22.5 million for FY2018, representing an increase of approximately RM8.8 million or 64.2%. Such increase was mainly due to the increase in revenue from our flexitank solution and related services. Apart from the increased gross profit, the gross profit margin increased from approximately 26.4% for FY2017 to approximately 35.5% for FY2018 mainly due to the reversal of one-off provision for leakage claims of approximately RM2.0 million recognised as cost of inventories in profit or loss during FY2018. Our Directors consider that the gross profit margin of our flexitank solution and related services was stable between FY2017 and FY2018 without taking into account of the recognition and reversal of provision of leakage claims.

The gross profit of integrated freight forwarding services increased from approximately RM7.7 million for FY2017 to approximately RM13.0 million for FY2018, representing an increase of approximately RM5.3 million or 68.8%. Apart from the increased gross profit, the gross profit margin increased from approximately 12.2% for FY2017 to approximately 19.1% for FY2018. Please refer to the paragraph headed "Description to selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Integrated freight forwarding services" in this section for the reason of fluctuation.

The gross profit of railroad transportation services increased from approximately RM4.2 million for FY2017 to approximately RM4.7 million for FY2018, representing an increase of approximately RM0.5 million or 11.9%. Apart from the increased gross profit, the gross profit margin increased from approximately 28.3% for FY2017 to approximately 30.4% for FY2018. Both were primarily due to the increase in revenue of our railroad transportation services.

The gross profit of logistics centre and related services increased from approximately RM3.2 million for FY2017 to approximately RM4.0 million for FY2018, representing an increase of approximately RM0.8 million or 25.0%. Apart from the increased gross profit, the gross profit margin also increased from approximately 5.4% for FY2017 to approximately 7.4% for FY2018. Both were primarily attributable to the gross profit of depot centre increased from approximately RM0.4 million for FY2017 to RM0.9 million for FY2018, and the gross profit margin of depot centre increased from approximately 9.9% for FY2017 to 17.6% for FY2018. Such increase in gross profit and gross profit margin was primarily attributable to the increase in volume and revenue combined with the continued incurrence of our fixed costs (e.g. lease expenses).

Other income

Our other income increased from approximately RM0.9 million for FY2017 to approximately RM1.3 million for FY2018, representing an increase of approximately RM0.4 million or 44.4%. Such increase was mainly due to the increase in gain on disposal of our property, plant and equipment.

Administrative and other operating expenses

Our administrative and other operating expenses decreased from approximately RM15.7 million for FY2017 to approximately RM15.4 million for FY2018, representing a decrease of approximately RM0.3 million or 1.9%. Our Directors consider there was no material fluctuation in our administration and other operating expenses between FY2017 and FY2018.

Finance costs

Financial costs increased from approximately RM2.3 million for FY2017 to approximately RM2.7 million for FY2018, representing an increase of approximately RM0.4 million or 17.4%. The increase was mainly due to the increase in interest on interest-bearing borrowings from approximately RM1.2 million for FY2017 to approximately RM1.5 million for FY2018, which was in line with the increase in interest-bearing borrowings. For details of our indebtedness, please refer to the paragraph headed "Indebtedness" in this section.

Listing expenses

Our Group recorded a non-recurring listing expenses of approximately RM1.9 million for FY2018.

Income tax expenses

Income tax expenses increased from approximately RM1.7 million for FY2017 to approximately RM3.7 million for FY2018, representing an increase of approximately RM2.0 million or 117.6%. The increase in income tax expense was in line with the increase in our profit before tax. Despite the fact that the increase in profit before tax was approximately 145.8% between FY2017 and FY2018, our income tax expense increased in a slower rate of approximately 114.2% mainly because of the pioneer status of Infinity Bulk Logistics (MY) granted on 5 January 2018.

Profit for the year and net profit margin

As a result of the above factors, our profit for the year increased by approximately 152.8% from approximately RM8.9 million for FY2017 to approximately RM22.5 million for FY2018. Our net profit margin increased from approximately 4.7% for FY2017 to approximately 11.2% for FY2018.

The six months ended 30 June 2019 compared with the six months ended 30 June 2018

Revenue

Our revenue increased from approximately RM96.8 million for the six month ended 30 June 2018 to approximately RM98.7 million for the six months ended 30 June 2019. Such increase was due to the increase of revenue of flexitank solution and related services, integrated freight forwarding services, and railroad transportation services by approximately RM0.9 million, RM1.2 million and RM2.3 million, respectively, and partially offset by the decrease of revenue of logistics centre and related services by approximately RM2.6 million.

The revenue contributable to our flexitank solution and related services and integrated freight forwarding services remained stable at approximately RM30.4 million and RM33.4 for the six months ended 30 June 2018, respectively, and approximately RM31.3 million and RM34.6 million for the six months ended 30 June 2019, respectively.

The revenue contributable to our railroad transportation services increased from approximately RM7.0 million for the six months ended 30 June 2018 to RM9.3 million for the six months ended 30 June 2019. Such increase was primarily attributable to the increase in revenue of landbridge services from approximately RM5.5 million for the six months ended 30 June 2018 to approximately RM8.4 million for the six months ended 30 June 2019 resulted from the increased trade activities between Malaysia and Thailand.

The revenue contributable to our logistics centre and related services decreased from approximately RM26.1 million for the six months ended 30 June 2018 to RM23.5 million for the six months ended 30 June 2019. Please refer to the paragraph headed "Description of selected items from combined statement of profit or loss and other comprehensive income – Revenue – Logistic centre and related services" in this section for the reason of fluctuation.

Cost of services and goods sold

The costs of services and goods sold decreased from approximately RM78.6 million for the six months ended 30 June 2018 to RM75.1 million for the six months ended 30 June 2019, representing a decrease of approximately RM3.5 million or 4.5%. The cost of inventories remained stable of approximately RM21.3 million and RM21.5 million for the six months ended 30 June 2018 and the six months ended 30 June 2019, respectively.

The freight charges decreased from approximately RM20.3 million for the six months ended 30 June 2018 to RM17.2 million for the six months ended 30 June 2019, representing a decrease of approximately RM3.1 million or 15.3%. Such decrease was mainly due to (i) our arrangement with Customer H, which contributed approximately RM2.7 million for the six months ended 30 June 2019 and is one of the five largest customers of our Group for the same period; and (ii) the decrease in revenue contributed by a customer by approximately RM1.2 million between the six months ended 30 June 2018 and 2019, which contributed a relatively low gross profit margin and in turn drive the freight charges down.

The transportation and haulage charges decreased from approximately RM9.3 million for the six months ended 30 June 2018 to RM6.8 million for the six months ended 30 June 2019, representing a decrease of approximately RM2.5 million or 26.9%. Such decrease was mainly due to the disposal of our prime movers, forklift and trailers during the six months ended 30 June 2019.

The total staff cost remained stable at approximately RM8.7 million for the six months ended 30 June 2018 and RM8.2 million for the six months ended 30 June 2019.

Gross profit and gross profit margin

Our gross profit increased from approximately RM18.2 million for the six months ended 30 June 2018 to RM23.6 million for the six months ended 30 June 2019, representing an increase of approximately RM5.4 million or 29.7%. The increase was mainly attributable to the increase of gross profit in our (i) flexitank solution and related services, (ii) integrated freight forwarding services, (iii) railroad transportation services and (iv) logistics centre and related services by RM0.7 million, RM1.8 million, RM1.2 million and RM1.8 million, respectively.

For the six months ended 30 June 2018 and 2019, our gross profit for flexitank solution and related services amounted to approximately RM9.1 million and RM9.8 million and the gross profit margin was approximately 29.8% and 31.2%, respectively. Our Directors consider that the gross profit and gross profit margin remained stable for the six months ended 30 June 2019 when compared to the six months ended 30 June 2018.

The gross profit of integrated freight forwarding services increased from approximately RM5.6 million for the six months ended 30 June 2018 to RM7.4 million for the six months ended 30 June 2019, representing an increase of approximately RM1.8 million or 32.1%. Apart from the increase in gross profit, the gross profit margin increased from approximately 16.9% for the six months ended 30 June 2018 to approximately 21.4% for the six months ended 30 June 2019. Please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Integrated freight forwarding services" in this section for the reason of fluctuation.

The gross profit of railroad transportation services increased from approximately RM1.9 million for the six months ended 30 June 2018 to approximately RM3.1 million for the six months ended 30 June 2019, representing an increase of approximately RM1.2 million or 63.2%. The gross profit margin increased from approximately 27.3% for the six months ended 30 June 2018 to approximately 33.4% for the six months ended 30 June 2019. Please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Railroad transportation services" in this section for the reason of fluctuation.

The gross profit of logistic centre and related services increased from approximately RM1.6 million for the six months ended 30 June 2018 to approximately RM3.4 million for the six months ended 30 June 2019, representing an increase of approximately RM1.8 million or 112.5%. The gross profit margin increased from approximately 6.0% for the six months ended 30 June 2018 to approximately 14.3% for the six months ended 30 June 2019. Please refer to the paragraph headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Logistic centre and related services" in this section for the reason of fluctuation.

Other income

Our other income increased from approximately RM0.4 million for the six months ended 30 June 2018 to approximately RM2.0 million for the six months ended 30 June 2019, representing an increase of approximately RM1.6 million or 400.0%. Such increase was mainly due to the disposal of our prime movers, forklift and trailers with a gain of approximately RM1.5 million.

Administration and other operating expenses

Our administrative and other operating expenses increased from approximately RM7.4 million for the six months ended 30 June 2018 to approximately RM8.8 million for the six months ended 30 June 2019, representing an increase of approximately RM1.4 million or 18.9%. Such increase was mainly due to the increase of staff cost of approximately RM0.5 million as a result of the increase of the total number of administrative staff.

Finance costs

Financial costs remained stable at approximately RM1.7 million and RM1.6 million for the six months ended 30 June 2018 and 2019, respectively.

Income tax expenses

Income tax expenses increased from approximately RM1.9 million for the six months ended 30 June 2018 to approximately RM2.3 million for the six months ended 30 June 2019, representing an increase of approximately RM0.4 million or 21.1%. The increase was mainly due to the increase in profit before tax of approximately RM0.9 million and the Listing expense of approximately RM5.4 million recorded in the six months ended 30 June 2019 which is non-deductible for tax purpose.

Profit for the year and net profit margin

Our profit for the year increased by approximately RM0.5 million or approximately 6.3% from approximately RM8.0 million for the six months ended 30 June 2018 to RM8.5 million for the six months ended 30 June 2019. Our net profit margin increased from approximately 8.3% for the six months ended 30 June 2018 to approximately 8.6% for the six months ended 30 June 2019.

LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of liquidity and capital resources have been, and are expected to continue to be, cash generated from our operations and borrowings. Our primary uses of cash have been, and are expected to continue to be, for the funding of required working capital to support an increase in our scale of operations. Upon completion of the Share Offer, our Directors expect that our source of funds will be a combination of cash generated from our operation and net proceeds from the Share Offer, and we may also rely on debt financing, if necessary.

Cash flows

The following table is a condensed summary of our combined statements of cash flows for the years/periods indicated:

	FY2016	FY2017	FY2018	For the six months ended 30 June 2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(Unaudited)	
Net cash generated from operating activities	30,171	6,096	33,790	16,702	23,995
Net cash used in investing activities	(24,813)	(19,127)	(11,926)	(14,269)	(15,628)
Net cash (used in)/generated from financing activities	(2,841)	12,619	(11,859)	(7,775)	(8,874)
Net increase/(decrease) in cash and cash equivalents	2,517	(412)	10,005	(5,342)	(507)
Cash and cash equivalents at the beginning of the year/period	4,137	6,661	5,974	5,974	15,987
Effect on exchange rate changes	7	(275)	8	(77)	(12)
Cash and cash equivalents at the end of the year/period	6,661	5,974	15,987	555	15,468

Net cash generated from operating activities

We derive our cash generated from operating activities principally from the receipt of payments for our services provided to our customers. Cash used in operating activities is principally for purchases of raw material for our flexitank production, finished flexitank from our overseas OEM manufacturers and cargo space and operating expenses such as staff costs.

Net cash flows from operating activities primarily consist of our profit before tax, adjusted by non-cash and non-operating items such as depreciation, finance costs, exchange differences, reversal of or provision for impairment loss of trade receivables, loss or gain on disposal of subsidiaries, loss on disposal equity interests in an associate, the effect of changes in working capital and the income tax and interest paid.

Our net cash generated from operating activities amounted to approximately RM30.2 million for FY2016, while our net cash inflow from operating activities after adjusting for non-cash and non-operating items but before change in working capital amounted to approximately RM24.0 million. The difference of approximately RM6.2 million was mainly due to (i) the increase in inventories of approximately RM0.5 million; (ii) the decrease in restricted bank balance of approximately RM0.3 million; (iii) the decrease in trade and other receivables approximately RM10.2 million; (iv) the decrease in trade and other payables of approximately RM0.9 million; and (v) the income tax and interest paid of approximately RM2.9 million.

Our net cash generated from operating activities amounted to approximately RM6.1 million for FY2017, while our net cash inflow from operating activities after adjusting for non-cash and non-operating items but before change in working capital amounted to approximately RM22.8 million. The difference of approximately RM16.7 million was mainly due to (i) the increase in inventories of approximately RM1.4 million; (ii) the increase in restricted bank balance of approximately RM29,000; (iii) the increase in trade and other receivables approximately RM15.3 million; (iv) the increase in trade and other payables of approximately RM4.0 million; and (v) the income tax and interest paid of approximately RM4.0 million.

Our net cash generated from operating activities amounted to approximately RM33.8 million for FY2018, while our net cash inflow from operating activities after adjusting for non-cash and non-operating items but before change in working capital amounted to approximately RM39.6 million. The difference of approximately RM5.8 million was mainly due to (i) the decrease in inventories of approximately RM0.2 million; (ii) the decrease in restricted bank balance of approximately RM0.2 million; (iii) the decrease in trade and other receivables approximately RM4.6 million; (iv) the decrease in trade and other payables of approximately RM6.7 million; and (v) the income tax and interest paid of approximately RM4.1 million.

Our net cash generated from operating activities amounted to approximately RM24.0 million for the six months ended 30 June 2019, while our net cash inflow from operating activities after adjusting for non-cash and non-operating items but before change in working capital amounted to approximately RM15.8 million. The difference of approximately RM8.2 million was mainly due to (i) the increase in inventories of approximately RM0.8 million; (ii) the decrease in trade and other receivables approximately RM13.2 million; (iii) the increase in trade and other payables of approximately RM2.0 million; and (v) the income tax and interest paid of approximately RM2.3 million.

Net cash used in investing activities

For FY2016, our net cash used in investing activities amounted to approximately RM24.8 million which was mainly related to (i) the purchases of property, plant and equipment of approximately RM21.6 million; (ii) the purchases of financial assets at fair value through profit or loss of approximately RM46.3 million; (iii) the redemption of financial assets at fair value through profit or loss of approximately RM40.4 million; and (iv) the net inflow from disposal of a subsidiary of approximately RM1.7 million.

For FY2017, our net cash used in investing activities amounted to approximately RM19.1 million which was mainly related to (i) the purchases of property, plant and equipment of approximately RM26.1 million; (ii) the purchases of financial assets at fair value through profit or loss of approximately RM26.9 million; and (iii) the redemption of financial assets at fair value through profit or loss of approximately RM32.6 million.

For FY2018, our net cash used in investing activities amounted to approximately RM11.9 million which was mainly related to (i) the purchases of property, plant and equipment of approximately RM14.4 million; (ii) the purchases of financial assets at fair value through profit or loss of approximately RM35.3 million; and (iii) the redemption of financial assets at fair value through profit or loss of approximately RM35.2 million.

For the six months ended 30 June 2019, our net cash used in investing activities amounted to approximately RM15.6 million which was mainly related to (i) the purchases of property, plant and equipment of approximately RM15.3 million; (ii) the prepayment made for acquisition of property, plant and equipment of approximately RM3.1 million; and (iii) the proceeds form disposals of property, plant and equipment of approximately RM2.8 million.

Net cash (used in)/generated from financing activities

For FY2016, our net cash used in financing activities amounted to approximately RM2.8 million which was mainly related to (i) the inception of interest-bearing borrowings of approximately RM15.4 million; (ii) the repayment of interest-bearing borrowings of approximately RM2.4 million; (iii) the repayment of lease liabilities of approximately RM6.9 million; (iv) dividends paid of approximately RM9.1 million.

For FY2017, our net cash generated from financing activities amounted to approximately RM12.6 million which was mainly related to (i) the inception of interest-bearing borrowings of approximately RM17.8 million; (ii) the repayment of interest-bearing borrowings of approximately RM2.2 million; (iii) the repayment of lease liabilities of approximately RM8.3 million; (iv) dividends paid of approximately RM0.5 million; and (v) repayment from the Controlling Shareholders of approximately RM6.0 million.

For FY2018, our net cash used in financing activities amounted to approximately RM11.9 million which was mainly related to (i) the inception of interest-bearing borrowings of approximately RM5.8 million; (ii) the repayment of interest-bearing borrowings of approximately RM2.2 million; (iii) the repayment of lease liabilities of approximately RM7.9 million; (iv) dividends paid of approximately RM3.6 million; and (v) advance to the Controlling Shareholders of approximately RM3.7 million.

For the six months ended 30 June 2019, our net cash used in financing activities amounted to approximately RM8.9 million which was mainly related to (i) the inception of interest-bearing borrowings of approximately RM16.5 million; (ii) the repayment of interest-bearing borrowings of approximately RM1.3 million; (iii) the repayment of lease liabilities of approximately RM3.7 million; (iv) dividends paid of approximately RM17.3 million; (v) advance to the Controlling Shareholders of approximately RM4.6 million; and (vi) repayment from related companies of approximately RM1.3 million.

DISCUSSION ON SELECTED BALANCE SHEET ITEMS

	As at 31 December			As at 30 June	As at 31 October
	2016	2017	2018	2019	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(Unaudited)
Non-current assets					
Property, plant and equipment	65,393	89,532	103,204	117,343	143,223
Prepayment of property, plant and equipment	–	–	–	3,110	–
Club membership	123	123	123	123	123
Goodwill	–	–	–	–	–
Interest in associates	–	–	33	99	99
	65,516	89,655	103,360	120,675	143,445
Current assets					
Inventories	6,511	7,922	7,761	8,534	8,988
Financial assets measured at fair value through profit or loss	5,800	–	–	–	–
Trade and other receivables	48,655	63,735	59,218	45,375	47,578
Restricted bank balances	182	211	31	31	31
Bank balances and cash	9,969	9,246	24,682	22,005	16,549
	71,117	81,114	91,692	75,945	73,146
Current liabilities					
Trade and other payables	41,139	51,007	40,082	37,539	52,056
Bank overdrafts	3,308	3,272	8,695	6,537	5,968
Interest-bearing borrowings	2,230	1,999	2,540	6,716	11,620
Lease liabilities	6,878	6,601	5,360	5,048	3,687
Income tax payables	342	438	3,132	5,130	1,861
	53,897	63,317	59,809	60,970	75,192
Net current assets (liabilities)	17,220	17,797	31,883	14,975	(2,046)
Total assets less current liabilities	82,736	107,452	135,243	135,650	141,399

	As at 31 December			As at 30 June	As at 31 October
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000* (Unaudited)
Non-current liabilities					
Interest-bearing borrowings	13,425	29,218	32,275	43,353	44,074
Lease liabilities	12,367	13,536	19,681	18,365	17,010
Deferred tax liabilities	1,005	960	544	207	544
	26,797	43,714	52,500	61,925	61,628
NET ASSETS	55,939	63,738	82,743	73,725	79,771

Net current assets

The following table sets forth a breakdown of our Group's current assets and liabilities as at the dates indicated:

	As at 31 December			As at 30 June	As at 31 October
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000* (Unaudited)
Current assets					
Inventories	6,511	7,922	7,761	8,534	8,988
Financial assets measured at fair value through profit or loss	5,800	–	–	–	–
Trade and other receivables	48,655	63,735	59,218	45,375	47,578
Restricted bank balances	182	211	31	31	31
Bank balances and cash	9,969	9,246	24,682	22,005	16,549
Total current assets	71,117	81,114	91,692	75,945	73,146

	As at 31 December			As at 30 June	As at 31 October
	2016	2017	2018	2019	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(Unaudited)
Current liabilities					
Trade and other payables	41,139	51,007	40,082	37,539	52,056
Bank overdrafts	3,308	3,272	8,695	6,537	5,968
Interest-bearing borrowings	2,230	1,999	2,540	6,716	11,620
Lease liabilities	6,878	6,601	5,360	5,048	3,687
Income tax payables	342	438	3,132	5,130	1,861
Total current liabilities	53,897	63,317	59,809	60,970	75,192
Net current assets (liabilities)	17,220	17,797	31,883	14,975	(2,046)

Our net current assets position increased form approximately RM17.2 million as at 31 December 2016 to approximately RM17.8 million as at 31 December 2017, representing an increase of approximately RM0.6 million or approximately 3.5%. Such increase was mainly due to (i) the increase in inventories of approximately RM1.4 million; (ii) the increase in trade and other receivables of approximately RM15.0 million, and partially offset by (i) the decrease in financial assets measured at fair value through profit or loss of approximately RM5.8 million; (ii) the decrease in bank balances and cash of approximately RM0.8 million; and the increase in trade and other payables of approximately RM9.9 million.

Our net current assets position further increased from RM17.8 million as at 31 December 2017 to approximately RM31.9 million as at 31 December 2018, representing an increase of approximately RM14.1 million or approximately 79.2%. Such increase was mainly due to (i) the increase in bank balances and cash of approximately RM15.5 million; (ii) the decrease in trade and other payables of approximately RM10.9 million; and (iii) the decrease in lease liabilities of approximately RM1.2 million and partially offset by (i) the decrease in trade and other receivables of approximately RM4.5 million; (ii) the increase in bank overdrafts and interest-bearing borrowings of approximately RM5.9 million; and (iii) the increase in income tax payables of approximately RM2.7 million.

Our net current assets position decreased from approximately RM31.9 million as at 31 December 2018 to approximately RM15.0 million as at 30 June 2019, representing a decrease of approximately RM16.9 million or approximately 53.0%. Such decrease was mainly due to (i) the increase in interest-bearing borrowings of approximately RM4.2 million; (ii) the decrease in trade and other receivables of approximately RM13.8 million; (iii) the decrease in bank balance and cash of approximately RM2.7 million; and (iv) the increase in income tax payables of approximately RM2.0 million and partially offset by (i) the decrease in trade and other payables of approximately RM2.5 million; (ii) the decrease in bank overdrafts of approximately RM2.2 million; and (iii) the increase in inventories of approximately RM0.7 million.

Our net current assets decreased from approximately RM15.0 million from 30 June 2019 to a net current liabilities position of approximately RM2.0 million as at 31 October 2019, representing a decrease of approximately RM17.0 million or 113.3%. Such decrease was mainly due to (i) the increase in trade and other payable by RM14.5 million, primarily due to the payable for acquisition of property, plant and equipment; and increase of interest-bearing borrowing by RM4.9 million, and partly offset by the decrease of income tax payable of RM3.3 million.

For further discussion on the fluctuations of the components of our current assets and currents liabilities mentioned above, please refer to the paragraph headed "Discussion on selected balance sheet items" in this section.

Property, plant and equipment

Property, plant and equipment mainly represented (i) right-of-use assets; (ii) buildings; (iii) containers and tanks; (iv) furniture and fittings; (v) computer and office equipment; (vi) motor vehicles; and (vii) construction-in-progress, which in aggregate amounted to approximately RM65.4 million, RM89.5 million, RM103.2 million and RM117.3 million as at 31 December 2016, 2017, 2018 and 30 June 2019, respectively. The increase of approximately RM24.1 million or 36.9% from approximately RM65.4 million as at 31 December 2016 to approximately RM89.5 million as at 31 December 2017 was mainly due to the addition of right-of-use assets, computer and office equipment and construction-in-progress of approximately RM9.7 million, RM2.0 million and RM23.0 million, respectively, which partially offset by the depreciation of our right-of-use assets, containers and tanks, computer and office equipment and motor vehicles of approximately RM6.1 million, RM1.0 million, RM1.1 million and RM1.6 million, respectively.

The increase of approximately RM13.7 million or 15.3% from approximately RM89.5 million as at 31 December 2017 to approximately RM103.2 million as at 31 December 2018 was mainly due to the addition of our right-of-use assets, buildings, furniture and fittings, computer and office equipment and construction-in-progress of approximately RM13.1 million, RM8.6 million, RM1.5 million, RM1.2 million and RM2.0 million, respective, which partially offset by the depreciation of our right-of-use assets, buildings, containers and tanks and computer and office equipment of approximately RM8.5 million, RM0.7 million, RM0.8 million and RM1.1 million, respectively.

The increase of approximately RM14.1 million or 13.7% from approximately RM103.2 million as at 31 December 2018 to approximately RM117.3 million as at 30 June 2019 was mainly due to the addition of our right-of-use assets, containers and tanks, furniture and fittings, computer and office equipment and construction-in-progress of approximately RM2.3 million, RM0.7 million, RM0.2 million, RM0.6 million and RM17.8 million, respectively, which was partially offset by the depreciation of our right-of-use assets, buildings, containers and tanks, furniture and fittings, computer and office equipment and motor vehicles of approximately RM3.4 million, RM0.4 million, RM0.4 million, RM0.2 million, RM0.7 million and RM1.2 million, respectively.

Financial assets measured at fair value through profit or loss

Our financial assets measured at fair value through profit or loss mainly represented the unlisted investments in money market funds placed with a bank in Malaysia. The funds can be redeemed from time to time and with expected rate of return at the prevailing deposits rates offered by the bank. The funds mainly invested in money market instruments, including negotiable instruments of deposits, bills of acceptance, commercial papers and fixed deposits. As at 31 December 2016, 2017, 2018 and 30 June 2019, our financial assets at fair value through profit or loss amounted to approximately RM5.8 million, nil, nil and nil, respectively. Please refer to note 17 to the Accountants' Report set out in Appendix I to this prospectus for analysis of the movement of the funds as at 31 December 2016, 2017 and 2018 and 30 June 2019.

Our treasury and investment policy

We have adopted the following measures for our investments in financial assets:

- the Board is responsible for the overall planning and evaluation of treasury policy, treasury investment as well as long term investment in equity;

- the management team of our Group is responsible for reviewing and approving the investment for wealth management products or treasury products;

- our accounting department is responsible for execution and implementation of treasury investment, reviewing and reporting to the Board;

- after confirming the existence of surplus cash, our accounting department will prepare a feasibility study on potential wealth management products discussing expected gains and risks;

- in the event of significant fluctuations in interest rate, our accounting department shall conduct analysis in a timely manner and provide the relevant information to the Board;

- in respect of long term equity investment, the Board may delegate a specific team to conduct analysis, due diligence and feasibility study on potential investment target, and the continuous monitoring and evaluation of the investees;

- our Directors set and review the cap for each type of investment quarterly; and

- in determining whether and what to invest, our management team considers, on a case-by-case basis, among other things, performance of the investment, the resources allocation among our various investments, the level of risks and creditworthiness, investment return, market acumen, liquidity requirement of our Group and compliance requirement. Our investment portfolio and policies will be reviewed by our Directors and management team on a regular basis.

Inventories

Our inventory comprised raw materials and finished goods. The table below sets out the summary of our inventory balances as at the dates indicated and turnover days for the year/period indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Raw materials	2,651	3,636	4,107	4,682
Finished goods	3,860	4,286	3,654	3,852
Total	6,511	7,922	7,761	8,534

	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**
	days	*days*	*days*	*days*
Average inventory turnover days *(Note)*	69.4	69.3	69.9	68.6

Note: Average inventory turnover days is calculated based on the average balance of inventory divided by total cost of inventories for the relevant year/period and multiplied by 365 days for FY2016, FY2017, FY2018 and by 181 days for the six months ended 30 June 2019. Average balance of inventory is calculated by dividing the sum of inventory at the beginning and the end of the year by two.

Our raw materials primarily consisted of polyethylene film, polypropylene woven and valve for our own production of flexitanks, while our finished goods primarily consisted of finished flexitanks either produced by ourselves or purchased from our overseas OEM manufacturers. Our inventories amounted to approximately RM6.5 million, RM7.9 million, RM7.8 million and RM8.5 million as at 31 December 2016, 2017, 2018 and 30 June 2019, respectively.

For FY2016, FY2017, FY2018 and the six months ended 30 June 2019, our average inventory turnover days were approximately 69.4 days, 69.3 days, 69.9 days and 68.6 days, respectively. Our Directors consider that there was no materials fluctuation of our average inventory turnover days during the Track Record Period.

We actively monitor our inventory levels for slow moving inventory, obsolescence or declines in market value. Our management reviews the condition of inventories at the end of each reporting period and considers to any write-down of inventories that are identified as obsolete, slow-moving or no longer recoverable. Our management carries out the inventory review on a product-by-product basis and write-down of inventories by reference to the latest market prices and current market conditions. During the Track Record Period, no write-down of inventories was recognised.

As at the Latest Practicable Date, our inventories as at 30 June 2019 had been fully consumed or sold.

Trade and other receivables

As at 31 December 2016, 2017, 2018 and 30 June 2019, our trade and other receivables were approximately RM48.7 million, RM63.7 million, RM59.2 million and RM48.5 million, respectively. The table below sets out a breakdown of our trade and other receivables as at the dates indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Trade receivables	40,433	48,722	48,413	38,361
Prepayment, deposits and other receivables				
– Prepayments	4,984	7,477	6,140	4,894
– Deposits paid	1,233	4,909	2,098	1,903
– Other receivables	755	1,126	1,011	217
– Prepayment for acquisition for property, plant and equipment	–	–	–	3,110
– Due from an associate	20	2	–	–
– Due from related companies	1,230	1,499	1,556	–
	8,222	15,013	10,805	10,124
Total	48,655	63,735	59,218	48,485

Trade receivables

Our trade receivables mainly represented receivables from provision of our products and services to our customers, associates and related companies. The following table sets forth a breakdown of our trade receivables as at the dates indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Trade receivables				
– From third parties	42,263	50,676	50,108	39,368
– From related companies	1,217	1,882	1,271	1,037
Less: Impairment loss allowance	(3,047)	(3,836)	(2,966)	(2,044)
Trade receivables, net	40,433	48,722	48,413	38,361

The following table sets out the aging analysis of our trade receivables, net of impairment loss allowance and based on the invoice date, as at the dates indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within 30 days	19,318	22,446	17,988	18,290
31 to 60 days	10,894	9,776	11,394	9,595
61 to 90 days	5,070	6,008	6,521	3,572
Over 90 days	8,198	14,328	15,476	8,948
	43,480	52,558	51,379	40,405
Less: Impairment loss allowance	(3,047)	(3,836)	(2,966)	(2,044)
	40,433	48,722	48,413	38,361

The trade receivables increased from approximately RM40.4 million as at 31 December 2016 to RM48.7 million as at 31 December 2017, which our trade receivables outstanding over 90 days increased by approximately RM6.1 million between 31 December 2016 and 2017. The increase in long-aged outstanding balance was primarily attributable to Customer A as it was placed creditors' voluntary winding-up proceedings in Malaysia on 1 August 2017. As at the Latest Practicable Date, all trade receivables from Customer A was fully settled. Our trade receivables remained stable at approximately RM48.7 million and RM48.4 million as at 31 December 2017 and 2018, respectively. Our trade receivable decreased to approximately RM38.4 million as at 30 June 2019. Our Group applies a simplified approach in calculating expected credit losses ("**ECL**"). We recognise a loss allowance based on lifetime ECL at each reporting date and have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. As at 31 December 2016, 2017, 2018 and 30 June 2019, the impairment loss allowance for trade receivables was determined as follows:

	As at 31 December			**As at 30 June**
	2016	**2017**	**2018**	**2019**
Expected loss rate *(%)*	7.0	7.3	5.8	5.1
Gross carrying amount *(RM'000)*	43,480	52,558	51,379	40,405
Impairment loss allowance *(RM'000)*	(3,047)	(3,836)	(2,966)	(2,044)

The following table sets forth the movement in the impairment loss allowance for trade receivables during the Track Record Period:

	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of the reporting period	4,305	3,047	3,836	2,966
(Reversal of) Provision for impairment loss	(1,103)	826	(516)	(912)
Write off	(155)	(37)	(354)	(10)
At the end of the reporting period	3,047	3,836	2,966	2,044

The reversal of or provision for impairment loss was in line with the outstanding balances overdue 60 days. Our management closely reviews the trade receivables balances and any overdue balances on an ongoing basis, and assessments are made by our management on the collectability of overdue balances. After fully considering the nature of trade receivables and their collectability on a case-by-case basis, we will make provisions for the impairment of certain long overdue trade receivables in order to ensure the quality of our assets.

The table below sets out the turnover days of trade receivables for the indicated periods:

	FY2016	**FY2017**	**FY2018**	**For the six months ended 30 June 2019**
	days	*days*	*days*	*days*
Average trade receivables turnover days *(Note)*	82.2	86.3	88.1	79.6

Note: Average trade receivables turnover days are calculated based on the average balance of trade receivables divided by revenue for the relevant year/period and multiplied by 365 days for FY2016, FY2017, FY2018 and by 181 days for the six months ended 30 June 2019. Average balance of trade receivables is calculated by dividing the sum of trade receivables at the beginning and the end of the year by two.

Majority of credit terms provided to our customers are 30 to 60 days. In order to minimise our credit risk, we carefully assess the background information and credit worthiness of our customers before we decide to grant them credit periods. Further, we also closely monitor the payment record of our customers and regularly review the credit terms we granted to them. Our credit assessment is based on various factors, including but not limited to the financial strength, size of the business and payment history of our customers and length of their business relationship with us. Our average trade receivables turnover days for each of FY2016, FY2017, FY2018 and the six months ended 30 June 2019 were approximately 82.2 days, 86.3 days, 88.1 days and 79.6 days, respectively. Our average trade receivables turnover days gradually increased throughout FY2016, FY2017 and FY2018. During the Track Record Period, despite that the time involved for actual settlement was longer than the credit period, approximately RM37.4 million or 97.5% of our trade receivables as at 30 June 2019 were subsequently settled as at the Latest Practicable Date.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables of approximately RM8.2 million, RM15.0 million, RM10.8 million and RM10.1 million as at 31 December 2016, 2017, 2018 and the six months ended 30 June 2019, respectively. The following table sets forth a breakdown of our prepayment, deposits and other receivables as at the dates indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Prepayments	4,984	7,477	6,140	4,894
Deposits paid	1,233	4,909	2,098	1,903
Other receivables	755	1,126	1,011	217
Prepayment for acquisition of property, plant and equipment	–	–	–	3,110
Due from an associate	20	2	–	–
Due from related companies	1,230	1,499	1,556	–
Total	8,222	15,013	10,805	10,124

Prepayments

Prepayments mainly represented the prepayment to our suppliers such as slot cost to our freight forwarder suppliers.

Deposits paid

Deposits paid mainly represented deposits for utilities, rental, security deposit and upfront payment for lease. Our deposits paid amounted to approximately RM1.2 million, RM4.9 million, RM2.1 million and RM1.9 million during the Track Record Period. The increase of deposits paid between 31 December 2016 and 2017 was due to the upfront payment and security deposit that we paid for the purposed sublease in Port of Tanjung Pelepas. We entered into a novation agreement with the sublessee, an Independent Third Party, in May 2017. Pursuant to the novation agreement, we agreed to take over the sublessee's rights, obligations and control over the subject land subject to the consent in writing of the sublessor. In accordance with the novation agreement, we shall replace the sublessee and deal directly with the sublessor. As a result, we paid upfront payment and security deposit to the sublessor of approximately RM3.4 million during FY2017.

However, as a result of the unexpected geological conditions of the land, we had a prolonged negotiation with the sublessor and we did not take over the sublease eventually. Such upfront payment and security deposit that we paid to the sublessor was fully refunded during FY2018.

Prepayment for acquisition of property, plant and equipment

We recorded a prepayment for acquisition of property, plant and equipment amounted to approximately RM3.1 million as at 30 June 2019. In April 2019, we entered into a purchase agreement to acquire a locomotive to leverage on our market leading position in the logistics industry. The total purchase price of the locomotive is USD2.5 million (equivalent to approximately RM10.5 million). The total amount of capital expenditure incurred for the locomotive was approximately USD1.9 million (equivalent to approximately RM8.0 million) up to the Latest Practicable Date and it was funded with our Group's resources.

Due from an associate and related companies

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand. No provision has been made for non-repayment of the amounts due during the Track Record Period. For details, please refer to note 18(b) and note 18(c) to the Accountants' Report set out in Appendix I to this prospectus.

Trade and other payables

As at 31 December 2016, 2017, 2018 and 30 June 2019, our trade and other payables were approximately RM41.1 million, RM51.0 million, RM40.1 million and RM37.5 million, respectively. The table below sets out a breakdown of our trade and other payables as at the dates indicated:

	As at 31 December			As at 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Trade payables	32,574	33,505	26,493	25,464
Other payables				
– Accruals and other payables	3,828	4,300	5,569	5,952
– Other payables for construction work	–	–	–	4,244
– Provision for leakage claims	1,871	4,451	2,392	1,712
– Contract liabilities	21	44	839	167
– Due to the Controlling Shareholders	2,309	8,291	4,579	–
– Due to related companies	536	416	210	–
	8,565	17,502	13,589	12,075
Total	41,139	51,007	40,082	37,539

Trade payables

The trade payables increased from approximately RM32.6 million as at 31 December 2016 to approximately RM33.5 million as at 31 December 2017. The increase was in line with the increase of cost of services and goods sold between FY2016 and FY2017. The trade payables decreased from approximately RM33.5 million as at 31 December 2017 to RM26.5 million as at 31 December 2018. Our Directors consider the decrease was mainly due to our enhanced payment procedure to our suppliers in FY2018. The trade payables further decreased from approximately RM26.5 million as at 31 December 2018 to approximately RM25.5 million as at 30 June 2019. The following is an aging analysis of trade payables, based on the invoice date, as at the dates indicated and the turnover days for the year/period indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within 30 days	18,236	19,865	17,244	13,580
31 to 60 days	5,249	4,460	1,572	4,503
61 to 90 days	2,055	1,935	1,503	715
Over 90 days	7,034	7,245	6,174	6,666
Total	32,574	33,505	26,493	25,464

				For the six months ended 30 June
	FY2016	**FY2017**	**FY2018**	**2019**
	days	*days*	*days*	*days*
Average trade payables turnover days *(Note)*	74.8	75.4	69.8	62.6

Note: Average trade payables turnover days are calculated based on the average balance of trade payables divided by cost of services and goods sold for the relevant year/period and multiplied by 365 days for FY2016, FY2017, FY2018 and by 181 days for the six months ended 30 June 2019. Average balance of trade payables is calculated by dividing the sum of trade payables at the beginning and the end of the year by two.

Majority of credit terms provided by suppliers are 30 days. Our average trade payables turnover days for each of FY2016, FY2017, FY2018 and the six months ended 30 June 2019 were approximately 74.8 days, 75.4 days, 69.8 days and 62.6 days, respectively. Our trade payables turnover days decreased to 69.8 days as at 31 December 2018 as our Group accelerated its settlement process. For the six months ended 30 June 2019, our trade payables turnover days further decreased to 62.6 days. As at the Latest Practicable Date, approximately RM24.8 million, or 97.5% of our trade payables as at 30 June 2019 were subsequently settled.

Our average trade receivables turnover days ranged from 79.6 to 88.1 days while our average trade payables turnover days ranged from 62.6 to 75.4 days during the Track Record Period. This indicates that there was a mismatch between our average trade receivables turnover days and average trade payables turnover days causing a potential cash flow gap. Our Directors believe that such cash flow gap is common among freight forwarders with a similar business model in the industry. Our Directors have confirmed that such cash flow gap has no material adverse impact on our Group's liquidity.

Accruals and other payables

As at 31 December 2016, 2017, 2018 and 30 June 2019, our accruals and other payables amounted to approximately RM3.8 million, RM4.3 million, RM5.6 million and RM6.0 million, respectively. Our accruals and other payables mainly consist of accrual staff wages, deposit received from customer, accrued audit fee, other payables and accrued listing expense. Our accruals and other payables increased between 31 December 2017 and 2018 which was mainly due to the accrued listing expense of approximately RM0.6 million. Our accruals and other payables further increased to approximately RM6.0 million as at 30 June 2019 which was mainly due to the accrued Listing expenses of amounted to approximately RM2.3 million.

Other payables for construction work

As at 30 June 2019, our other payables for construction work amounted to approximately RM4.2 million, which was mainly related to the progress billing received from our contractor for the construction of the PKFZ II Warehouse.

Provision for leakage claims

In the ordinary course of business, our 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 within two year prior to the end of the reporting period. The amount of provision takes into account the Group's recent claims experience. The fluctuation between 31 December 2017 and 2018 was mainly due to the one-off provision during FY2017. For details, please refer to the paragraphs headed "Description of selected items from combined statements of profit or loss and other comprehensive income – Gross profit and gross profit margin – Flexitank solution and related services" in this section. The following table sets forth the movement of our provision of leakage claims as at 31 December 2016, 2017, 2018 and 30 June 2019.

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of the reporting period	652	1,871	4,451	2,392
Additions (Reversal)	1,273	2,807	(1,684)	434
Utilisation	(54)	(227)	(375)	(1,114)
At the end of the reporting period	1,871	4,451	2,392	1,712

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer for which our Group has received consideration (or an amount of consideration is due) from the customer. As at 31 December 2016, 2017, 2018 and 30 June 2019, our contract liabilities amounted to approximately RM21,000, RM44,000, RM0.8 million and RM0.2 million, respectively. Our contract liabilities increased between 31 December 2016 and 2017 which was mainly due to the receipt in advance from customers. Our contract liabilities decreased to approximately RM0.2 million as at 30 June 2019 and it was mainly due to the recognition of receipt in advance from customers as revenue of approximately RM0.8 million which was partially offset by the receipt in advance of approximately RM0.2 million.

Due to the Controlling Shareholders and related companies

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand. The related companies are ultimately controlled by the Controlling Shareholders.

SUFFICIENCY OF WORKING CAPITAL

Our Directors are of the opinion that, taking into consideration the internal resources and banking facilities presently available to our Group, cash generated from our operation, and the estimated net proceeds to be received by us from the Share Offer, our Group has sufficient working capital for our present requirements, that is, for at least the next 12 months commencing from the date of this prospectus.

INDEBTEDNESS

The table below sets out the indebtedness of our Group as at the respective dates indicated. As at 31 October 2019, save as disclosed in this paragraph headed "Indebtedness" in this section, we do not have any debt securities issued and outstanding or agreed to be issued, term loans, borrowings or other similar indebtedness, liabilities under acceptances, acceptance credits, debentures, mortgages, charges, finance leases, or hire purchase commitments, other material contingent liabilities or guarantees. Our Directors confirmed that we had not experienced any difficulties in obtaining or repaying of our bank loans or other bank facilities during the Track Record Period. As at the Latest Practicable Date, there are no material covenants related to our outstanding debts that would materially limit our ability to undertake additional debt or equity financing. Our Directors confirmed that there has not been any material change in our indebtedness or contingent liabilities since 31 October 2019 and up to the Latest Practicable Date. Our Directors confirmed that as at the Latest Practicable Date, we did not have any immediate plan for additional material external debt financing.

	As at 31 December			As at 30 June	As at 31 October
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(Unaudited)
Non-current					
Interest-bearing borrowings	13,425	29,218	32,275	43,353	44,074
Lease liabilities	12,367	13,536	19,681	18,365	17,010
Total non-current	25,792	42,754	51,956	61,718	61,084
Current					
Bank overdrafts	3,308	3,272	8,695	6,537	5,968
Interest-bearing borrowings	2,230	1,999	2,540	6,716	11,620
Lease liabilities	6,878	6,601	5,360	5,048	3,687
Total current	12,416	11,872	16,595	18,301	21,275
Total	38,208	54,626	68,551	80,019	82,359

Bank overdrafts and interest-bearing borrowings

During the Track Record Period, our Group raised bank and other borrowings including bank overdrafts to finance our business operations and to fulfil working capital requirements. We repaid our bank and other borrowings including bank overdrafts through our internally generated funds. For the sufficiency of working capital, please refer to the paragraph headed "Sufficiency of working capital" in this section. The following table sets out our bank overdrafts and interest-bearing borrowings as at the dates indicated:

	As at 31 December			As at 30 June	As at 31 October
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(Unaudited)
Bank overdrafts	3,308	3,272	8,695	6,537	5,968
Interest-bearing borrowings	15,655	31,217	34,815	50,069	55,694
Total	18,963	34,489	43,510	56,606	61,662

Our outstanding bank and other borrowings including bank overdrafts and interest-bearing borrowings as at 31 December 2016, 2017, 2018, 30 June 2019 and 31 October 2019 were approximately RM19.0 million, RM34.5 million, RM43.5 million, RM56.6 million and RM61.7 million, respectively. Our outstanding bank and other borrowings including bank overdrafts and interest-bearing borrowings.

Our interest-bearing borrowings increased from RM15.7 million as at 31 December 2016 to RM31.2 million as at 31 December 2017 was mainly due to the term loan entered in October 2015 and drawdown during FY2017 to finance the purchase of a plot of land identified as Lot 26. Our interest-bearing borrowings increased from RM31.2 million as at 31 December 2017 to RM34.8 million as at 31 December 2018 was mainly due to the term loan entered in July 2017 and drawdown during FY2018 to finance the construction cost of the PKFZ Warehouse. The increase in bank overdrafts as at 31 December 2017 and 2018 was in line with the increase in our total revenue between FY2017 and FY2018. The increase in our interest-bearing borrowings from RM34.8 million as at 31 December 2018 to RM50.1 million as at 30 June 2019 was mainly due to the term loan entered in March 2018 and drawdown during the six months ended 30 June 2019 to finance the construction cost of the PKFZ II Warehouse. Our interest-bearing borrowings represent amounts due to various banks which are repayable ranging from within one year to over five years since its inception as at 31 December 2016, 2017, 2018 and 30 June 2019, respectively. The secured bank overdrafts carried interest rate at base financing rate plus 4% as at 31 December 2016, 2017, 2018 and 30 June 2019, and the weighted average effective interest rates on interest-bearing borrowings were 5.92%, 4.54%, 4.85% and 4.68% per annum as at 31 December 2016, 2017, 2018 and 30 June 2019, respectively. Our bank and other borrowings as at 31 December 2016, 2017, 2018 and 30 June 2019 are for our operating use, leasing of our land properties and construction cost.

As at 31 December 2016, 2017, 2018 and 30 June 2019, our banking facilities of our Group were secured by:

(i) leasehold lands and construction in progress owned by our Group with aggregate net carrying amount of approximately RM18,973,000, RM34,496,000, RM34,148,000 and RM33,973,000 as at 31 December 2016, 2017, 2018 and 30 June 2019 respectively;

(ii) buildings owned by our Group with aggregate net carrying amount of approximately RM2,164,000, RM2,010,000, RM9,324,000 and RM9,181,000 as at 31 December 2016, 2017, 2018 and 30 June 2019, respectively;

(iii) a building owned by a related company ultimately controlled by the Controlling Shareholders; and

(iv) guarantees provided by the Controlling Shareholders.

The total outstanding interest-bearing borrowings as at 31 December 2016, 2017, 2018 and 30 June 2019, and 31 October 2019 was approximately RM15.7 million, RM31.2 million, RM34.8 million, and RM50.1 million and RM55.7 million, respectively. Set out below is the maturity profile of our interest-bearing borrowings as at the respective dates indicated:

	As at 31 December			As at 30 June	As at 31 October
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000* (Unaudited)
Within one year	2,230	1,999	2,540	6,716	11,620
More than one year, but not exceeding two years	1,992	2,205	2,659	4,993	4,995
More than two years, but not exceeding five years	5,904	6,614	8,012	15,018	19,846
Over five years	5,529	20,399	21,604	23,342	19,233
Total	15,655	31,217	34,815	50,069	55,694

The following table sets forth a breakdown of utilised and unutilised bank facilities of our Group as at the dates indicated:

	As at 31 December			As at 30 June	As at 31 October
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(Unaudited)
Total bank borrowing facilities granted to our Group	49,923	51,581	79,901	89,901	89,901
Less: Amount of bank borrowing facilities utilised	(20,048)	(34,940)	(46,116)	(60,496)	(69,179)
Total unutilised bank borrowing facilities	29,875	16,641	33,785	29,405	20,722

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. Our Directors have confirmed that there were no material covenants or any breach in financial covenants relating to our Group's outstanding bank borrowings during the Track Record Period. During the Track Record Period, we had not experienced any difficulty in obtaining bank borrowings.

The collaterals and guarantees provided by our Controlling Shareholders and/or the related company are expected to be released and replaced by a corporate guarantee to be given by our Group upon the Listing.

Lease liabilities

Our lease liabilities as at 31 December 2016, 2017, 2018, 30 June 2019, and 31 October 2019 was approximately RM19.2 million, RM20.1 million, RM25.0 million, RM23.4 million and RM20.7 million, respectively. Please refer to note 22 to the Accountants' Report set out in Appendix I to this prospectus for details of the present value of minimum lease payments in respect of our lease liabilities as at 31 December 2016, 2017, 2018 and 30 June 2019. Set out below is the maturity profile of our lease liabilities as at the respective dates indicated:

	As at 31 December			As at 30 June	As at 31 October
	2016	**2017**	**2018**	**2019**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
					(Unaudited)
Within one year	7,911	7,471	6,884	6,314	4,905
In the second to fifth years inclusive	10,534	11,152	11,966	11,291	10,014
After five years	3,840	6,509	21,739	20,818	20,364
Less: future finance charges	(3,040)	(4,995)	(15,548)	(15,010)	(14,586)
Total	19,245	20,137	25,041	23,413	20,697

Our Group leases various properties, lands, containers and motor vehicles. Rental contracts are typically made for fixed periods of two to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may be used as security for borrowing purposes. The increase in lease liabilities from approximately RM20.1 million for FY2017 to approximately RM25.0 million for FY2018 was mainly due to the long-term lease entered in January 2018 for the land where the PKFZ II Warehouse is situated. The lease liabilities decreased to approximately RM23.4 million as at 30 June 2019.

Contingent liabilities

Except as disclosed in the paragraphs headed "Indebtedness" in this section, we do not have other material outstanding mortgages, charges, debentures or other loan capital (issued or agreed to be issued), loans, liabilities under acceptance or other similar indebtedness, hire purchase and finance lease commitments or any guarantees or other material contingent liabilities outstanding as at 31 October 2019 being the date of indebtedness statement.

COMMITMENTS

Operating lease commitments

Our Group as lessor

Our Group leased out our warehouses under operating leases with average lease terms of 2 years and with options to renew the leases upon expiry at new terms. The following table sets forth our future aggregate minimum lease receivable under non-cancellable operating leases as at the dates indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within one year	924	623	1,794	2,826
Over one year but within two years	539	–	1,409	2,429
Over two years but within three years	–	–	72	1,517
	1,463	623	3,275	6,772

Capital expenditure commitments

We have certain capital commitments mainly relating to (i) the purchase of a plot of land identified as Lot 26 during FY2016; (ii) the construction of the PKFZ II Warehouse during FY2018 and the six months ended 30 June 2019; and (iii) the acquisition of locomotive in April 2019. The following table sets forth our capital commitments outstanding as at the dates indicated:

	As at 31 December			As at 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Contracted but not provided, net of deposits paid for property, plant and equipment	17,887	2,645	23,620	13,101

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

Our Group did not have any material off-balance sheet commitments and arrangements.

CAPITAL EXPENDITURES

During the Track Record Period, we incurred capital expenditure mainly on property, plant and equipment. Our additions on property, plant and equipment were approximately RM36.1 million, RM35.5 million, RM27.1 million and RM21.5 million for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. These capital expenditures were funded by the cash flows from our operating activities and financing activities.

MAJOR FINANCIAL RATIOS

The following table sets forth the key financial ratios of our Group during the Track Record Period:

	As at/for the year ended 31 December			**As at/for the six months ended 30 June**
	2016	**2017**	**2018**	**2019**
Current ratio (times) *(Note 1)*	1.3	1.3	1.5	1.2
Gearing ratio (%) *(Note 2)*	68.3	85.7	82.8	108.5
Interest coverage ratio (times) *(Note 3)*	9.9	5.6	10.6	7.6
Return on assets (%) *(Note 4)*	9.3	5.8	12.3	4.4
Return on equity (%) *(Note 5)*	21.8	14.9	30.7	10.9

For illustrative purpose, the following table sets forth the key financial ratios of our Group during the Track Record Period as if reported under IAS 17:

	As at/for the year ended 31 December			As at/for the six months ended 30 June
	2016	2017	2018	2019
Current ratio (times) *(Note 1)*	1.4	1.3	1.6	1.3
Gearing ratio (%) *(Note 2)*	49.0	65.9	57.2	80.1
Interest coverage ratio (times) *(Note 3)*	14.3	8.2	17.4	12.5
Return on assets (%) *(Note 4)*	9.6	6.5	14.5	5.2
Return on equity (%) *(Note 5)*	21.5	15.5	31.1	10.9

Notes:

1. Current ratio is calculated by dividing current assets by current liabilities.

2. Gearing ratio is calculated by dividing total debt by total equity multiplied by 100%. Total debt is defined as the sum of lease liabilities, bank overdrafts and interest-bearing borrowings.

3. Interest coverage ratio is calculated by dividing profit before interest and tax by interest expenses.

4. Return on total assets ratio is calculated by dividing the profit for the year/period by average total assets and multiplied by 100%.

5. Return on equity ratio is calculated by dividing profit for the year/period by average total equity and multiplied by 100%.

Current ratio

Our current ratio remained at 1.3 times as at 31 December 2016 and 2017. Our current ratio increased from approximately 1.3 times as at 31 December 2017 to 1.5 times as at 31 December 2018. The increase was mainly due to the increase in current assets from the increase in bank balances and cash and the decrease in current liabilities from the decrease in trade and other payables. Our current ratio decreased to 1.2 times as at the six months ended 30 June 2019. The decrease was mainly due to the decrease in current assets from the decrease in trade and other receivables.

Gearing ratio

Our gearing ratio amounted to approximately 68.3%, 85.7%, 82.8% and 108.5% as at 31 December 2016, 2017, 2018 and the six months ended 30 June 2019, respectively. The increase between 31 December 2016 and 2017 was mainly attributable to the increase of bank overdrafts, interest-bearing borrowings and lease liabilities between 31 December 2016 and 2017. The gearing ratio remained stable at 85.7% and 82.8% as at 31 December 2017 and 2018, respectively. The gearing ratio increased to 108.5% as at 30 June 2019 which was due to the increase in interest-bearing borrowings of approximately RM15.3 million in the six months ended 30 June 2019.

Interest coverage ratio

Our interest coverage ratio amounted to approximately 9.9 times, 5.6 times, 10.6 times for FY2016, FY2017 and FY2018, respectively. The decrease between FY2016 and FY2017 was mainly attributable to the increase in finance costs of our Group arising from bank overdrafts, interest-bearing borrowings and lease liabilities. The increase between FY2017 and FY2018 was mainly attributable to the increase of our profit before tax. Our interest coverage ratio decreased to approximately 7.6 times for the six months ended 30 June 2019 which was mainly due to the decrease in profit before tax for the six months ended 30 June 2019.

Return on assets

Return on assets was approximately 9.3%, 5.8%, 12.3% and 4.4% for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. The decrease of our return on assets between 31 December 2016 and 2017 was primarily due to (i) the decrease of our profit for the year from approximately RM11.8 million for FY2016 to RM8.9 million for FY2017; and (ii) the increase of our property, plant and equipment from approximately RM65.4 million as at 31 December 2016 to approximately RM89.5 million as at 31 December 2017.

The increase of our return on assets between FY2017 and FY2018 was primarily due to the increase of our profit for the year from approximately RM8.9 million for FY2017 to RM22.5 million for FY2018, respectively. The decrease of our return on assets to approximately 4.4% for the six months ended 30 June 2019 was primarily due to the decrease of our profit for the year to RM8.5 million for the six months ended 30 June 2019.

Return on equity

Return on equity was approximately 21.8%, 14.9%, 30.7% and 10.9% for FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively. The fluctuation of our return on equity between for FY2016, FY2017, FY2018 and the six months ended 30 June 2019 was in line with the significant change in our profit for the year/period during the Track Record Period.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set out in note 27 to the Accountants' Report set out in Appendix I to this prospectus, our Directors confirm that these transactions were conducted on normal commercial terms and/or that such terms that were no less favourable to us than terms available from independent third parties which are fair and reasonable and in the interest of the Shareholders as a whole.

PROPERTY VALUATION

Pursuant to Rules 5.01A(2) of the Listing Rules, our Group is required to performed valuation on property interest that formed part of our Group's non-property activities had a carrying amount of 15% or more of our combined total assets as at 30 June 2019. Savills, an independent property valuer, has valued our property interests as at 30 November 2019 and is of the opinion that the aggregate value of our property interest as of such date was approximately RM38.0 million. The full text of the letter and the valuation certificate issued by Savills as set out in Appendix III to this Prospectus.

The table below sets forth the reconciliation between the net book value of such property interests as at 30 June 2019 that were valued by Savills and the revalued amount of our property interests as at 30 November 2019, as required by Rule 5.07:

	RM'000
Net book value of property interests as at 30 June 2019	45,118
Less: Depreciation for the five months ended 30 November 2019	(292)
Net book value of property interests as at 30 November 2019	44,826
Valuation deficit *(note)*	(6,826)
Valuation as at 30 November 2019 *(note)*	38,000

Note: Pursuant to the Property Valuation Report set forth in Appendix III to this prospectus, certain of our properties have "no commercial value" since these properties are not transferable in the market unless with full prior written consent obtained from the related lessor. The reference market value of the said properties was RM29,000,000 as at valuation date on 30 November 2019. Assuming the reference value be applied in the Reconciliation, the valuation surplus will be approximately RM22.1 million. Please refer to Appendix III to this prospectus for further details.

DISTRIBUTABLE RESERVES

Our Company was incorporated in the Cayman Islands and has not carried out any business since the date of its incorporation, save for investment holding and the transactions related to the Reorganisation. Accordingly, our Company has no reserve available for distribution to the Shareholders as at the Latest Practicable Date.

DIVIDEND

Our Company currently does not have a dividend policy and may distribute dividends by way of cash or by other means that our Directors consider appropriate. No dividend was paid or declared by our Company since its date of incorporation. Dividend of RM9.1 million, RM0.5 million, RM3.6 million and RM17.3 million was declared and fully settled by our subsidiaries to its then shareholders during FY2016, FY2017, FY2018 and the six months ended 30 June 2019, respectively.

Payment of any future dividends will be made at the discretion of our Board and will be based upon our earnings, cash flow, financial condition, capital requirements, statutory fund reserve requirements and any other conditions that our Directors consider relevant. The declaration, payment and amount of any future dividends will be subject to our constitutional documents including, where necessary, the approval of our Shareholders. Investors should note that historical dividend distributions are not indicative of our future dividend distribution policy.

LISTING EXPENSES

Assuming the Offer Price of HK$0.31 per Offer Share, being the mid-point of the indicative Offer Price range, the total amount of Listing expenses and commissions in connection with the Share Offer is estimated to be approximately RM20.2 million.

Of the aggregate Listing expenses of RM20.2 million, RM9.2 million directly attributable to the issue of new Shares will be accounted for as a deduction from equity upon Listing. Listing expenses of approximately RM1.9 million and RM5.4 million were charged to the profit or loss for FY2018 and the six months ended 30 June 2019, respectively, and the remaining amount of approximately RM3.7 million will be charged to the profit or loss for the year ending 31 December 2019. Expenses in relation to the Listing are non-recurring in nature.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Our Directors have confirmed that, save as disclosed above, as at the Latest Practicable Date, there are no circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

Application for recognition of Mazars LLP as recognised PIE auditors by the Financial Reporting Council

Background

We have appointed Mazars CPA Limited (the "**Mazars Hong Kong**") and Mazars LLP, an overseas audit firm of public accountants and chartered accountants in Singapore (the "**Mazars SG**") to act as our Company's joint reporting accountants in our application for Listing and we intend to continue their appointment as our joint auditors after the Listing.

The amendments to the Financial Reporting Council Ordinance, Cap. 588, laws of Hong Kong have become effective

As from 1 October 2019 (the "**Effective Date**"), the amendments to the Financial Reporting Council Ordinance (Cap. 588) ("**FRCO**") takes effect and the Financial Reporting Council ("**FRC**") has become Hong Kong's independent regulator of listed entity auditors.

After the Effective Date, all audit firms intending to carry out any engagement with a public interest entity (the "**PIE Engagement**") are subject to a system of registration (for Hong Kong auditor firms) and recognition (for non-Hong Kong audit firms) as recognised PIE auditors (the "**Recognised PIE Auditors**"). A PIE is either (a) a listed corporation whose listed securities comprise at least shares or stocks; or (b) a listed collective investment scheme. Hence, after the Listing, our Company will become a PIE.

Any non-Hong Kong audit firm is required to be recognised by the FRC as Recognised PIE Auditors before the audit firm can (i) "undertake" (i.e. accept an appointment to carry out) any PIE Engagement; and (ii) carry out any PIE Engagement for an overseas entity.

Under the FRCO, the overseas equity issuer, like our Company, must seek a statement of no objection (the "**SNO**") from the Stock Exchange to engage its non-Hong Kong auditors to undertake its PIE Engagement. After the issue of the SNO, the FRC will consider the application for recognition of the non-Hong Kong auditor as a Recognised PIE Auditor (as defined in section 3A of the FRCO).

Section 90 of the FRCO sets out the transitional arrangement which is applicable to an overseas auditor who has accepted an appointment to carry out a PIE Engagement for an overseas entity but has not yet completed such engagement before 1 October 2019 (the "**Transitional Arrangement**").

Our application for the recognition of Mazars SG as Recognized PIE Auditors by the FRC under the FRCO

Considering that we will become a PIE after the Listing and we intend to continue to engage Mazars SG as one of our joint auditors, we must apply to the FRC for its recognition of Mazars SG as Recognised PIE Auditors. Given Mazars SG's appointment had taken effect before the Effective Date, the above-mentioned Transitional Arrangement shall apply to our application to the FRC.

Pursuant to the Transitional Arrangement, on 3 September 2019, Mazars SG submitted the transitional arrangement application form informing the FRC of its intention to continue to carry out the PIE engagement for our Company.

On 29 August 2019, we applied to the Stock Exchange for a SNO to support our Company's application to the FRC for its recognition of Mazars SG as a Recognised PIE Auditor. On 18 September 2019, we received the SNO from the Stock Exchange.

On 14 November 2019, we applied to the FRC for its recognition of Mazars SG as a Recognised PIE Auditor under the Transitional Arrangement. As our application to FRC has been made, the provisional recognition will continue until our application is determined by the FRC.

As at the date of this prospectus, our application to the FRC is still under way. Nevertheless, our Directors expect that it will be approved once our Company has become a PIE upon Listing as Mazars SG has an international name and reputation; and it is a member of a recognized body of accountants and there should not be any impediment for our application. Details of Mazars SG's background are as follows:

(i) Mazars SG is the member firm of Mazars Group, a major and reputable accounting organisation with an international network and Mazars SG is an audit firm (chartered accountants) registered with the Institute of Singapore Chartered Accountants ("**ISCA**"). In Singapore, Mazars SG serves as auditors for many corporations listed on the Singapore Stock Exchange. ISCA is also a member of the ASEAN Federation of Accountants and the International Federation of Accountants ("**IFAC**");

(ii) The audit partners of Mazars SG are approved company auditors pursuant to the Accountants Act in Singapore. Mazars SG and all its audit partners are also registered with the Accounting and Corporate Regulatory Authority ("**ACRA**") as approved statutory audit firm/auditors in Singapore, supervised and regulated by the ACRA.

ACRA is the national regulator of business entities, public accountants and corporate service providers in Singapore. ACRA was established to provide a responsive and trusted regulatory environment for businesses, public accountants and corporate service providers. ACRA's role is to achieve synergies between the monitoring of corporate compliance with disclosure requirements and regulation of public accountants performing statutory audit.

ACRA was formed as a statutory board on 1 April 2004, following the merger of the then Registry of Companies and Businesses, and the Public Accountants' Board. Auditors of public interest entities in Singapore must be registered with the ACRA. One of the key responsibilities of ACRA is to conduct inspections and monitoring programs on registered auditors to assess the degree of compliance with auditing and ethical standards. ACRA carries out inspections at the firm level or engagement level or both. A firm review focuses on the review of an audit firm's quality control systems and practices and the degree of compliance with the requirements of the International Standards of Quality Control 1. An engagement review aims to assess the degree of compliance with auditing and ethical standards of an audit engagement conducted by an auditor. Accordingly, Mazars SG is subject to periodical inspection and monitoring conducted by the ACRA, known as the Practice Monitoring Programme ("**PMP**").

The PMP is rigorous and involves the following steps:

- Practice reviewers appointed by the Public Accountants Oversight Committee ("**PAOC**") inspect a selection of a public accountant's audits to check if the audits were performed in accordance with the Singapore Standards on Auditing ("**SSA**") and other requirements.

- The practice reviewer's findings are reviewed by the Practice Monitoring Sub-Committee ("**PMSC**"), which comprises experienced public accountants and lay-members. The PMSC then reports to the PAOC with recommended actions, if its view is that the public accountant has not complied with the SSA.

- The PAOC decides on the review outcome and, if it concludes that the public accountant has not complied with the SSA and other requirements, orders the public accountant to undertake remedial actions, or makes other orders to protect the public interest.

- When ACRA inspects public accountants in accounting entities that audit listed companies and other public interest entities, it reviews the firm's quality control policies against the Singapore Standard on Quality Control 1 and recommends improvements where appropriate.

Further, ACRA is a statutory regulator in Singapore with the power to inspect statutory auditors in Singapore and impose sanctions on those which have breached the legal or regulatory requirements or professional conduct. ACRA is also a member of The International Forum of Independent Audit Regulators which comprises 50 independent audit regulators from jurisdictions in Africa, the Americas, Asia, Europe, the Middle East and Oceania;

(iii) Mazars SG confirms that it has conducted the audit in accordance with International Standards on Auditing (equivalents to Hong Kong Standards on Auditing). Furthermore, Mazars SG has confirmed that it has complied with the ACRA Code of Ethics and the independence and the ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and is based on the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants, published by the IFAC. Mazars SG confirms that it is independent of our Company in accordance with the rules of IFAC; and

(iv) In addition, Mazars CPA Limited ("**Mazars HK**") and Mazars SG have had past experience in acting as the joint reporting accountants for the initial public offering of the shares and joint auditors of Nexion Technologies Limited (Stock code: 8420) and Mindtell Technology Limited (Stock code: 8611) on GEM of The Stock Exchange of Hong Kong Limited. In addition, the key team members (including the partner-in-charge) of Mazars SG assigned to the Company's IPO project have had more than five years of auditing experience in Malaysia, including the relevant local accounting and tax knowledge in Malaysia. Therefore, our Directors are of the view that the appointment of Mazars SG as one of the joint reporting accountants and joint auditors can enhance the efficiency, effectiveness and quality of work throughout the audit.

After the Listing, in addition to Mazars SG, Mazars HK, which is a firm of accountants acceptable to the Stock Exchange in accordance with the requirements of Rule 19.20 of the Listing Rules, will also be the proposed auditors of our Group. Mazars SG and Mazars HK will together act as joint auditors of our Company.

FINANCIAL RISK MANAGEMENT

Our Group is exposed to certain financial risks, including interest rate risk, foreign currency risk, credit risk and liquidity risk in the ordinary course of our business. For further details of our financial risk management, please refer to note 30 to the Accountants' Report in Appendix I to this prospectus.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

In May 2017, we leased a parcel of land in Pulau Indah, Malaysia from the management company of the Port Klang Free Zone. In October 2018, we appointed a construction company to construct the PKFZ II Warehouse. In August 2019, we entered into an agreement to provide long term warehouse services in the entire PKFZ II Warehouse with an Independent Third Party for two years with an option to renew for further terms of one year. In September 2019, the construction of the PKFZ II Warehouse was completed with the issuance of the certificate of completion and compliance by the architect in charge. The PKFZ II commenced operation in November 2019.

Our Directors confirm that, save for the expenses in connection with the Listing, up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 30 June 2019 and there has been no event since 30 June 2019 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this prospectus.

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

Please refer to Appendix II to this prospectus for further details.

FUTURE PLANS

Further description of our future plans are set forth in the section headed "Business – Our Business strategies" in this prospectus.

USE OF PROCEEDS

We estimate the net proceeds from the Share Offer which we will receive, based on the Offer Price of HK$0.31 per Offer Share (being the mid-point of the indicative Offer Price of HK$0.28 per Offer Share to HK$0.34 per Offer Share), will be approximately RM62.7 million (equivalent to HK$117.3 million), after deduction of underwriting fees and commissions and estimated expenses payable by us in connection with the Share Offer.

We intend to use the net proceeds of the Share Offer for the following purposes:

- Approximately RM46.0 million or approximately 73.3% of the net proceeds, will be used for expanding our logistics centre and related services segment – to set up the Proposed Westports FZ Warehouses in Port Klang, Malaysia.

  We plan to (i) to lease the Proposed Westports FZ New Site by using our own financial resources; and (ii) to set up Proposed Westports FZ Warehouses, partly finance by the proceeds from the Share Offer and partly by our own resources.

  For details about (i) the commercial rationale for expanding our logistic centre and related services segment; (ii) our strategy to secure new customers for the Warehouse and Ancillary Services; (iii) the reasonableness of our assumption that there will be adequate demand for the Proposed Westports FZ Warehouses; and (iv) the rationale for targeting metal commodity traders as target customers for the Proposed Westports FZ Warehouses, please refer to the paragraph headed "Reasons for Developing the Proposed Westports FZ Warehouses" in this section.

- Approximately RM3.0 million or approximately 4.8% of the net proceeds, will be used to replace our aged forklifts, acquire additional forklifts and hiring four additional forklifts drivers for our logistics centre and related services. We intend to use a sum of approximately RM2.8 million for acquiring eight forklifts to replace our aged forklifts and acquire additional eight forklifts to enhance the reliability and functionality of our fleet of forklifts in Klang, Malaysia and our depot service centre in Penang, Malaysia, details of which are as follows:

Depot service centre in Penang, Malaysia

Machinery	**No. of units**	**Amount allocated** *RM'000*
Low mast forklift	5	500
High mast forklift	4	1,200
		1,700

Warehouses in Klang, Malaysia

Machinery	**No. of units**	**Amount allocated** *RM'000*
Low mast forklifts	5	500
High mast forklifts	2	600
		1,100

We need forklifts to transport customers' goods, containers and handling goods in our warehouses and container depots. As at the Latest Practicable Date, we owned a total of 30 forklifts of different loading capacity to facilitate our business operation. For further particulars of our forklifts, please refer to the section headed "Business – Machinery and equipment" in this prospectus. Our forklifts have a useful lives of five year and 13 of these forklifts were fully depreciated as at the Latest Practicable Date. Based on our Directors' knowledge and experience in the industry, they believe that it will be more cost-effective to replace these forklifts, instead of incurring repair and maintenance costs to maintain their normal operating condition. As such, our Directors consider that it is imperative for us to upgrade our fleet of forklifts and strengthen our execution efficiency by replacing aged forklifts with upgrade model. Furthermore, in consideration of the expansion of our business, our Directors believe that additional forklifts with heavier loading capacity are needed to cope with the growing demand of our provision of Logistics Services.

- Approximately RM5.0 million or approximately 8.0% of the net proceeds, will be used to purchase haulage prime movers and trailers for our haulage services in our logistics centre and related services. We intend to use a sum of approximately RM3.5 million for acquiring 10 haulage prime movers and a sum of approximately RM1.5 million for acquiring 20 trailers for expanding our haulage fleet, which provide haulage services in Malaysia.

  We need haulage prime movers and trailers to transport customers' goods and containers between customers' premises, ports, warehouses and railroad stations under our local transportation service. We need to expand our fleet of haulage vehicles to support our growth in the logistics industry.

  As at the Latest Practicable Date, we owned 48 haulage prime movers and 266 trailers in Klang, Malaysia. During the Track Record Period and up to the Latest Practicable Date, we disposed 47 haulage prime movers during the Track Record Period and 71 trailers that have passed their expected useful lives of five years and fully depreciated as at the Latest Practicable Date, hence, all of these prime movers and trailers are not in normal operating condition. Based on our Directors' knowledge and experience in the industry, they believe that it will be more cost-effective to dispose of these haulage prime movers, instead of incurring repair and maintenance costs to maintain their normal operating condition.

- Approximately RM3.0 million or approximately 4.8% of the net proceeds, will be used to purchase containers comprising general purpose containers and high cube containers for increasing our capacity of our NVOCC services. We intend to use a sum of approximately RM2.2 million for acquiring 300 foot general purpose containers and a sum of approximately RM0.8 million for acquiring 100 foot high cube containers.

  At the Latest Practicable Date, we operated a total of 1,830 containers comprised general purpose containers, high cube containers and open-top containers. During the Track Record Period, we operated with our own containers as well as containers under hire purchase arrangement in our NVOCC services. We have to acquire additional containers to further expand our NVOCC services and capture the growing market demand in the NVOCC market.

  Further, base on our Director's knowledge and experience in the industry, the interest rate of containers hire purchase are approximately 8%. Acquiring containers with the use of proceed will save an estimated interest expense of approximately RM400,000 incurred from the hire purchase arrangement. Our Directors believe that purchasing additional containers will also enable us to manage the timeline of each shipment efficiently due to the immediate availability of the relevant types of containers, cope with our future business expansion and enhance our overall efficiency, capacity and flexibility in providing NVOCC services by enabling us to handle a larger amount of NVOCC services using our own containers.

- Approximately RM2.0 million or approximately 3.2% of the net proceeds, will be used to further enhance our Group's operational efficiency, technical capability and enhance the user experience for our flexitank customers by upgrading the information technology and system for operation, management and accounting purposes, to cope with the expected growth in the logistics industry.

  We intend to consolidate, upgrade and maintain the ERP systems across various departments in our flexitank solution and related services, whereby the ERP systems can be assessed by various departments of our Group and share the data therefrom. Currently, Our ERP system for our flexitank solution and related services has limited functions, such as inventory manage on flexitank raw material and finished flexitanks. The upgraded ERP system will integrate, improve, streamline and automate the operation of our flexitank solution and related services into a more systematic and efficient workflow. The upgraded ERP systems will allow us to avoid duplicated data entry among different system and therefore improve the efficiency of our operation. We believe the implementation of this ERP system, will enable a high degree of process visibility and integration across the various functions such as sales, production, purchasing, inventory control, and accounts, as well as material/product traceability which are very vital to our Quality Management and Food Safety Management system.

  In addition to the ERP system, we also intend to further enhance our customer services experience and customer loyalty by introducing customer mobile application and tracking portal. The mobile application and tracking portal will be integrated into our ERP system to provide real-time tracking function for our flexitank customers.

- Approximately RM3.7 million or 5.9% will be used for working capital of our Group.

If the Offer Price is finally determined at HK$0.34 per Offer Share, being the high-end of the stated Offer Price range, the net proceeds will be increased by approximately RM7.4 million (equivalent to HK$13.8 million). To the extent our net proceeds are more than expected, we will allocate the additional amounts for setting up the Proposed Westports FZ Warehouses. If the Offer Price is finally determined at HK$0.28 per Offer Share, being the low end of the stated Offer Price range, the net proceeds will be reduced by approximately RM7.4 million (equivalent to HK$13.8 million). To the extent our net proceeds are less than expected, we will adjust our allocation of the net proceeds on a pro rata basis.

To the extent that the net proceeds from the issue of new Shares are not immediately applied for the above purposes, we will deposit the net proceeds into interest-bearing bank accounts with licensed banks. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

Reasons for Developing the Proposed Westports FZ Warehouses

(1) The commercial rationale for expanding our logistic centre and related services segment

The market landscape for the logistic services in Malaysia

According to the website of the Ministry of Transport, Malaysia, "Malaysia is a trade dependent economy generates large volume trade to be transported to and from global market especially within the region. Logistics is seen as a strong enabler of trade, supporting key industries such as manufacturing, oil and gas". Further, as stated in the budget report 2019 issued by the Ministry of Finance Malaysia, the Malaysian government considered that the logistics and transportation sector play an important role in national development, particularly given both exports and manufacturing are key pillars of the economy.

Malaysia has a total of seven major Federal ports, of which, Port Klang is the busiest and largest port in Malaysia and the 12th busiest container port in the world in terms of container throughput. Nevertheless, according to the F&S Report, Port Klang is expected to reach full capacity in 2024 in terms of container throughput. For the next phase of growth, the Malaysian government is undertaking an in-depth feasibility study on the development of Pulau Carey. This is to make Port Klang as a regional maritime centre and cargo logistics hub combining manufacturing, distribution, cargo consolidation, bunkering and ship repairs. The Malaysian government also plans to convert 318 acres of land in Pulau Indah, an island in Klang District, Selangor, Malaysia, where the Westports is located (the "**New Free Trade Zone**") into a free trade zone to support and catalyse increased shipping and logistics activities in Port Klang. The New Free Trade Zone will serve as a natural extension to the Port Klang Free Zone and attract foreign investors to establish manufacturing facility in the surrounding area of Port Klang, thus, further increase the volume of cargo handled, in particular the import of raw materials and export of finished goods, in Port Klang and the demand in cargo handling under the logistics centre and related services business segment of our Group in long term; (i) it is generally expected that the BRI and the relocation trend of manufacturing exporters from the PRC towards Southeast Asia will also stimulate the demand of the overall logistic services, including the warehouse and ancillary services in Malaysia. The relocation trend of manufacturing exporters from the PRC towards Southeast Asia was primarily due to the increasing in operating cost in the PRC, and intensified by the trade war between the U.S. and the PRC. According to the F&S Report, the investment from manufactures from the PRC rose 410.8% from RM3.9 billion in 2017 to RM19.7 billion in 2018; and (ii) Port Klang will be the first port to be benefited by the BRI's development and the relocation trend of manufacturing exporters from the PRC.

With the aim to promote Malaysia in becoming a logistic hub in the Southeast Asia, the Malaysian government, in the past few years, has implemented, among other things, the following plans and policies to develop its logistic and warehousing industry:

1. Plans and policies to elevate Malaysia to become the preferred logistics gateway in Asia by 2020

   – the Eleventh Malaysia Plan (2016-2020), among the focus areas is the "unleashing growth of logistics and improve its ranking in the World Bank Logistics Performance Index from top 25 in 2014 to be among the top ten by 2020. The Logistics Performance Index measures the logistics capabilities of 160 countries;

   – the Logistics and Trade Facilitation Master Plan (2015-2020) to provide the strategic framework and roadmap to achieve the goal;

2. the National Transport Policy launched in 2019 to provide strategic direction for a sustainable transport sector and strengthening the infrastructure development of the country. The policy also aims to improve the efficiency of clearance process by simplifying custom procedures and encourage multi-modal freight movement, such as rail and road freight;

3. the Malaysian Transport Minister announced in 2019 that Malaysia seeks to become China's transshipment hub for the Association of Southeast Asian nations;

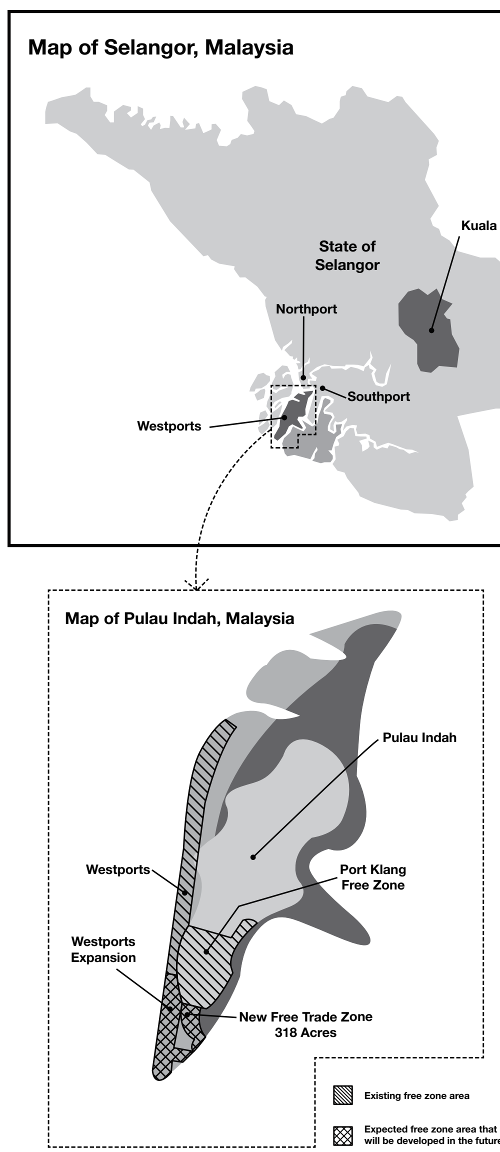
4. the Malaysian government resumed the East Coast Rail Link project will provide better cargo transport / cargo load from Kota Baru to Port Klang. The cargo load is estimated to bring 70% of ECRL revenue with shorter travelling time and greater reliability along the corridor especially during flooding season. It is reported that construction of Phase C (Mentakab to Port Klang) will commerce in July 2019;

5. the Malaysian government allocated RM50 million for repair and maintenance work for the roads leading to Port Klang under Budget 2020; and

6. the Malaysian government announced in the budget 2020 report that the goal to position Port Klang as a major regional transshipment hub in ASEAN.

Information about Port Klang

According to the F&S Report, Port Klang, consisting of three distinct terminals, namely Westports, North Port and South Port, is strategically located in the central region of Peninsular Malaysia and is about 40 km from the capital city Kuala Lumpur and in close proximity to the commercial and industrial hub of country's most developed region, the Klang Valley. Set out below are the maps of (i) Selangor state, Malaysia which shows the location of Westports, Northports and Southports; and (ii) Palan Indah district, Malaysia showing the Westports, Port Klang Free Zone, proposed land to be used for Westports expansion and the 318 acres New Free Trade Zone:



Based on the annual reports 2016 and 2017 of the Port Klang Authority, the strategic location coupled with good connectivity give Port Klang excellent access to strong indigenous cargo base and provide logistics players and manufacturers with an unparalleled array of choices of moving in and out their cargoes via its links to over 600 ports over 130 countries.

According to the F&S Report, Port Klang, as the 12th busiest port in the world in terms of container throughput, handles almost 50% of Malaysia seaborne cargoes, and recorded an annual 12.3 million TEUs of throughput in 2018 of which 7.6 million TEUs (62%) are transshipment containers.

The Malaysian government announced its goal to position Port Klang as a major regional transshipment hub ASEAN.

Information about Westports

According to the F&S Report, Westports, as the newest of the three terminals in Port Klang, is a megahub for both local and transshipment containers. With current total quay length measuring 5.8 km and 20 berths, give Westports a total annual capacity of 14 million TEUs. Westports contributed over 77% of Port Klang total container handling volume in 2018. Westports grew rapidly on the basis of being expert in handling transshipment cargo. The area around Westports is also growing as a logistics hub with specialised industries and logistics centers being built.

The increasing demand in Westports

To leverage on the increasing demand in logistics service in Malaysia, Port Klang, as the busiest and largest port in Malaysia, has concrete plans in expanding its capacity in cargo handling. In particular, the expansion of Westports (the "**Westports Expansion Plan**") will increase the number of container terminal from 9 to 19. The capacity is expected to increase to 30 million TEUs per annum by 2040, while the TEUs of 2017 was 12.3 million. The expansion plan has already received an approval-in-principle by the Malaysian government and a feasibility study is expected to complete by the end of 2019. Further to the Malaysian government backed expansion plan, Westports Malaysia also invested to enhance efficiency and lower handling cost through semi-automation and digitalisation, which will improve its competitiveness to competitors like Singapore and other ports in Malaysia. The extra amount of cargo to be handled in Westports will significantly increase the demand in Warehouse and Ancillary Services in Westports.

The provision of certain types of logistic centre and related services are shifting from Singapore to Malaysia

According to the F&S Report, Malaysia is located in the Straits of Malacca, one of the world's most important trade route, and being the world's fifth best connected country in terms of shipping line connectivity. Also, the logistic centre and related services, in particular the transshipment activities and metal commodity storage, in Singapore has been gradually shifting to Port Klang, being the second busiest port in the Southeast Asia region, since 2015 due to (i) the abovementioned government plans and policies; (ii) the service fee for cargo handling and warehouse rental are significantly lower in Malaysia as compared to Singapore; (iii) the ocean freight networks of Port Klang provide similar connectivity to the major ports in the world as compared to the ports in Singapore; (iv) Malaysia has better land transportation connectivity to other Southeast Asia countries, such as Thailand, as compared to the limited land transportation connectivity in Singapore; and (v) the limited amount of land space in the Singaporean ports forced Singapore to put less focus in metal commodity storage.

Also, according to the F&S Report, the closing stock level of metal commodity for the London Metal Exchange ("**LME**") in Singapore was gradually decreasing from 372,745 metric tons to 148,553 metric tons from September 2016 to September 2019, respectively, as compared to the increase from 181,124 metric tons to 436,197 metric tons for the same period for Port Klang. The increase in metal commodity stock level in Port Klang further increased the demanding in our long term warehousing services.

Furthermore, based on our executive Directors' best knowledge, understanding, and belief, and concurred by F&S, it is generally expected that the completion of the BRI projects in Malaysia, in particular when the East Coast Rail Line project will be completed within five to 10 years, will alter trade routes in the ASEAN region from Singapore since the cargoes and goods within the ASEAN region heading for China or vice versa could bypass the Port of Singapore and use Malaysia ports for transshipment. Port Klang is expected to be one of the first port in Malaysia that benefit from the BRI projects.

The benefits of setting up new warehouses in the Proposed Westports FZ New Site

According to our executive Directors and concurred by F&S, it is generally expected that the aforesaid factors, in particular (i) the various government plans and policies; (ii) the phenomenon of customers shifting from Singapore to Malaysia; and (iii) the Westports Expansion Plan, will increase the demand of Warehouse and Ancillary Services in Port Klang in a long run.

According to the F&S Report, save for the last piece of empty land, with the gross floor area of 100 acres (equivalent to approximately 4.4 million sq.ft), which has only been recently available for leasing, the existing warehouse area was fully occupied in Westports, as at July 2019. The Proposed Westports FZ New Site, with a gross floor area of approximately 800,000 sq.ft, is located on the above-mentioned empty land. The Westports Expansion Plan is expected to be completed by 2040 and it will almost double the TEUs. Given the aforesaid, our executive Directors are of the view that the Proposed Westports FZ New Site is rarely available and located at a prime area in Westports. Our Group will take advantage of the location and provide short term warehousing and ancillary services mainly for transshipment cargos, which provide stuffing and unstuffing, repackaging and labelling, palletizing and local transportation services to its customers. The proximity of the land allows shorter handling time for haulage transportation from the wharf to the warehouses, vice versa, which (i) helps the customers to save significant amount of time and cost; (ii) allow us to handle customers who only allow a short period of handling time.

According to the best understanding, knowledge and belief of our executive Directors, other advantages of the Proposed Westports FZ New Site include:

– the Westports Malaysia imposed strict development plan for each parcel of land within the Westports and not all land can be singularly used as a warehouse. Based on the lease agreement entered on 10 December 2019 with Westports Malaysia, the Proposed Westports FZ New Site is to be used for the purpose of establishing cargo handling logistics center, which allows us to execute our future plans;

– The lease of the Proposed Westports FZ New Site is located in the free zone area in Westports, and the lease period commences from 1 January 2020 to 31 August 2054 and our executive Directors are of the view that the long lease of over 30 years will allow the Proposed Westports FZ Warehouses to provide a good source of recurring income over the long term; and

– the Proposed Westports FZ New Site is located within the Westports, the largest free zone area in Malaysia, which allow us to provide long term warehousing services mainly targeting metal commodity traders. As confirmed by the F&S Report, the LME metal commodity traders only locate their warehouses in the free zone area. For the reasons of metal commodity traders locating their warehouses in the free zone, please refer to the paragraph headed "The rationale for targeting metal commodity traders as target customers for the proposed new warehouses".

Based on the above, our executive Directors are of the view that (i) the location of the Proposed Westports FZ New Site is ideal to capture the upcoming opportunities for the increasing demand in the transshipment activities and metal commodity storage; and (ii) there will be a high demand for logistic centre and related services in the Proposed Westports FZ New Site upon its completion.

As a result, we planned to further invest in the logistics centre and related services and increase our market share due to the various reason mentioned above to capture the increasing demand in Warehouse and Ancillary Services in Port Klang. Our executive Directors consider that the (i) Existing Warehouses of our Group have a relatively high utilisation rate and do not have sufficient capacity to implement our future plans; (ii) the Proposed Westports FZ New Site is located at an ideal location for our expansion plans, as compared to the our Existing Warehouses; and (iii) the vacancy of the Proposed Westports FZ New Site is very rare. As such, our executive Directors would like to cherish the opportunity to develop the Proposed Westports FZ New Site so as to further enhance our overall performance.

The profitability of the development in the Proposed Westports FZ New Site

Due to the geographical advantages of the Proposed Westports FZ New Site and the expected popularity of demand of the new warehouses, our executive Directors expected that the development in the Proposed Westports FZ New Site would bring in long-term recurring revenue to our Group. Based on the estimation of our executive Directors, it is currently expected that the development in Proposed Westports FZ New Site will provide a profit margin of over 20% upon full operation, which will be more profitable than our Existing Warehouses. The differences in profitability between the Proposed Westports FZ New Site and our Existing Warehouses are mainly due to the lower expected operating costs and less time for transportation to/from the wharf for the provision of short term warehousing and ancillary services in the Proposed Westports FZ New Site as the Proposed Westports FZ New Site is close to the wharf. We will be able to save cost on the haulage services, such as transporting, loading and offloading cost, between the wharf and warehouses and staffs cost for handling extra documentation which is required in the Port Klang Free Zone.

Increasing the capacity of the logistic centre segment will stimulate the growth and strengthen our presence in other business segments

The customers who request the integrated freight forwarding services and railroad transportation services may also request warehousing and ancillary services, such as storage, repackaging, labelling and palletising, etc. By setting up the Proposed Westports FZ Warehouses, our executive Directors are of the view that we will be more competitive in providing cross segment services, which will benefit other business segment and improve the overall performance of our Group. Also, the potential customers of the Proposed Westports FZ Warehouses may also request our integrated freight forwarding services and railroad transportation services.

Based on the above, our executive Directors are of the view that it would be commercially rational to expand the logistic executive centre and related services segment due to the above factors.

(2) Our strategy to secure new customers for the Warehouse and Ancillary Services

Even though the Malaysian government launched various plans and policies to support the growth of the logistic industry in Malaysia during the Track Record Period, the actual development of these plans and policies were only partially completed recently, which will continue to further expand. As a result, the overall logistics industry in Malaysia were not yet benefited from the impacts of these plans and policies during the Track Record Period. It is expected that the current expansion plan in Westports will be fully completed by 2040, with various phrases to be completed every few years. Based on the understanding of our executive Directors, and as concurred by F&S, it is expected that the completion of each phrase of the current expansion plan in Westports will benefit the logistics industry in Port Klang in different aspects. The expansion plan in Westports will provide a long-term and sustainable growth for the logistics industry in Port Klang.

As disclosed above, it is expected that the Proposed Westports FZ New Site will bring in long-term recurring revenue to our Group due to (i) the provision of certain types of logistic centre and related services, in particular the transhipment services and metal commodity storages, are shifting from Singapore to Malaysia; (ii) the prime location of the Proposed Westports FZ New Site and the expected popularity of demand of the new warehouses; and (iii) the business opportunity arising from the BRI developments.

Our executive Director, Dato' Chan, has over 23 years of experience in the logistics industry and has been taking a leading role in the sales and marketing of our Group. Based on his extensive experience and knowledge in the industry as well as his understanding of the recent plans and policies imposed by the Malaysia government, he foresees the high market demand in the Proposed Westports FZ New Site which was supported by both formal and informal enquiries from both existing and potential customers. Also, the Dato' Chan and our team will be actively seeking for business opportunities from both existing and potential new customers who are currently using the port facility in Singapore to increase the use of warehouse and logistics centre and related services in Malaysia.

The table below sets out the details of the existing and potential customers expressed their interest to our executive Directors, both formally and informally, in our Warehouse and Ancillary Services in Westports in 2022:

Identity of our potential customer	**Background of the potential customer**	**Approximate size of the warehouses requested** *(sq.ft.)*
An existing customer	a warehouse operator who principally engage in operating commodity warehouses	300,000
An existing customer	a subsidiary of a company listed on the Malaysia Stock Exchange, who principally engaged in distribution of steel products and construction materials	200,000
A potential new customer	an international logistic service provider and port operator. The company is present in 28 countries in five continents and has approximately 12,000 employees worldwide	100,000

Identity of our potential customer	Background of the potential customer	Approximate size of the warehouses requested *(sq.ft.)*
A potential new customer	a subsidiary of a state-owned shipping line of the PRC, who had over 1,200 container vessels, with a total capacity of 3 million TEUs, and one of the top shipping line in the world	100,000
An existing customer	a shipping agency, which is the sole agent for an international shipping lines, who is one of the top 20 container ship operator in the world	80,000
An existing customer	a logistics service provider	50,000

(3) The reasonableness of our assumption that there will be adequate demand for the Proposed Westports FZ Warehouses

According to our executive Directors and concurred by F&S, it is generally expected that the above mentioned factors, in particular (i) the various government plans and policies; (ii) the phenomenon of customers shifting from Singapore to Malaysia; and (iii) the Westports Expansion Plan, will increase the demand of Warehouse and Ancillary Services in Port Klang in a long run. Since June 2019, we have received enquiries from both potential and existing customers who have expressed their interest in our Warehouse and Ancillary Services in Westports in 2022.

All the existing and potential new customers who have expressed their interest in our Warehouse Ancillary Services acknowledged that the Proposed Westports FZ Warehouses are expected to be completed in 2022 and, according to Dato' Chan, they are interested in engaging us for Warehouse and Ancillary Services in Westports, for a total gross floor area of 730,000 sq.ft., upon the completion of the Proposed Westports FZ Warehouses.

Based on the building plan of the Proposed Westports FZ Warehouses, it is expected that the new warehouses will provide a total gross floor area of approximately 800,000 sq.ft of warehouse space. As at the Latest Practicable Date, the current enquiry letters received by our Group from its customers requested a total of 730,000 sq.ft. for our Warehouse and Ancillary Services, which is expected to substantially utilise the total capacity of the Proposed Westports FZ Warehouses. Due to the increasing demand and the shortage of supply in storage spaces for Warehouse and Ancillary Services in Westports, our executive Directors are of the view that it is reasonable for the potential customers to express their interest for securing our services in an early stage.

Based on the above, our executive Directors are of the view that we will be able to secure new customers for its logistics centre and related services.

(4) The rationale for targeting metal commodity traders as target customers for the Proposed Westports FZ Warehouses

According to our Directors, our Group intend to provide both long term warehouse services and short term warehouse services in the Proposed Westports FZ New Site. The long term warehouse service will mainly target metal commodity traders whereas the short term warehouse services will mainly target any customers who require cargo handling for transhipment services.

According our executive Directors, we target to provide long term warehouse services in the Proposed Westports FZ Warehouses due to the following reasons:

Port Klang as a LME hub

Port Klang has been accredited as a "Good Delivery Point" of the LME since 2009. According to the F&S Report, the accreditation enhanced Malaysia's image as a major regional logistics centre for LME trade which encouraged and attracted the LME approved warehouse operators to set up their warehouses in Port Klang for storing metal commodity. As a result of the accreditation, there has been an increasing demand in Warehouse and Ancillary Services for LME metal commodity in Port Klang.

The relationship with the customers in the metal commodity trading industry

We have an extensive network and maintains good relationship with customers in the metal commodity trading industry. During the Track Record Period, all of our warehouses for the provision of long term warehouse services only served customers in the metal commodity trading industry. As such, we are experienced in providing long term warehouse services to metal traders as we have the relevant experience, knowledge and skillset and we are familiar with their requirements. Based on the long term agreement entered between these customers and our Group, our executive Directors consider that the customers in the metal commodity trading industry are relatively stable in providing recurring revenue for us and it is rare for them to relocate their warehouses due to the high relocation costs and inconvenience caused by the relocation.

The business nature of the customers in the metal commodity trading industry

Metal commodity traders normally do not need to remove the commodity from the warehouse and so they are prone to enter into long team warehouse-related agreement with our Group. By storing the commodity in a warehouse within the free zone, they would be more flexible in terms of the timing for paying the customs as they do not need to pay import duty unless they are removing the commodity out of the free zone area. We targets metal commodity traders for the long term warehouse services due to the nature of the industry and the advantages of the Proposed Westports FZ New Site being in a free zone.

As concurred by F&S, these metal commodity traders generally only store their inventory in a free zone. They usually import a large amount of metal commodity to their warehouse in the free zone and rarely remove their inventory out of the warehouse. By storing the metal commodity in a free zone, no import duties would be charged when they first import the metal commodity from overseas and the import duties would only be charged when they move the metal commodity from the free zone into Malaysia by the amount they transport. In most cases, the metal commodity may be transferred to another warehouse in overseas without leaving the free zone and no import or export duties would be charged. As such, these metal commodity traders generally only keep their metal commodity inventory in a free zone.

REASONS FOR THE LISTING

The followings are our principal reasons for seeking the Listing:

Providing sufficient funds for the implementation of our future plans

The net proceeds from the Share Offer will provide financial resources for our Group to facilitate its business strategies and future plans as set out in the section headed "Business – Business strategies" in this prospectus. Our Directors consider that the capital raised through the Share Offer would strengthen its cash flow position, which in turn will enable our Group to cope with future business expansion.

Enhancing our corporate profile and credibility

Our Directors believe that a listing status will enhance our credibility with suppliers, customers and other business partners, as well as our ability to recruit, motivate and retain key management personnel. The increased level of information transparency after the Listing will also give our existing and prospective customers and suppliers the public access to our Group's corporate and financial information, which could generate further confidence in our Group among them. With the status of a listed company, our Directors believe that the Listing will allow us to enhance our competitiveness against our competitors. We will therefore be in a better position to attract more potential customers, including state-owned customers in the PRC, and solicit more businesses upon the Listing.

It is expected the customers would tend to give preference to logistics services provider who has a public listing status with a good reputation, transparent financial disclosures and regulatory supervision. In particular, some of our major customers are listed companies, and they may prefer to engage logistics services provider, which is also a listed company. As mentioned in the section headed "Business – Business strategies" in this prospectus, we plan to further expand our customer base in the region, capture the business opportunity in Malaysia and across Asia, our Directors believe that the listing status will enhance our brand awareness and attract both (i) foreign customers who invested in Malaysia, in particular, the state-owned enterprises in the PRC and Multinational corporations; and (ii) the potential overseas customers, who require logistics services across Southeast Asia.

Our Directors believe that a public status will distinguish us from other logistic services providers in Malaysia and enhance our competitiveness in the market compared to other logistics services providers, who are not listed company, since some customers and suppliers, in particular, those in the PRC and multinational corporations, may prefer to work with companies with more transparent financial disclosure and regulatory supervision.

REASONS FOR THE LISTING IN HONG KONG

Our Directors have considered and evaluated different listing venues including Hong Kong and Malaysia and have concluded that, notwithstanding that our business is primarily based in Malaysia, Hong Kong is the suitable venue for us to pursue a listing because listing in Hong Kong (i) would help to strengthen our positioning and enhance our brand name in Asia and other regions in the world; and (ii) will facilitate us to implement our future plans as well as realise our business strategy, in the following aspects:

The strategic location of the stock market in line with our expansion plan

Hong Kong is uniquely positioned as the key gateway between the PRC and international markets and as disclosed in the section "Business – Business strategies" in this prospectus, we are currently pursuing our expansion plan to further expand our customer base across Asia and to capture the growing business opportunity in Malaysia and Southeast Asia arising from the Belt and Road Initiative and the US-China trade war. Our Directors consider that Hong Kong is an international financial centre and the stock market in Hong Kong is well established and highly recognised internationally.

Belt and Road Initiative, launched in 2013 to connect Asia with African and European countries through ocean, air, land, and rail links, aims to improve regional integration and connectivity, increase cross border trade movements, and stimulate economic growth with other trade countries. Several key Belt and Road Initiative projects involving road, rail, and power projects have been initiated since. The number of Chinese construction-related investments in Malaysia grew over the years, with the number of ongoing projects as of mid-2018 at over RM242 billion.

These projects are expected to stimulate the growth of the logistics industry by importing construction materials, equipment and machinery into Malaysia for the development projects, which will simulate the growth of the integrated freight forwarding services and railroad transportation services. In addition, the storing and local delivery of construction materials, equipment and machinery will simulate the growth of the logistics centre and related services. In the long-term, the completion of the BRI related projects is expected to increase investments within the Malaysian logistics industry which is likely to create a spillover effect on the growth of other industries which required liquid transportation, such as the oil industry, among others, which will simulate the flexitank solution and related services.

The linkages between Malaysia and China extend beyond the Belt and Road projects. Malaysia is expected to be the fourth biggest beneficiary of the US-China trade war ongoing as of May 2019. As a result of China's tariff on the US, key Malaysian products such as scrap alloy, natural gas and benzole, among others, are expected to benefit due to the higher demand from China, contributing to the growth of logistics services between Malaysia and China. On top of it, numerous Chinese companies are recently investing in new production facilities in Malaysia, including paper manufacturer, glass manufactures, tires manufacturer; various companies have announced their investment plans in Malaysia. FDIs planned by manufacturers from China rose 410.8% from RM3.9 billion in 2017 to RM19.7 billion in 2018, surpassing the 184.9% growth by US companies. The expansion of manufacturing facilities in Malaysia by Chinese companies is expected to further support the demand for logistics services between Malaysia and China. As of 2018, China is Malaysia's largest trading partner for ten consecutive years, since 2009.

Our Directors believe that with listing status in Hong Kong, we can strengthen our positioning and enhance our brand name in Asia and other regions in the world. We can further reinforce our brand awareness and market reputation in the world and enhance our competitiveness in the market compared to other logistics services providers, who may be listed on another stock exchange. We target to attract both foreign customers who invested in Malaysia and potential overseas customers who require logistics services across Southeast Asia as these customers are generally the state-owned enterprises or multinational corporations across the World. Since Hong Kong is uniquely positioned as the key gateway between the PRC and international market, our Directors believe that the listing status in Hong Kong will give us a competitive edge over other logistics services providers who listed in another stock exchange or do not have a listing status.

As Hong Kong is the interface between the PRC and the rest of the world, Hong Kong stands to benefit from the numerous business opportunities which will arise out of the Belt and Road initiative. Our directors believe that the investors in Hong Kong have better awareness and understanding of the long term benefits and business opportunity arising from the Belt and Road Initiative.

PUBLIC OFFER UNDERWRITERS

VBG Capital Limited
Wealth Link Securities Limited
Yuanta Securities (Hong Kong) Company Limited
Grand China Securities Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

The Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company has agreed to offer the Public Offer Shares for subscription by the public in Hong Kong on and subject to the terms and conditions of this prospectus and the Application Forms. Subject to, among other conditions, the granting of the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus by the Stock Exchange and to certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally and not jointly agreed to subscribe or procure subscribers for their respective applicable proportions of the Public Offer Shares now being offered which are not taken up under the Public Offer on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement.

The Public Offer Underwriting Agreement is conditional on and subject to the Placing Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and all the Public Offer Underwriters) shall have the absolute right upon giving a written notice to our Company to terminate the Public Offer Underwriting Agreement if any of the following events occur prior to 8:00 a.m. (Hong Kong time) on the Listing Date (the "**Termination Time**"):

A. there comes to the notice of the Joint Lead Managers or any of the Public Offer Underwriters:

(a) any matter or event showing any of the warranties in the Pubic Offer Underwriting Agreement to be untrue, inaccurate or misleading in any respect when given or repeated or there has been a breach of any of the warranties or any other provisions of the Public Offer Underwriting Agreement by any party thereto (other than the Sole Sponsor and the Public Offer Underwriters) which, in any such cases, is considered, in the sole and absolute opinion of VBG Capital Limited (for itself and on behalf of the Joint Lead Managers), to be material in the context of the Share Offer; or

(b) any statement contained in this prospectus and the Application Forms, the post hearing information pack, the formal notice and any announcements issued by the Company (including any supplement or amendment to each of the said documents) has become or been discovered to be untrue, incorrect or misleading in any respect which is considered, in the sole and absolute opinion of VBG Capital Limited (for itself and on behalf of the Joint Lead Managers), to be material in the context of the Share Offer; or

(c) any event, series of events, matter or circumstance occurs or arises on or after the date hereof and before the Termination Time, being an event, matter or circumstance which, if it had occurred before the date hereof, would have rendered any of the warranties untrue, incorrect or misleading in any respect, and which is considered, in the sole and absolute opinion of the VBG Capital Limited (for itself and on behalf of the Joint Lead Managers), to be material in the context of the Share Offer; or

(d) any matter which, had it arisen or been discovered immediately before the date of this prospectus and not having been disclosed in this prospectus, would have constituted, in the sole and absolute opinion of the VBG Capital Limited (for itself and on behalf of the Joint Lead Managers), a material omission in the context of the Share Offer; or

(e) any event, act or omission which gives or is likely to give rise to any liability of the Company or any of the executive Directors or the Controlling Shareholders arising out of or in connection with the breach of any of the warranties; or

(f) any breach by any party to this Agreement (other than the Sole Sponsor, the Joint Lead Managers and the Public Offer Underwriters) of any provision of this Agreement which, in the sole and absolute opinion of VBG Capital Limited (for itself and on behalf of the Joint Lead Managers), is material; or

B. there shall have developed, occurred, existed, or come into effect any event or series of events, matter or circumstance whether occurring or continuing before, on and/or after the date of the Public Offer Underwriting Agreement and including an event or change in relation to or a development of an existing state of affairs concerning or relating to any of the following:

(a) any new law or regulation or any change in existing laws or regulations, or any change in the interpretation or application thereof by any court or other competent authority in Malaysia, Thailand, Hong Kong, the PRC, the BVI, the Cayman Islands or any of the jurisdictions in which the Group operates or has or is deemed by any applicable law to have a presence (by whatever name called) or any other jurisdiction relevant to the business and/or operation of the Group (the "**Relevant Jurisdictions**"); or

(b) any change in, or any event or series of events or development resulting or likely to result in any change in local, regional or international financial, equity securities, currency, political, military, industrial, economic, stock market or other market conditions or prospects in or affecting the Relevant Jurisdictions; or

(c) any change in the system under which the value of the HK dollars is linked to that of the US dollars; or

(d) the imposition of any moratorium, suspension or restriction on trading in securities generally on any of the markets operated by the Stock Exchange due to exceptional financial circumstances or otherwise; or

(e) any change or development involving a prospective change in taxation or exchange control (or the implementation of any exchange control) in the Relevant Jurisdictions; or

(f) any change or prospective change in the business or in the financial or trading position or prospects of any member of the Group; or

(g) the imposition of economic sanction or withdrawal of trading privileges, in whatever form, by the Relevant Jurisdictions; or

(h) a general moratorium on commercial banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance service in or affecting the Relevant Jurisdictions; or

(i) any event of force majeure including, without limiting the generality thereof, any act of God, military action, riot, public disorder, civil commotion, fire, flood, tsunami, explosion, epidemic, terrorism (whether or not responsibility has been claimed), strike or lock-out involving or affecting the Relevant Jurisdictions; or

(j) any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared) or other state of emergency or crisis involving or affecting the Relevant Jurisdictions; or

(k) a demand by any creditor for repayment or payment of any material indebtedness of any other member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(l) any material loss or damage sustained by any member of the Group (howsoever caused and whether or not the subject of any insurance or claim against any person); or

(m) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(n) any litigation or claim of importance of any third party being instigated or threatened against any member of the Group; or

(o) a contravention by any member of the Company of the Companies Ordinance, the SFO, or any of the Listing Rules; or

(p) a prohibition on the Company for whatever reason from allotting the Shares pursuant to the terms of the Share Offer;

which, in the sole and absolute opinion of VBG Capital Limited (for itself and on behalf of the Joint Lead Managers):

(i) is or will be, or is likely to be, adverse to the business, financial, trading or other conditions or prospects of the Group taken as a whole or any member of the Group; or

(ii) has or will have or is likely to have an adverse effect on the success of the Share Offer or the level of the Offer Shares being applied for or accepted, the distribution of the Offer Shares or the demand or market price of the Shares following the Listing; or

(iii) for any other reason makes it impracticable, inadvisable or inexpedient for the Public Offer Underwriters to proceed with the Share Offer as a whole; or

(iv) is or may have effect of making any part of the Public Offer Underwriting Agreement incapable of performance in accordance with its terms in any material respects.

For the above purpose:

(i) a change in the system under which the value of the Hong Kong currency is linked to that of the currency of the US shall be taken as an event resulting in a change in currency conditions; and

(ii) any normal market fluctuations shall not be construed as events or series of events affecting market conditions referred to above.

Undertakings to the Stock Exchange under the Listing Rules

Undertakings by our Company

We have undertaken to the Stock Exchange that, except pursuant to the Capitalisation Issue, the Share Offer and the Share Option Scheme as described and contained in this prospectus, no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued by us or form the subject of any agreement to such an issue by us within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except for the circumstances as permitted by Rule 10.08 of the Listing Rules.

Undertakings by our Controlling Shareholders

Pursuant to Rule 10.07 of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company respectively that it/he shall not and shall procure that the relevant registered shareholder(s) shall not:

(a) in the period commencing on the date by reference to which disclosure of its/his shareholding in our Company is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares in respect of which it/he is shown by this prospectus to be the beneficial owner(s); or

(b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of the Shares referred to in paragraph (a) above if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, it/he would cease to be a controlling shareholder (as defined in the Listing Rules) on a collective basis.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has also undertaken to the Stock Exchange and our Company respectively that, within the period commencing on the date by reference to which disclosure of its/his shareholding in our Company is made in this prospectus and ending on the date which is 12 months from the Listing Date, it/he will:

(a) when it/he pledges/charges any securities beneficially owned by it/him in favour of an authorised institution pursuant to Note (2) to Rule 10.07(2), immediately inform the Company of such pledge/charge together with the number of securities so pledged/charged; and

(b) when it/he receives indications, either verbal or written, from the pledgee/chargee that any of the pledged/charged securities will be disposed of, immediately inform the issuer of such indications.

Our Company shall inform the Stock Exchange in writing as soon as it has been informed of any of the matters referred to above (if any) by our Controlling Shareholders and disclose such matters by way of an announcement to be published in accordance with the Listing Rules as soon as possible.

Undertakings pursuant to the Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company had undertaken to each of the Sole Sponsor, the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) that the Company will not and procure that its subsidiaries will not:

(a) except pursuant to the Share Offer, the Capitalisation Issue, the options that may be granted under the Share Option Scheme, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters), and subject always to the provisions of the Listing Rules, offer, allot, issue or sell, or agree to allot, issue or sell, grant or agree to grant any option, right or warrant over, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any of its affiliates), either directly or indirectly, conditionally or unconditionally, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or any securities convertible into or exchangeable for such Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership of Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or such securities, whether any of the foregoing transactions is to be settled by delivery of Shares or such securities, in cash or otherwise or announce any intention to effect any such transaction during the six months immediately following the Listing Date (the "**First Six-month Period**");

(b) at any time during the First Six-Month Period, issue, or create any mortgage, pledge, charge or other security interest or any rights in favour of any other person over, directly or indirectly, conditionally or unconditionally, any Shares or other securities of the Company (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares (or any interest in any Shares or any voting or other right attaching to any Shares) or securities of the Company) or repurchase any Shares or securities of the Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of the Company or agree to do any of the foregoing, except pursuant to the Share Offer, the Capitalisation Issue or to the options that may be granted under the Share Option Scheme;

(c) at any time within the six months immediately following the expiry of the First Six-month Period (the "**Second Six-month Period**") any of the acts set out in paragraphs (a) and (b) above such that any of the Controlling Shareholders, directly or indirectly, would cease to be a controlling shareholder of the Company; and

(d) during a period of two years from the date of this prospectus, in the event that the Company does any of the acts set out in paragraphs (a) or (b) above after the expiry of the First Six-Month Period or the Second Six-Month Period, as the case may be, take all steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or other securities of the Company or any interest therein.

Each of our Controlling Shareholders has jointly and severally undertaken to our Company, the Sole Sponsor, the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters) that:

(a) each of the Controlling Shareholders will not, without the prior written consent of the Joint Lead Managers (for themselves and on behalf of the Public Offer Underwriters)(such consent shall not be unreasonably withheld), directly or indirectly, and will procure that none of his/ its associates (as defined in the Listing Rules) or companies controlled by him/it or any nominee or trustee holding in trust for him/it shall, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option right, warrant to purchase or otherwise transfer or dispose of, or any lending, charges, pledges or encumbrances over, or by entering into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise)) any of the Shares (or any interest in any Shares or any voting other right attaching to any Shares) in respect of which he/it is shown in this prospectus to be the beneficial owner (directly or indirectly) or any other securities convertible into or exchangeable for or which carry a right to subscribe, purchase or acquire any such Shares (or any interests in any Shares or any voting or other right attaching to any Shares) or enter into any swap, derivative or other arrangement that transfers to another, in whole or in part, any of the economic consequences of the acquisition or ownership of any such Shares or such securities at any time during the First Six-Month Period, subject always to compliance with the provisions of the Listing Rules, in the event of a disposal of any Shares or such securities or any interest therein at any time during the Second Six-Month Period, (i) in respect of the Controlling Shareholders, such disposal shall not result in any of the Controlling Shareholders ceasing to be the controlling shareholder (as defined in the Listing Rules) of the Company at any time during the Second

Six-Month Period; and (ii) he/it shall take all steps to ensure that any such act, if done, will not create a disorderly or false market for any Shares or other securities of the Company or any interest therein;

(b) within the twelve months immediately following the Listing Date, he/it shall:

(i) if and when he/it pledges or charges, directly or indirectly, any Shares or other securities of the Company beneficially owned by him/it, immediately inform the Company, the Sole Sponsor and the Joint Lead Managers in writing of such pledge or charge together with the number of such Shares or other securities so pledged or charged; and

(ii) if and when he/it receives indications, either verbal or written, from any pledgee or charge that any Shares or other securities in the Company pledged or charged by him/it will disposed of, immediately inform the Company, the Sole Sponsor and the Joint Lead Managers in writing of such indications.

Our Company will inform the Stock Exchange as soon as we have been informed of the matters above (if any) by the Controlling Shareholders and disclose such matters by way of a press announcement.

The Placing

In connection with the Placing, it is expected that our Company will enter into the Placing Underwriting Agreement with, inter alia, the Placing Underwriters, on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement and on the additional terms described below. Under the Placing Underwriting Agreement, the Placing Underwriters will agree to subscribe or purchase or procure subscribers or purchasers for the Placing Shares being offered pursuant to the Placing. The Placing Underwriting Agreement is expected to provide that it may be terminated on grounds similar to those provided in the Public Offer Underwriting Agreement. Potential investors are reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed.

It is expected that, pursuant to the Placing Underwriting Agreement, our Company, our executive Directors and our Controlling Shareholders will give undertakings similar to those given pursuant to the Public Offer Underwriting Agreement, as described in the paragraph headed "Underwriting – Underwriting arrangements and expenses – The Public Offer – Undertakings pursuant to the Public Offer Underwriting Agreement" in this prospectus.

It is expected that each of our Controlling Shareholders will undertake to the Placing Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of our Shares held by them in our Company for a period similar to that given by them pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed "Underwriting arrangements and expenses – The Public Offer – Undertakings pursuant to the Public Offer Underwriting Agreement" in this section.

Underwriting commission and expenses

According to the Public Offer Underwriting Agreement, the Public Offer Underwriters will receive an underwriting commission of 8% of the aggregate Offer Price payable for the Public Offer Shares initially offered under the Public Offer, out of which they will pay any sub-underwriting commissions and selling concessions. The Placing Underwriters are expected to receive similar underwriting commission on the aggregate Offer Price payable for the Placing Shares subject to the terms and conditions of the Placing Underwriting Agreement.

Based on the Offer Price of HK$0.31 per Offer Share, being the mid-point of the estimated Offer Price range, the aggregate fees and commission, together with the Stock Exchange listing fee, the Stock Exchange trading fee, the SFC transaction levy, legal and other professional fees, printing, and other expenses relating to the Share Offer which are estimated to be approximately HK$20.2 million in aggregate and are payable by our Company.

UNDERWRITERS' INTERESTS IN OUR COMPANY

Save for their obligations under the Underwriting Agreements, none of the Underwriters is interested legally or beneficially in any shares of any member of our Group nor has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any member of our Group nor any interest in the Share Offer.

COMPLIANCE ADVISER'S AGREEMENT

Our Company has appointed VBG Capital Limited to act as the compliance adviser to our Company for the purpose of the Listing Rules for a period from the Listing Date and ending on the date on which our Company complies with Rule 3A.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

SPONSOR'S INDEPENDENCE

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

THE SHARE OFFER

The Share Offer consists of (subject to reallocation):

- the Public Offer of 50,000,000 Shares (subject to reallocation as mentioned below) as described under the section headed "Structure and conditions of the Share Offer – The Public Offer" in this prospectus; and

- the Placing of 450,000,000 Shares (subject to reallocation as mentioned below) as described under the section headed "Structure and conditions of the Share Offer – The Placing" in this prospectus.

Investors may apply for the Offer Shares under the Public Offer or indicate an interest, if qualified to do so, for the Offer Shares under the Placing, but may not do both. The Public Offer is open to members of the public in Hong Kong as well as to institutional, professional and other investors in Hong Kong. The Placing will involve selective marketing of the Offer Shares to institutional, professional and other investors. The Placing Underwriters are soliciting from prospective investors indications of interest in acquiring the Offer Shares in the Placing. Prospective investors will be required to specify the number of Offer Shares under the Placing they would be prepared to acquire either at different prices or at a particular price.

The number of Offer Shares to be offered under the Public Offer and the Placing respectively may be subject to reallocation as described in the section headed "Structure and conditions of the Share Offer – Pricing and Allocation" in this prospectus.

PRICING AND ALLOCATION

Offer Price

The Offer Price will be not more than HK$0.34 per Offer Share and is expected to be not less than HK$0.28 per Offer Share, unless otherwise announced. Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative Offer Price range stated in this prospectus.

Price payable on application

Applicants under the Public Offer must pay, on application, the maximum indicative Offer Price of HK$0.34 per Public Offer Share plus 1% brokerage, a 0.0027% SFC transaction levy and a 0.005% Stock Exchange trading fee, amounting to a total of HK$3,434.26 for one board lot of 10,000 Shares. Each Application Form includes a table showing the exact amounts payable on certain numbers of Offer Shares. If the Offer Price as finally determined in the manner described below, is less than HK$0.34 per Public Offer Share, appropriate refund payments (including the brokerage, SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants without interest.

Determining the Offer Price

The Placing Underwriters are soliciting from prospective investors indications of interest in acquiring the Shares in the Placing. Prospective investors will be required to specify the number of Offer Shares under the Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building", is expected to continue up to, and to cease on or about Thursday, 9 January 2020.

The Offer Price is expected to be fixed by agreement between VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) and our Company on the Price Determination Date, when market demand for the Offer Shares will be determined. The Price Determination Date is expected to be on or about Friday, 10 January 2020 and in any event, no later than 12:00 noon on Monday, 20 January 2020.

If, for any reason, our Company and VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) are unable to reach agreement on the Offer Price at or before 12:00 noon on Monday, 20 January 2020, the Share Offer will not proceed and will lapse.

Reduction in Offer Price range and/or number of Offer Shares

If, based on the level of interest expressed by prospective institutional, professional and other investors during the book-building process, VGB Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) considers it appropriate and together with our consent, the indicative Offer Price range and/or the number of Offer Shares may be reduced below that stated in this prospectus at any time prior to the morning of the last day for lodging applications under the Public Offer.

In such a case, our Company will, as soon as practicable following the decision to make any such reduction, and in any event not later than the morning of the last day for lodging applications under the Public Offer, cause to be published on the Stock Exchange's website at **www.hkexnews.hk** and on our Company's website at **www.infinity.com.my**, the notice of the reduction in the indicative Offer Price range and/or number of Offer Shares. Such notice will also include confirmation or revision, as appropriate, of the offering statistics as currently set out in the section headed "Summary" in this prospectus and any other financial information which may change as a result of such reduction. The Offer Price, if agreed upon, will be fixed within such revised Offer Price range. In the absence of the publication of any such notice, the Offer Price shall under no circumstances be set outside the Offer Price range indicated in this prospectus.

Before submitting applications for Public Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the indicative Offer Price range and/or number of Offer Shares may not be made until the day which is the last day for lodging applications under the Public Offer.

Allocation

The Shares to be offered in the Public Offer and the Placing may, in certain circumstances, be reallocated as between these offerings at the discretion of VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters).

Allocation of the Offer Shares pursuant to the Placing will be determined by VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further, and/or hold or sell Shares after Listing. Such allocation may be made to professional, institutional and other investors and is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and the Shareholders as a whole.

Allocation of the Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. The allocation of Public Offer Shares could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Announcement of final Offer Price and basis of allocations

The applicable final Offer Price, the level of indications of interest in the Placing and the basis of allocations of the Public Offer Shares are expected to be announced on Monday, 20 January 2020 on the Stock Exchange's website at **www.hkexnews.hk** and on our Company's website at **www.infinity.com.my**.

Results of allocations in the Public Offer, including the Hong Kong identity card/ passport/Hong Kong business registration numbers of successful applicants (where applicable) and the number of Public Offer Shares successfully applied for under **WHITE** and **YELLOW** Application Forms, or by giving **electronic application instructions** to HKSCC or by applying online through the **HK eIPO White Form** Service Provider under the **HK eIPO White Form** service, will be made available through a variety of channels as described in the section headed "How to Apply for the Public Offer Shares – 11. Publication of results" in this prospectus.

CONDITIONS OF THE PUBLIC OFFER

Acceptance of all applications for the Offer Shares pursuant to the Public Offer will be conditional upon, among other things:

- the Listing Committee granting listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Share Offer (including the Shares which may be made available pursuant to the Capitalisation Issue and any Shares which may fall to be issued upon the exercise of the options which may be granted under the Share Option Scheme);
- the Offer Price having been duly agreed on or around the Price Determination Date;
- the execution and delivery of the Placing Underwriting Agreement on or around the Price Determination Date; and
- the obligations of the Underwriters under each of the Placing Underwriting Agreement and the Public Offer Underwriting Agreement having become unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in such Underwriting Agreements (unless and to the extent such conditions are waived on or before such dates and times) and in any event not beyond the 30th day after the date of this prospectus.

The consummation of each of the Public Offer and the Placing is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived, prior to the dates and times specified, the Share Offer will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Public Offer will cause to be published by us on the Stock Exchange's website and on our Company's website on the next day following such lapse.

Share certificates for the Offer Shares are expected to be issued on Monday, 20 January 2020 but will only become valid certificates of title at 8:00 a.m. on Tuesday, 21 January 2020, provided that (i) the Share Offer has become unconditional in all respects and (ii) the right of termination as described in the section headed "Underwriting – Underwriting arrangements and expenses – The Public Offer – Grounds for termination" in this prospectus has not been exercised.

THE PUBLIC OFFER

Number of Shares initially offered

Our Company is initially offering 50,000,000 Shares at the Offer Price, representing 10% of the 500,000,000 Shares initially available under the Share Offer, for subscription by the public in Hong Kong. Subject to adjustment as mentioned below, the number of Shares offered under the Public Offer will represent 2.5% of the total issued share capital of our Company immediately after completion of the Share Offer. The Public Offer is open to members of the public in Hong Kong as well as to institutional, professional and other investors. Completion of the Public Offer is subject to the conditions as set out in the section headed "Structure and conditions of the Share Offer – Conditions of the Public Offer" above.

Allocation

For allocation purposes only, the Public Offer Shares initially being offered for subscription under the Public Offer (after taking into account any adjustment in the number of Offer Shares allocated between the Public Offer and the Placing) will be divided equally into two pools. Pool A will comprise 25,000,000 Public Offer Shares and Pool B will comprise 25,000,000 Public Offer Shares, both of which are available on a fair basis to successful applicants. All valid applications that have been received for Public Offer Shares with a total amount (excluding brokerage fee, SFC transaction levy and the Stock Exchange trading fee) of HK$5 million or below will fall into Pool A and all valid applications that have been received for Public Offer Shares with a total amount (excluding brokerage fee, SFC transaction levy and Stock Exchange trading fee) of over HK$5 million and up to the total value of Pool B, will fall into Pool B.

Applicants should be aware that applications in Pool A and Pool B are likely to receive different allocation ratios. If Public Offer Shares in one pool (but not both pools) are undersubscribed, the surplus Public Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. Applicants can only receive an allocation of Public Offer Shares from either Pool A or Pool B but not from both pools and may only apply for Public Offer Shares in either Pool A or Pool B. In addition, multiple or suspected multiple applications within either pool or between pools will be rejected. No application will be accepted from applicants for more than 25,000,000 Public Offer Shares (being 50% of the initial number of Public Offer Shares).

Allocation of the Offer Shares to investors under the Public Offer will be based solely on the level of valid applications received under the Public Offer. The basis of allocation may vary, depending on the number of Public Offer Shares validly applied for by applicants. The allocation of Public Offer Shares could, where appropriate, consist of balloting, which mean that some applicants may receive a higher allocation than others who have applied for the same number of Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Reallocation

The allocation of Offer Shares between the Public Offer and the Placing is subject to reallocation on the following basis:

(a) if both the Public Offer Shares and the Placing Shares are undersubscribed, the Share Offer shall not proceed unless the Underwriters would subscribe or procure subscribers for their respective applicable proportions of the Offer Shares being offered which are not taken up under the Share Offer on the terms and conditions of this prospectus, the Application Forms and the Underwriting Agreements;

(b) if the Public Offer Shares are undersubscribed and the Placing Shares are oversubscribed, VBG Capital Limited (for itself and on behalf of the Joint lead Managers and the Underwriters) has the authority to reallocate all or any unsubscribed Public Offer Shares to the Placing, in such proportions as VBG Capital Limited deems appropriate;

(c) where the Placing Shares are fully subscribed or oversubscribed:

    (i) if the number of Offer Shares validly applied for under the Public Offer represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Public Offer, then 100,000,000 Shares will be reallocated to the Public Offer from the Placing, so that the total number of the Offer Shares available under the Public Offer will be increased to 150,000,000 Offer Shares, representing 30% of the number of the Offer Shares initially available under the Share Offer;

    (ii) if the number of Offer Shares validly applied for under the Public Offer represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Public Offer, then 150,000,000 Shares will be reallocated to the Public Offer from the Placing, so that the number of the Offer Shares available under the Public Offer will be increased to 200,000,000 Offer Shares, representing 40% of the number of the Offer Shares initially available under the Share Offer; and

    (iii) if the number of Offer Shares validly applied for under the Public Offer represents 100 times or more the number of the Offer Shares initially available for subscription under the Public Offer, then 200,000,000 Shares will be reallocated to the Public Offer from the Placing, so that the number of the Offer Shares available under the Public Offer will be increased to 250,000,000 Offer Shares, representing 50% of the number of the Offer Shares initially available under the Share Offer.

(d) pursuant to the Stock Exchange's Guidance Letter HKEX-GL91-18:

(i) if the Placing Shares are undersubscribed and if the Public Offer Shares are oversubscribed, irrespective of the number of times the number of Offer Shares initially available for subscription under the Public Offer in such circumstances; or

(ii) if the Placing Shares are fully subscribed or oversubscribed, and if the Public Offer Shares are fully subscribed or oversubscribed but the number of Shares validly applied for under the Public Offer represents less than 15 times of the initial number of the Public Offer Shares,

then, provided that the final Offer Price is fixed at the low-end of the indicative Offer Price range (i.e. HK$0.28 per Offer Share) stated in this prospectus, in accordance with Guidance Letter HKEX-GL91-18 issued by the Stock Exchange, up to 50,000,000 Offer Shares may be reallocated from the Placing to satisfy valid applications in Pool A and Pool B under the Public Offer, so that the total number of Offer Shares available for subscription under the Public Offer will be increased up to 100,000,000 Offer Shares, and such limit represents 20% of the number of the Offer Shares initially available under the Share Offer.

References in this prospectus to applications, Application Forms, application monies or to the procedure for application relate solely to the Public Offer.

Applications

VBG Capital Limited (for itself and on behalf of the Joint Lead Managers and the Underwriters) may require any investor who has been offered Shares under the Placing, and who has made an application under the Public Offer to provide sufficient information to VBG Capital Limited so as to allow it to identify the relevant applications under the Public Offer and to ensure that it is excluded from any application for Shares under the Public Offer.

Each applicant under the Public Offer will also be required to give an undertaking and confirmation in the application submitted by him that he and any person for whose benefit he is making the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing, and such applicant's application is liable to be rejected if the said undertaking or confirmation is breached or untrue (as the case may be) or it has been or will be placed or allocated Offer Shares under the Placing.

References in this prospectus to applications, Application Forms, application monies or to the procedure for application relate solely to the Public Offer.

THE PLACING

Number of Offer Shares offered

The number of Shares to be initially offered for subscription under the Placing will be 450,000,000 Shares, representing 90% of the Offer Shares under the Share Offer. The Placing is subject to the Public Offer being unconditional.

Allocation

Pursuant to the Placing, the Placing Underwriters will conditionally place the Shares with institutional, professional and other investors expected to have a sizeable demand for the Shares in Hong Kong. Allocation of Offer Shares pursuant to the Placing will be effected in accordance with the "book building" process described in paragraph headed "Pricing and allocation" above and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares, and/or hold or sell its Shares after Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a stable shareholder base to the benefit of our Company and our Shareholders as a whole.

SHARES WILL BE ELIGIBLE FOR CCASS

All necessary arrangements have been made enabling the Shares to be admitted into CCASS. If the Stock Exchange grants the listing of, and permission to deal in, the Shares and our Company complies with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

DEALING ARRANGEMENTS

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. in Hong Kong on Tuesday, 21 January 2020, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Tuesday, 21 January 2020. The Shares will be traded in board lots of 10,000 Shares.

1. HOW TO APPLY

If you apply for Public Offer Shares, then you may not apply for or indicate an interest for Placing Shares.

To apply for Public Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **HK eIPO White Form** service by the **IPO App** or at **www.hkeipo.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

Our Company, the Joint Lead Managers, the Sole Sponsor, **HK eIPO White Form** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Public Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address;
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act); and
- are not a legal or natural person of the PRC.

If you apply online through the **HK eIPO White Form** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Lead Managers may accept it at its discretion and on any conditions it thinks fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **HK eIPO White Form** service for the Public Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Public Offer Shares if you are:

- an existing beneficial owner of Shares in our Company and/or any its subsidiaries;
- a Director or chief executive officer of our Company and/or any of its subsidiaries;
- a connected person (as defined in the Listing Rules) of our Company or will become a connected person of our Company immediately upon completion of the Share Offer;
- an associate (as defined in the Listing Rules) of any of the above; or
- have been allocated or have applied for any Placing Shares or otherwise participated in the Placing.

3. APPLYING FOR PUBLIC OFFER SHARES

Which application channel to use

For Public Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through the **IPO App** or **www.hkeipo.hk**.

For Public Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to collect the application forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 30 December 2019 to 12:00 noon on Thursday, 9 January 2020 from:

(a) the following addresses of the Public Offer Underwriters:

- VBG Capital Limited at 18/F, Prosperity Tower, 39 Queen's Road Central, Hong Kong
- Wealth Link Securities Limited at Suite 1504, 15/F, Bangkok Bank Building, 28 Des Voeux Road Central, Central, Hong Kong

- Yuanta Securities (Hong Kong) Company Limited at 23/F, Tower 1 Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong

- Grand China Securities Limited at Room 503, 5/F, Loke Yew Building, 50–52 Queen's Road Central, Central, Hong Kong

(b) any of the following branches of DBS Bank (Hong Kong) Limited:

District	**Branch Name**	**Address**
Kowloon	Kowloon Bay – SME Banking Centre	Shop 6, G/F, Chevalier Commercial Centre, 8 Wang Hoi Road, Kowloon Bay
New Territories	Ma On Shan Branch	Shop 205–206, Level 2, Ma On Shan Plaza, Ma On Shan
New Territories	Yuen Long Branch	G/F, 1–5 Tai Tong Road, Yuen Long
New Territories	Sheung Shui	G/F, 5 San Tsoi Street, Sheung Shui

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, 30 December 2019 until 12:00 noon on Thursday, 9 January 2020 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "**Ting Hong Nominees Limited – Infinity Logistics Public Offer**" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving bank listed above, at the following times:

- Monday, 30 December 2019 – 9:00 a.m. to 5:00 p.m.

- Tuesday, 31 December 2019 – 9:00 a.m. to 5:00 p.m.

- Thursday, 2 January 2020 – 9:00 a.m. to 5:00 p.m.

- Friday, 3 January 2020 – 9:00 a.m. to 5:00 p.m.

- Saturday, 4 January 2020 – 9:00 a.m. to 1:00 p.m.
- Monday, 6 January 2020 – 9:00 a.m. to 5:00 p.m.
- Tuesday, 7 January 2020 – 9:00 a.m. to 5:00 p.m.
- Wednesday, 8 January 2020 – 9:00 a.m. to 5:00 p.m.
- Thursday, 9 January 2020 – 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, 9 January 2020, the last application day or such later time as described in "10. Effect of bad weather on the opening of the applications lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form, among other things, you:

(i) undertake to execute all relevant documents and instruct and authorise our Company and/or the Joint Lead Managers (or their agents or nominees), as agents of our Company, to execute any documents for you and to do on your behalf all things necessary to register any Pubic Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies Law, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Share Offer in this prospectus;

(vi) agree that none of our Company, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the Placing nor participated in the Placing;

(viii) agree to disclose to our Company, our Hong Kong Branch Share Registrar, the receiving bank, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, the Underwriters and/or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) (if the laws of any place outside Hong Kong apply to your application) agree and warrant that you have complied with all such laws and none of our Company, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners, and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) represent, warrant and undertake that (i) you understand that the Public Offer Shares have not been and will not be registered under the U.S. Securities Act; and (ii) you and any person for whose benefit you are applying for the Public Offer Shares are outside the United States (as defined in Regulation S) or are a person described in paragraph (h)(3) of Rule 902 of Regulation S;

(xiii) warrant that the information you have provided is true and accurate;

(xiv) agree to accept the Public Offer Shares applied for, or any lesser number allocated to you under the application;

(xv) authorise our Company to place your name(s) or the name of the HKSCC Nominees, on our Company's register of members as the holder(s) of any Public Offer Shares allocated to you, and our Company and/or its agents to send any share certificate(s) and/or any refund cheque(s) to you or the first-named applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you have chosen to collect the share certificate(s) and/or refund cheque(s) in person;

(xvi) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvii) understand that our Company and the Joint Lead Managers (for themselves and on behalf of the Underwriters) will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted for making a false declaration;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or to the **HK eIPO White Form** service by you or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC; and (ii) you have due authority to sign the Application Form or give electronic application instructions on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Form

You may see the **YELLOW** Application Form for details.

5. APPLYING THROUGH HK eIPO WHITE FORM SERVICE

General

Individuals who meet the criteria in the paragraph headed "2. Who can apply" in this section may apply through the **HK eIPO White Form** service for the Public Offer Shares to be allotted and registered in their own names through the **IPO App** or the designated website at **www.hkeipo.hk**.

Detailed instructions for application through **HK eIPO White Form** service are in the **IPO App** or on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to our Company. If you apply through the **IPO App** or the designated website, you authorise **HK eIPO White Form** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **HK eIPO White Form** service.

Time for Submitting Applications under the HK eIPO White Form

You may submit your application to **HK eIPO White Form** service in the **IPO App** or at **www.hkeipo.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, 30 December 2019 until 11:30 a.m. on Thursday, 9 January 2020 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, 9 January 2020 or such later time under the paragraph headed "10. Effect of bad weather on the opening of the application lists" in this section.

No Multiple Applications

If you apply by means of **HK eIPO White Form** service, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **HK eIPO White Form** service to make an application for Public Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **HK eIPO White Form** service more than once and obtaining different payment reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through **HK eIPO White Form** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give electronic application instructions to apply for the Public Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a CCASS Investor Participant, you may give these electronic application instructions through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System **(https://ip.ccass.com)** (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input electronic application instructions for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
1/F, One & Two Exchange Square
8 Connaught Place
Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a CCASS Investor Participant, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Public Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/or HKSCC Nominees to transfer the details of your application to the Joint Lead Managers and our Hong Kong Branch Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given electronic application instructions to apply for the Public Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Public Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

- agree to accept the Public Offer Shares applied for or any lesser number allocated;

- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Placing Shares not participated in the Placing;

- (if the electronic application instructions are given for your benefit) declare that only one set of electronic application instructions has been given for your benefit;
- (if you are an agent for another person) declare that you have only given one set of electronic application instructions for the other person's benefit and are duly authorised to give those instructions as their agent;
- confirm that you understand that our Company and the Joint Lead Managers will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Public Offer Shares to you and that you may be prosecuted if you make a false declaration;
- authorise our Company to place HKSCC Nominees' name on our Company's register of members as the holder of the Public Offer Shares allocated to you and to send share certificate(s) and/or refund monies under the arrangements separately agreed between us and HKSCC;
- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;
- confirm that you have received and/or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;
- agree that none of our Company, the Joint Lead Managers, the Joint Bookrunners, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Share Offer, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);
- agree to disclose your personal data to our Company, our Hong Kong Branch Share Registrar, receiving bank, the Joint Lead Managers, the Joint Bookrunners, the Underwriters and/or their respective advisers and agents;
- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;
- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and

such collateral contract to be in consideration of our Company agreeing that it will not offer any Public Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your electronic application instructions can be revoked, and that acceptance of that application will be evidenced by our Company's announcement of the Public Offer results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving **electronic application instructions** to apply for Public Offer Shares;

- agree with our Company, for itself and for the benefit of each Shareholder (and so that our Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving electronic application instructions to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to our Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Public Offer Shares on your behalf;

- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies (including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions for a minimum of 10,000 Public Offer Shares. Instructions for more than 10,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Public Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions

CCASS Clearing/Custodian Participants can input electronic application instructions at the following times on the following dates:(1)

- Monday, 30 December 2019 – 9:00 a.m. to 8:30 p.m.

- Tuesday, 31 December 2019 – 8:00 a.m. to 8:30 p.m.

- Thursday, 2 January 2020 – 8:00 a.m. to 8:30 p.m.

- Friday, 3 January 2020 – 8:00 a.m. to 8:30 p.m.
- Saturday, 4 January 2020 – 8:00 a.m. to 1:00 p.m.
- Monday, 6 January 2020 – 8:00 a.m. to 8:30 p.m.
- Tuesday, 7 January 2020 – 8:00 a.m. to 8:30 p.m.
- Wednesday, 8 January 2020 – 8:00 a.m. to 8:30 p.m.
- Thursday, 9 January 2020 – 8:00 a.m. to 12:00 noon

Note:

(1) The time in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

CCASS Investor Participants can input electronic application instructions from 9:00 a.m. on Monday, 30 December 2019 until 12:00 noon on Thursday, 9 January 2020 (24 hours daily, except on Thursday, 9 January 2020, the last application day).

The latest time for inputting your electronic application instructions will be 12:00 noon on Thursday, 9 January 2020, the last application day or such later time as described in "10. Effect of bad weather on the opening of the application lists" in this section.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Public Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Public Offer Shares for which you have given such instructions and/or for which such instructions have been given for your benefit. Any electronic application instructions to make an application for the Public Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, our Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance).

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by our Company, the Hong Kong Branch Share Registrar, the receiving bank, the Joint Bookrunners, the Joint Lead Managers, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Public Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Public Offer Shares through the **HK eIPO White Form** service is also only a facility provided by the **HK eIPO White Form** Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. Our Company, our Directors, the Sole Sponsor, the Joint Lead Managers, the Joint Bookrunners and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through **HK eIPO White Form** service will be allotted any Public Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon, Thursday, 9 January 2020.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Public Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through **HK eIPO White Form** service is made for your benefit (including the part of the application made by HKSCC Nominees acting on **electronic application instructions**). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"**Unlisted company**" means a company with no equity securities listed on the Stock Exchange.

"**Statutory control**" means you:

- control the composition of the board of directors of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE PUBLIC OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through **HK eIPO White Form** service in respect of a minimum of 10,000 Public Offer Shares. Each application or **electronic application instruction** in respect of more than 10,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed "Structure and conditions of the Share Offer – Pricing and allocation" in this prospectus.

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, 9 January 2020. Instead they will open between 11:45 a.m. and 12:00 noon on the next Business Day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, 9 January 2020 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected timetable" in this prospectus, an announcement will be made in such event.

11. PUBLICATION OF RESULTS

Our Company expects to announce the level of indications of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Monday, 20 January 2020 on our Company's website at **www.infinity.com.my** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/passport/Hong Kong business registration numbers of successful applicants under the Public Offering will be available at the dates and times and in the manner specified below:

- in the announcement to be posted on our Company's website at **www.infinity.com.my** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m., Monday, 20 January 2020;
- from our designated results of allocations website at **www.tricor.com.hk/ipo/result** (alternatively: **www.hkeipo.hk/iporesult**) or the "Allotment Result" function in the **IPO App** with a "search by ID Number/Business Registration Number" function on a 24-hour basis from 8:00 a.m. on Monday, 20 January 2020 to 12:00 midnight on Friday, 24 January 2020;
- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Monday, 20 January 2020 to Thursday, 23 January 2020 on a Business Day; and
- in the special allocation results booklets which will be available for inspection during opening hours from Monday, 20 January 2020 to Wednesday, 22 January 2020 at all the receiving bank designated branches.

If our Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Public Offer Shares if the conditions of the Share Offer are satisfied and the Share Offer is not otherwise terminated. Further details are contained in the section headed "Structure and conditions of the Share Offer" in this prospectus.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Public Offer Shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving electronic application instructions to HKSCC or to the **HK eIPO White Form** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with our Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (as applied by Section 342E of the Companies (Winding Up and Miscellaneous Provisions) Ordinance) gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot, respectively.

(ii) If our Company or its agents exercise their discretion to reject your application:

Our Company, the Joint Lead Managers, the **HK eIPO White Form** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) If the allotment of Public Offer Shares is void:

The allotment of Public Offer Shares will be void if the Listing Committee does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies our Company of that longer period within three weeks of the closing date of the application lists.

(iv) If:

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/or provisionally) Public Offer Shares and Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- our Company or the Joint Lead Managers believes that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or
- your application is for more than 50% of the Public Offer Shares initially offered under the Public Offer.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the conditions of the Public Offer are not fulfilled in accordance with the section headed "Structure and conditions of the Share Offer – Conditions of the Public Offer" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on Monday, 20 January 2020.

14. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Public Offer Shares allotted to you under the Public Offer (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Public Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Public Offer Shares, wholly or partially unsuccessfully applied for; and/or (ii) the difference between the Offer Price and the maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on despatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Monday, 20 January 2020 . The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. on Tuesday, 21 January 2020 provided that the Share Offer has become unconditional and the right of termination described in the section headed "Underwriting" in this prospectus has not been exercised. Investors who trade shares prior to the receipt of share certificates or the share certificates becoming valid do so at their own risk.

Personal collection

(i) If you apply using a WHITE Application Form

If you apply for 1,000,000 Public Offer Shares or more and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) in person from the Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Monday, 20 January 2020 or such other date as notified by us.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Branch Share Registrar.

If you do not collect your refund cheque(s) and/or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your refund cheque(s) and/or share certificate(s) will be sent to the address on the relevant Application Form on Monday, 20 January 2020, by ordinary post and at your own risk.

(ii) If you apply using a YELLOW Application Form

If you apply for 1,000,000 Public Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on Monday, 20 January 2020, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Monday, 20 January 2020, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

  For Public Offer Shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Public Offer Shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

  Our Company will publish the results of CCASS Investor Participants' applications together with the results of the Public Offer in the manner described in "Publication of results" above. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, 20 January 2020 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Public Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) If you apply through the HK eIPO White Form service

If you apply for 1,000,000 Public Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from the Hong Kong Branch Share Registrar Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Monday, 20 January 2020, or such other date as notified by our Company in the newspapers as the date of despatch/collection of Share certificates/e-Auto Refund payment instructions/refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Public Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Monday, 20 January 2020 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Auto Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) If you apply via electronic application instructions to HKSCC

Allocation of Public Offer Shares

For the purposes of allocating Public Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives electronic application instructions or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Monday, 20 January 2020, or, on any other date determined by HKSCC or HKSCC Nominees.

- Our Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, our Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Public Offer in the manner specified in "Publication of results" above on Monday, 20 January 2020. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Monday, 20 January 2020 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give electronic application instructions on your behalf, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Public Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Monday, 20 January 2020.

Immediately following the credit of the Public Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Public Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Monday, 20 January 2020.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's independent joint reporting accountants, Mazars CPA Limited, Certified Public Accountants, Hong Kong, and Mazars LLP, Public Accountants and Chartered Accountants of Singapore.

MAZARS 中审众环 MAZARS

INDEPENDENT JOINT REPORTING ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION OF INFINITY LOGISTICS AND TRANSPORT VENTURES LIMITED

The Directors
Infinity Logistics and Transport Ventures Limited
VBG Capital Limited

Introduction

We report on the historical financial information of Infinity Logistics and Transport Ventures Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out on pages I-6 to I-86, which comprises the combined statements of financial position of the Group at 31 December 2016, 2017 and 2018 and 30 June 2019, the statement of financial position of the Company at 30 June 2019 and the combined statements of profit or loss and other comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for each of the years ended 31 December 2016, 2017 and 2018 and the six months period ended 30 June 2019 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information (together the "Historical Financial Information"). The Historical Financial Information set out on pages I-6 to I-86 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 December 2019 (the "Prospectus") in connection with the initial listing of shares (the "Initial Listing") of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors of the Company determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Joint reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depended on our judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Group's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Company, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group at 31 December 2016, 2017 and 2018 and 30 June 2019, of the financial position of the Company at 30 June 2019, and of the Group's financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the combined statement of profit or loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the six months ended 30 June 2018 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410

"Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on other matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-5 have been made.

Dividends

Note 12 to the Historical Financial Information contains information about the dividends declared by entities now comprising the Group in respect of the Relevant Periods.

Preparation or audit of financial statements

At the date of this report, no statutory audited financial statements have been prepared for the Company since its date of incorporation.

Note 1 to the Historical Financial Information contains information about whether the financial statements of the members of the Group for the Relevant Periods have been audited and, if applicable, the name of the auditors.

Mazars CPA Limited
Certified Public Accountants
42nd Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

30 December 2019

Mazars LLP
Public Accountants and Chartered Accountants of Singapore
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536

30 December 2019

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of the Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of the accountants' report.

The combined financial statements of the Group for the Relevant Periods, on which the Historical Financial Information is based, were prepared by the directors of the Company in accordance with the accounting policies that conform with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board (the "IASB") and were jointly audited by Mazars CPA Limited, *Certified Public Accountants, Hong Kong,* and Mazars LLP, *Public Accountants and Chartered Accountants of Singapore*, in accordance with Hong Kong Standards on Auditing issued by the HKICPA (the "Underlying Financial Statements").

The Historical Financial Information is presented in Malaysian Ringgit ("RM") which is also the functional currency of the operating entities of the Group in Malaysia, and all values are rounded to the nearest thousand ("RM'000") except otherwise indicated.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Year ended 31 December 2016 RM'000	2017 RM'000	2018 RM'000	Six months ended 30 June 2018 RM'000 (unaudited)	2019 RM'000
Revenue	5	189,253	188,613	201,183	96,785	98,714
Cost of services and goods sold		(158,223)	(159,919)	(156,908)	(78,620)	(75,086)
Gross profit		31,030	28,694	44,275	18,165	23,628
Other income	6	480	865	1,275	427	1,990
Administrative and other operating expenses		(17,505)	(15,732)	(15,362)	(7,376)	(8,754)
Reversal of (Provision for) impairment loss of trade receivables	30	1,103	(826)	516	357	912
Finance costs	7	(1,435)	(2,312)	(2,726)	(1,695)	(1,648)
Loss on disposal of equity interests in an associate	15	(38)	–	–	–	–
(Loss) Gain on disposal of subsidiaries	29	(911)	–	27	–	–
Share of results of associates	15	(1)	(40)	33	18	66
Listing expenses		–	–	(1,859)	–	(5,360)
Profit before tax	7	12,723	10,649	26,179	9,896	10,834
Income tax expenses	10	(906)	(1,716)	(3,676)	(1,945)	(2,303)
Profit for the year/period		11,817	8,933	22,503	7,951	8,531
Other comprehensive income (loss)						
Item that may be reclassified subsequently to profit or loss:						
Exchange differences on combination/consolidation		740	(896)	109	(548)	(286)
Total comprehensive income for the year/period		12,557	8,037	22,612	7,403	8,245
Profit for the year/period attributable to:						
Equity holders of the Company		11,817	8,933	22,529	7,955	8,531
Non-controlling interests		–	–	(26)	(4)	–
		11,817	8,933	22,503	7,951	8,531
Total comprehensive income attributable to:						
Equity holders of the Company		12,557	8,037	22,638	7,407	8,245
Non-controlling interests		–	–	(26)	(4)	–
		12,557	8,037	22,612	7,403	8,245

COMBINED STATEMENTS OF FINANCIAL POSITION

		At 31 December			At 30 June
		2016	2017	2018	2019
	Note	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Non-current assets					
Property, plant and equipment	13	65,393	89,532	103,204	117,343
Prepayment for acquisition of property, plant and equipment	18	–	–	–	3,110
Club membership		123	123	123	123
Goodwill	14	–	–	–	–
Interest in associates	15	–	–	33	99
		65,516	89,655	103,360	120,675
Current assets					
Inventories	16	6,511	7,922	7,761	8,534
Financial assets measured at FVPL	17	5,800	–	–	–
Trade and other receivables	18	48,655	63,735	59,218	45,375
Restricted bank balances	19	182	211	31	31
Bank balances and cash		9,969	9,246	24,682	22,005
		71,117	81,114	91,692	75,945
Current liabilities					
Trade and other payables	20	41,139	51,007	40,082	37,539
Bank overdrafts	21	3,308	3,272	8,695	6,537
Interest-bearing borrowings	21	2,230	1,999	2,540	6,716
Lease liabilities	22	6,878	6,601	5,360	5,048
Income tax payables		342	438	3,132	5,130
		53,897	63,317	59,809	60,970
Net current assets		17,220	17,797	31,883	14,975
Total assets less current liabilities		82,736	107,452	135,243	135,650

		At 31 December			At 30 June
		2016	2017	2018	2019
	Note	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Non-current liabilities					
Interest-bearing borrowings	21	13,425	29,218	32,275	43,353
Lease liabilities	22	12,367	13,536	19,681	18,365
Deferred tax liabilities	23	1,005	960	544	207
		26,797	43,714	52,500	61,925
NET ASSETS		55,939	63,738	82,743	73,725
Capital and reserves					
Share capital	24	–	–	–	–*
Reserves		55,939	63,738	82,743	73,725
TOTAL EQUITY		55,939	63,738	82,743	73,725

* *Represent amount less than RM1,000*

STATEMENT OF FINANCIAL POSITION

		At 30 June 2019
	Note	*RM'000*
Current liabilities		
Amount due to a subsidiary		(34)
NET LIABILITIES		(34)
Capital		
Share capital	24	–*
Accumulated loss		(34)
TOTAL DEFICIT		(34)

* *Represent amount less than RM1,000*

COMBINED STATEMENTS OF CHANGES IN EQUITY

	Share capital *RM'000* *(Note 24)*	Capital reserve *RM'000* *(Note 25(a))*	Exchange reserve *RM'000* *(Note 25(b))*	Accumulated profits *RM'000*	Total *RM'000*
Year ended 31 December 2016					
At 1 January 2016	–	6,340	1,259	44,812	52,411
Profit for the year	–	–	–	11,817	11,817
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences on combination/consolidation	–	–	740	–	740
Total comprehensive income for the year	–	–	740	11,817	12,557
Transaction with owners					
Contributions and distributions					
Dividends *(Note 12)*	–	–	–	(9,070)	(9,070)
Contribution made by the Ultimate Controlling Parties *(Note i)*	–	41	–	–	41
	–	41	–	(9,070)	(9,029)
At 31 December 2016	–	6,381	1,999	47,559	55,939

	Share capital RM'000 (Note 24)	Capital reserve RM'000 (Note 25(a))	Exchange reserve RM'000 (Note 25(b))	Accumulated profits RM'000	Total RM'000
Year ended 31 December 2017					
At 1 January 2017	–	6,381	1,999	47,559	55,939
Profit for the year	–	–	–	8,933	8,933
Other comprehensive (loss) income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on combination/consolidation	–	–	(896)	–	(896)
Total comprehensive income for the year	–	–	(896)	8,933	8,037
Transactions with owners					
Contributions and distributions					
Dividends *(Note 12)*	–	–	–	(538)	(538)
Contribution made by the Ultimate Controlling Parties *(Note ii)*	–	300	–	–	300
Total transactions with owners	–	300	–	(538)	(238)
At 31 December 2017	–	6,681	1,103	55,954	63,738

COMBINED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Attributable to equity holders of the Company						
	Share capital *RM'000* *(Note 24)*	Capital reserve *RM'000* *(Note 25(a))*	Exchange reserve *RM'000* *(Note 25(b))*	Accumulated profits *RM'000*	Total *RM'000*	Non-controlling interests *RM'000*	Total equity *RM'000*
Year ended 31 December 2018							
At 1 January 2018	–	6,681	1,103	55,954	63,738	–	63,738
Profit for the year	–	–	–	22,529	22,529	(26)	22,503
Other comprehensive income (loss)							
Items that may be reclassified subsequently to profit or loss:							
Exchange differences on combination/ consolidation	–	–	109	–	109	–	109
Total comprehensive income for the year	–	–	109	22,529	22,638	(26)	22,612
Transactions with owners							
Contributions and distributions							
Dividends *(Note 12)*	–	–	–	(3,633)	(3,633)	–	(3,633)
Changes in ownership interests							
Non-controlling interests arising from acquisition of a subsidiary *(Note 28(a))*	–	–	–	–	–	(802)	(802)
Non-controlling interests arising from step acquisition of a subsidiary *(Note 28(b))*	–	–	–	–	–	22	22
Derecognition of non-controlling interests upon disposal of subsidiaries *(Note 29)*	–	–	–	–	–	806	806
	–	–	–	–	–	26	26
At 31 December 2018	–	6,681	1,212	74,850	82,743	–	82,743

	Attributable to equity holders of the Company						
	Share capital RM'000 (Note 24)	**Capital reserve** RM'000 (Note 25(a))	**Exchange reserve** RM'000 (Note 25(b))	**Accumulated profits** RM'000	**Total** RM'000	**Non-controlling interests** RM'000	**Total equity** RM'000
Six months ended 30 June 2018 (unaudited)							
At 1 January 2018	–	6,681	1,103	55,954	63,738	–	63,738
Profit for the period	–	–	–	7,955	7,955	(4)	7,951
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on combination/ consolidation	–	–	(548)	–	(548)	–	(548)
Total comprehensive income for the period	–	–	(548)	7,955	7,407	(4)	7,403
Transactions with owners							
Contributions and distributions							
Dividends *(Note 12)*	–	–	–	(2,077)	(2,077)	–	(2,077)
Changes in ownership interests							
Non-controlling interests arising from acquisition of a subsidiary *(Note 28(a))*	–	–	–	–	–	(802)	(802)
Non-controlling interests arising from step acquisition of a subsidiary *(Note 28(b))*	–	–	–	–	–	22	22
	–	–	–	–	–	(780)	(780)
At 30 June 2018	–	6,681	555	61,832	69,068	(784)	68,284

	Attributable to equity holders of the Company						
	Share capital *RM'000* *(Note 24)*	Capital reserve *RM'000* *(Note 25(a))*	Exchange reserve *RM'000* *(Note 25(b))*	Accumulated profits *RM'000*	Total *RM'000*	Non-controlling interests *RM'000*	Total equity *RM'000*
Six months ended 30 June 2019							
At 1 January 2019	–	6,681	1,212	74,850	82,743	–	82,743
Profit for the period	–	–	–	8,531	8,531	–	8,531
Other comprehensive loss							
Item that may be reclassified subsequently to profit or loss:							
Exchange differences on combination/ consolidation	–	–	(286)	–	(286)	–	(286)
Total comprehensive income for the period	–	–	(286)	8,531	8,245	–	8,245
Transactions with owners							
Contributions and distributions							
Issue of share capital	–*	–	–	–	–*	–	–*
Dividends *(Note 12)*	–	–	–	(17,271)	(17,271)	–	(17,271)
Contributions made by the Ultimate Controlling Parties *(Note iii)*	–	8	–	–	8	–	8
	–*	8	–	(17,271)	(17,263)	–	(17,263)
At 30 June 2019	–*	6,689	926	66,110	73,725	–	73,725

* *Represent amount less than RM1,000*

Note:

(i) During the year ended 31 December 2016, 7,999 and 1,999 ordinary shares of Infinity Bulk Logistics (Labuan) (as defined in Note 1) were allotted and issued to Dato' Chan Kong Yew and Mr. Teo Guan Kee at considerations of approximately RM33,000 and RM8,000, respectively, and were fully paid in the year.

(ii) During the year ended 31 December 2017, 239,998 and 60,000 ordinary shares of KNS Infinity (MY) (as defined in Note 1) were allotted and issued to Dato' Chan Kong Yew and Datin Lo Shing Ping at considerations of approximately RM240,000 and RM60,000, respectively, and were fully paid in the year. During the same year, Datin Lo Shing Ping transferred 60,000 ordinary shares to Dato' Kwan Siew Deeg.

(iii) 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 period.

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 (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 period.

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 period. 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 period. On 17 June 2019, Dato' Chan Kong Yew and Mr. Teo Guan Kee transferred 2 ordinary shares to IBL 2926.

COMBINED STATEMENTS OF CASH FLOWS

	Note	Year ended 31 December 2016 RM'000	2017 RM'000	2018 RM'000	Six months ended 30 June 2018 RM'000 (unaudited)	2019 RM'000
OPERATING ACTIVITIES						
Profit before tax		12,723	10,649	26,179	9,896	10,834
Adjustments for:						
Depreciation		8,710	10,359	11,694	5,717	6,256
Loss (Gain) on disposal of property, plant and equipment		518	(449)	(557)	(120)	(1,653)
Fair value loss on financial assets measured at FVPL		96	66	89	–	–
(Reversal of) Provision for impairment loss of trade receivables		(1,103)	826	(516)	(357)	(912)
Share of results of associates		1	40	(33)	(18)	(66)
Loss on disposal equity interests in an associate		38	–	–	–	–
Loss (Gain) on disposal of subsidiaries		911	–	(27)	–	–
Bank interest income		(16)	(6)	(19)	(2)	(1)
Investment income arising from financial assets measured at FVPL		(181)	(92)	(111)	(22)	–
Finance costs		1,435	2,312	2,726	1,695	1,648
Exchange difference		831	(867)	193	(580)	(288)
Cash flows from operations before movements in working capital		23,963	22,838	39,618	16,209	15,818
Changes in working capital:						
Inventories		(457)	(1,384)	159	(379)	(773)
Restricted bank balances		257	(29)	180	–	–
Trade and other receivables		10,214	(15,308)	4,624	5,402	13,218
Trade and other payables		(875)	3,958	(6,671)	(2,012)	(1,978)
Cash generated from operations		33,102	10,075	37,910	19,220	26,285
Income tax paid		(1,496)	(1,667)	(1,394)	(823)	(642)
Interest paid		(1,435)	(2,312)	(2,726)	(1,695)	(1,648)
Net cash from operating activities		30,171	6,096	33,790	16,702	23,995

	Note	Year ended 31 December 2016 RM'000	2017 RM'000	2018 RM'000	Six months ended 30 June 2018 RM'000 (unaudited)	2019 RM'000
INVESTING ACTIVITIES						
Interest received		16	6	19	2	1
Investment income received from financial assets measured at FVPL		181	92	111	22	–
Investment in an associate		–	(40)	–	–	–
Net inflow from acquisition of subsidiaries	28	–	–	73	73	–
Net inflow (outflow) from disposal of a subsidiary	29	1,702	–	(25)	–	–
Proceeds from disposal of an associate	15	250	–	–	–	–
Prepayment made for acquisition of property, plant and equipment	18	–	–	–	–	(3,110)
Purchases of property, plant and equipment		(21,562)	(26,142)	(14,411)	(6,216)	(15,299)
Proceeds from disposals of property, plant and equipment		496	1,223	2,396	199	2,780
Purchases of financial assets measured at FVPL		(46,285)	(26,900)	(35,300)	(28,800)	–
Redemption of financial assets measured at FVPL		40,389	32,634	35,211	20,451	–
Net cash used in investing activities		(24,813)	(19,127)	(11,926)	(14,269)	(15,628)

COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)

	Note	Year ended 31 December			Six months ended 30 June	
		2016	2017	2018	2018	2019
	Note	*RM'000*	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
FINANCING ACTIVITIES						
Inception of interest-bearing borrowings		15,418	17,792	5,823	3,713	16,538
Repayment of interest-bearing borrowings		(2,433)	(2,230)	(2,225)	(977)	(1,284)
Repayment of lease liabilities		(6,873)	(8,316)	(7,851)	(4,020)	(3,632)
Dividends paid	12	(9,070)	(538)	(3,633)	(2,077)	(17,271)
(Advance to) Repayment from associates, net		(2)	18	2	2	–
Advance to related companies, net		(59)	(389)	(263)	(910)	1,346
Repayment from (Advance to) the Ultimate Controlling Parties, net		137	5,982	(3,712)	(3,506)	(4,579)
Contribution made by the Ultimate Controlling Parties		41	300	–	–	8
Net cash (used in) from financing activities		(2,841)	12,619	(11,859)	(7,775)	(8,874)
Net increase (decrease) in cash and cash equivalents		2,517	(412)	10,005	(5,342)	(507)
Cash and cash equivalents at beginning of the reporting period		4,137	6,661	5,974	5,974	15,987
Effect on exchange rate changes		7	(275)	8	(77)	(12)
Cash and cash equivalents at end of the reporting period		6,661	5,974	15,987	555	15,468
Analysis of the balances of cash and cash equivalents						
Bank balances and cash		9,969	9,246	24,682	7,587	22,005
Bank overdrafts		(3,308)	(3,272)	(8,695)	(7,032)	(6,537)
		6,661	5,974	15,987	555	15,468

NOTES TO THE HISTORICAL FINANCIAL INFORMATION OF THE GROUP

1. GENERAL INFORMATION AND REORGANISATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 7 March 2019. 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 Thomas 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. During the Relevant Periods, 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 logistic services provider and provision of flexitank solution and related services.

At the date of this report, the immediate holding company is 2926 Holdings Limited ("2926 Holdings"), which is incorporated in the British Virgin Islands (the "BVI"). In the opinion of the directors of the Company, 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"), who have been acting in concert over the course of the Group's business history.

Pursuant to a group reorganisation (the "Reorganisation"), which was completed on 13 December 2019, as detailed in the paragraph headed "Reorganisation" of the section headed "History, Development and Reorganisation" of the Prospectus issued in connection with the Initial Listing on the Main Board of the Stock Exchange, the Company became the holding company of the entities now comprising the Group.

At the date of this report, the particulars of the Company's subsidiaries, which are private limited liability companies, of which the Company has direct/indirect interests are as follows:

Name of subsidiary	Place of incorporation	Date of incorporation	Paid-up share capital	Attributable equity interest held by the Company	Principal activities and place of operation
Directly held by the Company					
ILNT 2926 Ventures Limited ("ILNT 2926")	BVI	19 February 2019	United States Dollars ("US$") 950	100%	Investment holding, Malaysia
IBL 2926 Ventures Limited ("IBL 2926")	BVI	19 February 2019	US$950	100%	Investment holding, Malaysia
Indirectly held by the Company					
Infinity Logistics & Transport Holding Sdn. Bhd. ("ILNT Holding (MY)")	Malaysia	25 January 2019	RM2	100%	Investment holding, Malaysia
Infinity Logistics & Transport Sdn. Bhd. ("Infinity L&T (MY)")	Malaysia	7 November 2000	RM4,940,001	100%	Integrated freight forwarding services, logistics centre and related services, railroad transportation services and investment holding, Malaysia

Name of subsidiary	Place of incorporation	Date of incorporation	Paid-up share capital	Attributable equity interest held by the Company	Principal activities and place of operation
Infinity Lines Sdn. Bhd. ("Infinity Lines (MY)")	Malaysia	3 October 2003	RM500,000	100%	Freight forwarder and shipping agent services, Malaysia
Supply Stream Management Sdn. Bhd. ("Supply Stream Management (MY)")	Malaysia	18 September 2001	RM300,000	100%	Freight forwarder and depot services, Malaysia
Infinity Logistics & Transport (S) Pte. Ltd. ("Infinity L&T (SG)")	Singapore	8 November 2010	Singapore Dollars ("SGD") 2	100%	Freight forwarder, packing and crating services, Singapore
KNS Infinity Sdn. Bhd. ("KNS Infinity (MY)")	Malaysia	28 March 2011	RM300,000	100%	Holding property for own use, Malaysia
Infinity Logistics & Transport Ltd. ("Infinity L&T (Labuan)")	Labuan	9 May 2014	US$2	100%	Sales of containers, Labuan
Infinity Flexitank Holding Sdn. Bhd. ("Infinity Flexitank Holding (MY)")	Malaysia	19 February 2019	RM2	100%	Investment holding, Malaysia
Infinity Bulk Logistics Sdn. Bhd. ("Infinity Bulk Logistics (MY)")	Malaysia	24 March 2003	RM1,000,000	100%	Flexitank solution and related services and bulk logistics services, Malaysia
Infinity Bulk Logistics Ltd. ("Infinity Bulk Logistics (Labuan)")	Labuan	12 May 2014	US$10,000	100%	Flexitank solution and related services, Labuan
Optimus Flexitank Solutions Sdn. Bhd. ("Optimus Flexitank (MY)")	Malaysia	7 January 2004	RM100,000	100%	Freight forwarder and haulage services, Malaysia

The financial statements, as prepared in accordance with respective local financial reporting standards, of the Company's subsidiaries that fall into the Relevant Periods have been audited as follows:

Subsidiary	**Financial period**	**Auditors**
Infinity L&T (MY)	Years ended 31 December 2016, 2017 and 2018	Ong Boon Bah & Co., *Chartered Accountants, Malaysia*
Infinity Lines (MY)	Years ended 31 December 2016, 2017 and 2018	Ong Boon Bah & Co., *Chartered Accountants, Malaysia*
Supply Stream Management (MY)	Years ended 31 March 2016, 2017 and 2018 and period ended 31 December 2018	Ong Boon Bah & Co., *Chartered Accountants, Malaysia*
Infinity L&T (SG)	Years ended 31 December 2016, 2017 and 2018	Singapore Assurance PAC, *Public Accountants and Chartered Accountants of Singapore*
KNS Infinity (MY)	Years ended 30 June 2016, 2017 and 2018 and period ended 31 December 2018	Ong Boon Bah & Co., *Chartered Accountants, Malaysia*
Infinity Bulk Logistics (MY)	Years ended 30 June 2016 and 2017 and period ended 31 December 2018	Ong Boon Bah & Co., *Chartered Accountants, Malaysia*
Optimus Flexitank (MY)	Years ended 31 March 2016, 2017 and 2018 and period ended 31 December 2018	Ong Boon Bah & Co., *Chartered Accountants, Malaysia*

The accounting year end of Infinity Bulk Logistics (MY) has been changed from 30 June to 31 December after the issuance of the audited financial statements for the year ended 30 June 2017 in order to be co-terminus with that of the Group.

The accounting year end of KNS Infinity (MY) has been changed from 30 June to 31 December after the issuance of the audited financial statements for the year ended 30 June 2018 in order to be co-terminus with that of the Group.

The accounting year end of Optimus Flexitank (MY) and Supply Steam Management (MY) have been changed from 31 March to 31 December after the issuance of the audited financial statements for the year ended 31 March 2018 in order to be co-terminus with that of the Group.

No statutory audited financial statements have been prepared by ILNT Holding (MY) and Infinity Flexitank Holding (MY) as they are newly incorporated subsequent to 31 December 2018 and their first set of statutory audited financial statements are not yet due for issuance.

No statutory audited financial statements have been prepared by ILNT 2926, IBL 2926, Infinity L&T (Labuan) and Infinity Bulk Logistics (Labuan) for the period from its date of incorporation to the date of this report as it is not required to issue audited financial statements under the statutory requirements of its place of incorporation.

2. BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

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 L&T (MY), Infinity Lines (MY), Supply Stream Management (MY), Infinity L&T (SG), KNS Infinity (MY), Infinity L&T (Labuan), Infinity Bulk Logistics (MY), Infinity Bulk Logistics (Labuan) and Optimus Flexitank (MY). The Company, ILNT 2926, IBL 2926, ILNT Holding (MY) and 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.

Accordingly, for the purpose of this report, except for the acquisition of BLS Infinity Sdn. Bhd. ("BLS Infinity (MY)") which was completed on 29 January 2018 as detailed in Note 28(a) and the step acquisition of AWH Infinity Logistics Sdn. Bhd. ("AWH Infinity (MY)") which was completed on 16 May 2018 as detailed in Note 28(b) for which acquisition method of accounting was adopted in accordance with the accounting policy as set out in paragraph headed "Basis of combinations – acquisition method of accounting" in Note 3, the Historical Financial Information has 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 3, 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.

Further details of the accounting policies adopted by the Group are set out in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The Historical Financial Information has been prepared in accordance with IFRSs issued by the IASB, which collective term includes all applicable individual IFRSs, International Accounting Standards ("IASs") and Interpretations issued by the IASB.

The Historical Financial Information also complies with the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The IASB has issued a number of new/revised IFRSs during the Relevant Periods. For the purpose of the Historical Financial Information, the Group has consistently adopted all these new/revised IFRSs that are relevant to its operations and are effective during the Relevant Periods (including IFRSs 9, 15 and 16) as detailed below.

A summary of the principal accounting policies adopted by the Group in preparing the Historical Financial Information is set out below.

Basis of measurement

The measurement basis used in the preparation of the Historical Financial Information is historical cost basis, except for the unlisted investments in money market funds, which are classified as financial assets measured at fair value through profit or loss ("FVPL") and measured at fair value as explained in the accounting policy set out below.

Basis of combinations

The Historical Financial Information comprises the financial statements of the Company and all of its subsidiaries for the Relevant Periods. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balance, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the asset transferred.

The acquisition method is used to account for the acquisition of subsidiaries of the Group, except for those acquisitions which qualify as business combination under common control which are accounted for using merger accounting.

(a) Acquisition method of accounting

The acquisition method of accounting involves allocating cost of the business combination to the identifiable assets acquired, and liabilities and contingent liabilities incurred or assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date where appropriate.

Acquisition-related costs are expensed as incurred.

Non-controlling interests are presented, separately from equity holders of the Company, in the combined statements of profit or loss and other comprehensive income and within equity in the combined statements of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in event of liquidation, are measured initially either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are initially measured at fair value, unless another measurement basis is required by IFRSs.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests. Total comprehensive income is attributed to the equity holders of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the equity holders of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.

(b) Merger accounting for business combination involving entities under common control

The Historical Financial Information incorporates the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the Ultimate Controlling Parties.

The net assets of the combining entities or businesses are combined using the existing carrying values from the Ultimate Controlling Parties' perspective. No amount is recognised as consideration for goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the Ultimate Controlling Parties' interest. All differences between the cost of acquisition (fair value of consideration paid) and the amounts at which the assets and liabilities, arising from the Reorganisation, are recorded have been recognised directly in equity as part of the capital reserve. The combined statements of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or, since the date when the combining entities or businesses first came under the common control, regardless of the date of the common control combination.

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination that is to be accounted for by using merger accounting, are recognised as an expense in the period in which they are incurred.

Subsidiaries

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investments in associates are accounted for under the equity method of accounting, except when the investment or a portion thereof is classified as held for sale. Under the equity method, the investment is initially recorded at cost and adjusted thereafter for the post-acquisition changes in the Group's share of the investee's net assets and any impairment loss relating to the investment. Except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee, the Group discontinues recognising its share of further losses when the Group's share of losses of the investee equals or exceeds the carrying amount of its interest in the investee, which includes any long term interests that, in substance, form part of the Group's net investment in the investee.

Goodwill

Goodwill arising on an acquisition of a business is measured at the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree over the acquisition date amounts of the identifiable assets acquired and the liabilities assumed of the acquired business.

Goodwill on acquisition of business is recognised as a separate asset and is carried at cost less accumulated impairment losses, which is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment test and determination of gain or loss on disposal, goodwill is allocated to cash-generating units. An impairment loss on goodwill is not reversed.

On the other hand, any excess of the acquisition date amounts of identifiable assets acquired and the liabilities assumed of the acquired business over the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree, if any, after reassessment, is recognised immediately in profit or loss as an income from bargain purchase.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment, over their estimated useful lives at the annual rate/useful lives as set out below from the date on which they are available for use and after taking into account their estimated residual values, using the straight-line method. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately:

Right-of-use assets	Shorter of assets useful lives or over the unexpired term of lease
Buildings	3%
Containers and tanks	20%–50%
Furniture and fittings	20%–50%
Computer and office equipment	20%–50%
Motor vehicles	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Construction in progress represents buildings under construction. It is stated at cost less any accumulated impairment losses, and is not depreciated. Cost comprises the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when the construction is completed and the asset is ready for use.

Club membership

The initial cost of acquiring club membership is capitalised. Club membership with indefinite useful lives is carried at cost less any accumulated impairment losses.

Financial instruments

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income; (iii) equity investment measured at fair value through other comprehensive income; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.

(1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, restricted bank balances and bank balances and cash.

(2) Financial assets measured at FVPL

These investments include financial assets held for trading, financial assets designated upon initial recognition as at FVPL, financial assets resulting from a contingent consideration arrangement in a business combination to which IFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which does not include any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

(i) acquired principally for the purpose of selling it in the near term;

(ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(iii) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of IFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets mandatorily measured at FVPL include the unlisted investments in money market funds.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are direct attributable to the issue of the financial liabilities.

The Group's financial liabilities include trade and other payables, bank overdrafts, interest-bearing borrowings and obligations under finance leases. All financial liabilities, except for financial liabilities at FVPL, are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

Impairment of financial assets and other items under IFRS 9

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost which the impairment requirements apply in accordance with IFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the past due information of shared credit risk.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument that meets any of the following criteria:

(i) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(ii) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the trade receivables from associates and related companies for which the Group has reasonable and supportable information to demonstrate.

Low credit risk

A financial instrument is determined to have low credit risk if:

(i) it has a low risk of default;

(ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

As detailed in Note 30, the following financial instruments are determined to have low credit risk:

(i) Amounts due from an associate and related companies; and

(ii) Financial assets at FVPL, restricted bank balances and bank balances and cash.

Simplified approach of ECL

For trade receivables, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

Cash equivalents

For the purpose of the combined statements of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

Revenue recognition

Rental income

Rental income from properties is recognised on the straight-line basis over the lease term. Contingent rents are recognised as income in the period in which they are earned.

Dividend income

Dividend income from financial assets is recognised when the Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Revenue from contracts with customers within IFRS 15

The Group adopts a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in contract

Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Nature of goods or services

The nature of the goods or services provided by the Group is as follows:

(i) Integrated freight forwarding services

(ii) Logistics centre and related services

(iii) Railroad transportation services

(iv) Flexitank solution and related services

Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

(a) a good or service (or a bundle of goods or services) that is distinct; or

(b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

(a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and

(b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;

(b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Integrated freight forwarding services, logistics centre and related services and railroad transportation services income are recognised over time when services are rendered.

Income from flexitank solution is recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

For revenue recognised over time under IFRS 15, provided the outcome of the performance obligation can be reasonably measured, the Group applies the input method (i.e. based on the proportion of the actual inputs deployed to date as compared to the estimated total inputs) to measure the progress towards complete satisfaction of the performance obligation because there is a direct relationship between the Group's inputs and the transfer of control of goods or services to the customers and reliable information is available to the Group to apply the method. Otherwise, revenue is recognised only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

The principal input applied in the input method for integrated freight forwarding services, logistics centre and related services, railroad transportation services and flexitank solution related services is cost incurred.

Transaction price: significant financing components

When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

The Group has applied the practical expedient in paragraph 63 of IFRS 15 and does not adjust the consideration for the effect of the significant financing component if the period of financing is one year or less.

Performance obligation: warranties

Warranties associated with the provision of flexitank solution cannot be purchased separately and they serve as an assurance that the flexitank solution provided comply with agreed-upon specifications. Accordingly, the Group accounts for the warranties in accordance with IAS 37.

Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the Group's businesses, it is common for the Group to receive from the customer the whole or some of the contractual payments before the services are completed or when the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.

The Group's billing to its customers which are largely in line with the timing of revenue recognition and no significant contract assets are recognised. Contract liabilities in relation to advances from customers are recognised under "Other payables".

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Historical Financial Information is presented in the currency of RM, which is also the functional currency of the operating subsidiaries of the Group in Malaysia, and rounded to the nearest thousands unless otherwise indicated. The Company's functional currency is Hong Kong Dollars ("HK$").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented, are translated at the closing rate at the end of each reporting period;

- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rate;

- all resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity;

- on the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation and a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised;

- on the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss; and

- On all other partial disposals, which includes partial disposal of associates that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount of exchange differences recognised in the separate component of equity is reclassified to profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

When inventories are sold/utilised, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period of the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Impairment of other assets, other than goodwill

At the end of each reporting period, the Group reviews internal and external sources of information to determine whether there is any indication that its property, plant and equipment, club membership and the Company's investments in a subsidiary and associates may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as income in profit or loss immediately.

The accounting policy for recognition and reversal of the impairment loss for goodwill is stated in the accounting policy for goodwill in the earlier part of this note.

Borrowing costs

Borrowing costs incurred, net of any investment income on the temporary investment of the specific borrowings, that are directly attributable to the acquisition, construction or production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of obligation can be made. Expenditures for which a provision has been recognised are charged against the related provision in the year in which the expenditures are incurred. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount provided is the present value of the expenditures expected to be required to settle the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Leases

The Group as lessee

The Group leases various properties, containers and motor vehicles. Rental contracts are typically made for fixed periods of 2 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset (included in property, plant and equipment) and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments that are not paid:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease if the lease term reflects the Group exercising an option to terminate the lease.

Right-of-use assets are measured at cost comprising the followings:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentive received;
- any initial direct costs; and
- restoration costs unless those costs are incurred to produce inventories.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis over the lease term as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture with individual value below RM20,000.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to certain of its property, plant and equipment, comprising warehouses, to other parties.

Rental income from leases is recognised in revenue on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Employee benefits

Short term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the period in which the associated services are rendered by employees.

Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

Taxation

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts in the Historical Financial Information. However, any deferred tax arising from initial recognition of goodwill; or other asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss is not recognised.

The deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is recovered or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investment in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Related parties

A related party is a person or entity that is related to the Group, that is defined as:

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a holding company of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- (i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to a holding company of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.

Segment reporting

Operating segments, and the amounts of each segment item reported in the Historical Financial Information, are identified from the financial information provided regularly to Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individual material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

Critical accounting estimates and judgements

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the Historical Financial Information. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

(a) Key sources of estimation uncertainty

(i) Useful lives of property, plant and equipment

The management determines the estimated useful lives of the Group's property, plant and equipment based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

(ii) Impairment of property, plant and equipment

The management determines whether the Group's property, plant and equipment are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of the property, plant and equipment, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the property, plant and equipment and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

(iii) Loss allowance for ECL

The Group's management estimates the loss allowance for trade receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables.

(iv) Allowance for inventories

The management reviews the condition of inventories at the end of each reporting period and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable. The management carries out the inventory review on a product-by-product basis and makes allowances by reference to the latest market prices and current market conditions.

(v) Provision for leakage claims

The Group makes provisions under the leakage claims on the income from flexitank solution and related services, under which faulty flexitanks are repaired, replaced or the leakage loss are claimed. The amount of provisions is estimated based on the past claims experience of the level of repairs, returns and leakage claims. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

(vi) Income taxes

Significant estimates are required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain where the final tax outcome of these matters may be different from the amounts that were initially recorded and such differences will affect the income tax and deferred tax provision in the period in which such determination is made.

Future changes in IFRSs

At the date of approving the Historical Financial Information, the IASB has issued the following new/revised IFRSs that are not yet effective for the Relevant Periods, which the Group has not early adopted:

Amendments to IAS 1 and IAS 8	Disclosure initiative – Definition of material [1]
Amendments to IFRS 3	Definition of Business [2]
IFRS 17	Insurance Contracts [3]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2020

[2] Effective to acquisitions occur on or after the beginning of the first annual period beginning on or after 1 January 2020

[3] Effective for acquisitions occur on or after 1 January 2021

[4] The effective date to be determined

The management of the Group does not anticipate that the adoption of the new/revised IFRSs in future periods will have any material impact on the Group's combined financial information.

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 services and related segment: provision of warehousing and container depot logistics 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

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3.

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 impairment loss of trade receivables, finance costs, loss on disposal of equity interests in an associate, loss on disposal of subsidiaries, 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.

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*
Year ended 31 December 2016					
Revenue from contracts with customers within IFRS 15	52,910	75,331	12,957	47,670	188,868
Revenue from other source	–	385	–	–	385
	52,910	75,716	12,957	47,670	189,253
Segment results	5,814	4,829	5,822	14,565	31,030
Unallocated income and expenses					
Other income					480
Administrative and other operating expenses					(17,505)
Reversal of impairment loss of trade receivables					1,103
Finance costs					(1,435)
Loss on disposal of equity interests in an associate					(38)
Loss on disposal of a subsidiary					(911)
Share of results of associates					(1)
Profit before tax					12,723
Income tax expenses					(906)
Profit for the year					11,817
Other information:					
Depreciation *(Note i)*	1,106	3,411	349	71	4,937
Provision for leakage claims	–	–	–	1,273	1,273
Additions to property, plant and equipment *(Note ii)*	2,058	2,163	–	20	4,241

	Integrated freight forwarding services *RM'000*	Logistics centre and related services *RM'000*	Railroad transportation services *RM'000*	Flexitank solution and related services *RM'000*	Total *RM'000*
Year ended 31 December 2017					
Revenue from contracts with customers within IFRS 15	62,979	58,336	14,688	51,686	187,689
Revenue from other source	–	924	–	–	924
	62,979	59,260	14,688	51,686	188,613
Segment results	7,677	3,195	4,157	13,665	28,694
Unallocated income and expenses					
Other income					865
Administrative and other operating expenses					(15,732)
Provision for impairment loss of trade receivables					(826)
Finance costs					(2,312)
Share of results of associates					(40)
Profit before tax					10,649
Income tax expenses					(1,716)
Profit for the year					8,933
Other information:					
Depreciation *(Note i)*	1,487	4,028	157	89	5,761
Provision for leakage claims	–	–	–	2,807	2,807
Additions to property, plant and equipment *(Note ii)*	6,130	262	15	894	7,301

	Integrated freight forwarding services *RM'000*	Logistics centre and related services *RM'000*	Railroad transportation services *RM'000*	Flexitank solution and related services *RM'000*	Total *RM'000*
Year ended 31 December 2018					
Revenue from contracts with customers within IFRS 15	68,288	52,077	15,599	63,498	199,462
Revenue from other source	–	1,721	–	–	1,721
	68,288	53,798	15,599	63,498	201,183
Segment results	13,025	3,970	4,736	22,544	44,275
Unallocated income and expenses					
Other income					1,275
Administrative and other operating expenses					(15,362)
Reversal of impairment loss of trade receivables					516
Finance costs					(2,726)
Gain on disposal of subsidiaries					27
Share of results of associates					33
Listing expenses					(1,859)
Profit before tax					26,179
Income tax expenses					(3,676)
Profit for the year					22,503
Other information:					
Depreciation *(Note i)*	1,681	4,719	146	365	6,911
Reversal of provision for leakage claims	–	–	–	(1,684)	(1,684)
Additions to property, plant and equipment *(Note ii)*	2,370	220	–	1,666	4,526

	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 2018 (unaudited)					
Revenue from contracts with customers within IFRS 15	33,359	25,228	7,012	30,362	95,961
Revenue from other source	–	824	–	–	824
	33,359	26,052	7,012	30,362	96,785
Segment results	5,627	1,572	1,913	9,053	18,165
Unallocated income and expenses					
Other income					427
Administrative and other operating expenses					(7,376)
Reversal of impairment loss of trade receivables					357
Finance costs					(1,695)
Share of results of associates					18
Profit before tax					9,896
Income tax expenses					(1,945)
Profit for the period					7,951
Other information:					
Depreciation *(Note i)*	849	2,279	74	148	3,350
Provision for leakage claims	–	–	–	(842)	(842)
Additions to property, plant and equipment *(Note ii)*	1,240	75	–	1,375	2,690

	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 2019					
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
Unallocated income and expenses					
Other income					1,990
Administrative and other operating expenses					(8,754)
Reversal of impairment loss 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
Other information:					
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

Notes:

(i) Depreciation not included in the measure of segment results during the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2018 and 2019 amounted to approximately RM3,773,000, RM4,598,000, RM4,783,000, RM2,367,000 *(unaudited)* and RM2,065,000, respectively.

(ii) Additions to property, plant and equipment not allocated to the segments during the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2018 and 2019 amounted to approximately RM31,857,000, RM28,214,000, RM22,601,000, RM14,522,000 *(unaudited)* and RM18,805,000, respectively.

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.

	Year ended 31December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Revenue from external customers:					
China	1,406	3,163	4,687	2,250	1,886
Indonesia	16,649	19,089	23,074	9,845	11,016
Malaysia	115,093	110,049	108,394	54,086	51,020
Netherlands	3,039	1,643	3,568	2,204	1,410
Singapore	19,436	15,769	14,461	5,348	8,817
South Korea	4,109	4,287	5,651	2,854	4,037
Thailand	14,920	16,466	19,489	8,658	9,588
Vietnam	3,483	3,668	4,117	1,785	1,727
Others	11,118	14,479	17,742	9,755	9,213
	189,253	188,613	201,183	96,785	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

Revenue from external customers individually contributing 10% or more of the total revenue during the Relevant Periods is as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Customer A from integrated freight forwarding services and logistics centre and related services segments	21,324	*	*	*	*

* *The corresponding revenue did not contribute 10% or more of the total revenue of the Group during the respective periods.*

5. REVENUE

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Revenue from contracts with customers within IFRS 15					
Integrated freight forwarding services business					
Air freight services income	1,745	1,149	1,237	572	659
Ocean freight services income	10,044	11,712	14,851	5,853	7,370
Forwarding services income	5,956	4,691	3,879	1,781	2,056
NVOCC services income	35,165	45,427	48,321	25,153	24,532
	52,910	62,979	68,288	33,359	34,617
Logistics centre and related services business					
Warehousing and container depot services income	75,331	58,336	52,077	25,228	22,805
Railroad transportation services business					
Landbridge transportation services income	9,931	12,472	13,327	5,545	8,413
Landfeeder transportation services income	3,026	2,216	2,272	1,467	882
Flexitank solution and related services business					
Income from flexitank solution	47,670	51,686	63,498	30,362	31,261
	188,868	187,689	199,462	95,961	97,978
Revenue from other source					
Logistics centre and related services business					
Rental income from warehouses	385	924	1,721	824	736
	189,253	188,613	201,183	96,785	98,714

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

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Timing of revenue recognition:					
- at a point of time					
Income from flexitank solution	47,670	51,686	63,498	30,362	31,261
- over time					
Air freight services income	1,745	1,149	1,237	572	659
Ocean freight services income	10,044	11,712	14,851	5,853	7,370
Forwarding services income	5,956	4,691	3,879	1,781	2,056
NVOCC services income	35,165	45,427	48,321	25,153	24,532
Warehousing and container depot services income	75,331	58,336	52,077	25,228	22,805
Landbridge transportation services income	9,931	12,472	13,327	5,545	8,413
Landfeeder transportation services income	3,026	2,216	2,272	1,467	882
	141,198	136,003	135,964	65,599	66,717
	188,868	187,689	199,462	95,961	97,978

6. OTHER INCOME

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Bank interest income	16	6	19	2	1
Gain on disposal of property, plant and equipment	–	449	557	120	1,653
Investment income arising from financial assets measured at FVPL	181	92	111	22	–
Sundry income	283	318	588	283	336
	480	865	1,275	427	1,990

7. PROFIT BEFORE TAX

This is stated after charging (crediting):

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Finance costs					
Interest on bank overdrafts	30	94	114	49	195
Interest on interest-bearing borrowings	604	1,155	1,450	1,023	734
Interest on lease liabilities	801	1,063	1,162	623	719
	1,435	2,312	2,726	1,695	1,648
Staff costs (including directors' emoluments)					
Salaries, allowances and other benefits in kinds	21,420	20,418	20,362	10,500	10,402
Contributions to defined contribution plans	2,271	2,277	2,347	1,235	1,277
Total staff costs (charged to "cost of services and goods sold" and "administrative and other operating expenses" and included in "inventories", as appropriate)	23,691	22,695	22,709	11,735	11,679
Other items					
Auditor's remuneration	37	40	40	18	11
Cost of inventories	33,105	38,021	40,954	21,309	21,509
Depreciation (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	8,710	10,359	11,694	5,717	6,256
Exchange loss (gain), net	113	484	(448)	57	249
Expenses recognised under short-term leases (charged to "cost of services and goods sold" and "administrative and other operating expenses", as appropriate)	3,369	2,462	2,382	1,100	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)	420	490	300	123	101
Fair value loss on financial assets measured at FVPL	96	66	89	–	–
Loss (Gain) on disposal of property, plant and equipment	518	(449)	(557)	(120)	(1,653)
Provision (Reversal of provision) for leakage claims	1,273	2,807	(1,684)	(842)	434

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

8. DIRECTORS' REMUNERATION

The Company was incorporated in the Cayman Islands on 7 March 2019. Dato' Chan Kong Yew was appointed as an executive director of the Company on 7 March 2019, Dato' Kwan Siew Deeg and Datin Lo Shing Ping were appointed as executive directors of the Company on 29 May 2019. Mr. Chan Leng Wai, Mr. Li Chi Keung and Mr. Tan Poay Teik were appointed as independent non-executive directors of the Company on 14 December 2019.

Certain directors of the Company received remuneration from the entities now comprising the Group during the Relevant Periods for their appointment as employees of these entities. The aggregate amounts of remuneration received and receivable by the directors of the Company are set out below.

Year ended 31 December 2016

	Directors' fees	**Salaries, allowances and other benefits in kinds**	**Discretionary bonus**	**Contributions to defined contribution plans**	**Total**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Dato' Chan Kong Yew	–	300	–	34	334
Dato' Kwan Siew Deeg	–	301	–	34	335
Datin Lo Shing Ping	–	183	–	16	199
	–	784	–	84	868

Year ended 31 December 2017

	Directors' fees	**Salaries, allowances and other benefits in kinds**	**Discretionary bonus**	**Contributions to defined contribution plans**	**Total**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Dato' Chan Kong Yew	–	460	–	55	515
Dato' Kwan Siew Deeg	–	445	–	55	500
Datin Lo Shing Ping	–	225	–	21	246
	–	1,130	–	131	1,261

Year ended 31 December 2018

	Directors' fees	Salaries, allowances and other benefits in kinds	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Dato' Chan Kong Yew	–	471	–	56	527
Dato' Kwan Siew Deeg	–	397	–	68	465
Datin Lo Shing Ping	–	229	–	21	250
	–	1,097	–	145	1,242

Six months ended 30 June 2018 ***(unaudited)***

	Directors' fees	Salaries, allowances and other benefits in kinds	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Dato' Chan Kong Yew	–	242	–	28	270
Dato' Kwan Siew Deeg	–	166	–	38	204
Datin Lo Shing Ping	–	110	–	9	119
	–	518	–	75	593

Six months ended 30 June 2019

	Directors' fees	Salaries, allowances and other benefits in kinds	Discretionary bonus	Contributions to defined contribution plans	Total
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Executive directors					
Dato' Chan Kong Yew	–	255	–	28	283
Dato' Kwan Siew Deeg	–	242	–	28	270
Datin Lo Shing Ping	–	134	–	14	148
	–	631	–	70	701

During the Relevant Periods, no emoluments were paid by the Group to any of these directors as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

9. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the Relevant Periods is as follows:

	Number of individuals				
	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
				(unaudited)	
Director	2	2	2	3	3
Non-director	3	3	3	2	2
	5	5	5	5	5

Details of the remuneration of the above highest paid non-director individuals are as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Salaries, allowances and other benefits in kinds	541	589	632	235	310
Discretionary bonus	–	–	–	–	–
Contributions to defined contribution plans	59	65	71	23	34
	600	654	703	258	344

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
				(unaudited)	
Nil to HK$1,000,000	3	3	3	2	2

During the Relevant Periods, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the Relevant Periods.

10. INCOME TAX EXPENSES

	Year ended 31 December			Six months ended 30 June	
	2016	2017	2018	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Current tax					
Malaysia CIT	1,410	1,674	4,034	2,125	2,630
Labuan CIT	26	46	41	19	10
Singapore CIT	43	41	17	9	–
	1,479	1,761	4,092	2,153	2,640
Deferred tax					
Changes in temporary differences *(Note 23)*	(573)	(45)	(416)	(208)	(337)
	906	1,716	3,676	1,945	2,303

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

Malaysia CIT is calculated at the rate of 24% (the "standard rate") of the Group's estimated assessable profits arising from Malaysia (except for Labuan) during the Relevant Periods. Malaysia (except for Labuan) incorporated entities with paid-up capital of RM2.5 million or less enjoy tax rate of 19%, 18%, 18%, 18% and 18% on the first RM500,000 ("guaranteed tax rate") and remaining balance of the estimated assessable profits at tax rate of 24% for the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2018 and 2019, respectively.

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 L&T (MY) and Infinity Bulk Logistics (MY) have obtained the pioneer status effective from 12 July 2011 and 5 January 2018, respectively. A pioneer status company is eligible for exemption from Malaysia CIT on eligible activities and products for five years. The pioneer status for Infinity L&T (MY) has been expired during the year ended 31 December 2016.

During the years ended 31 December 2017 and 2018 and six months ended 30 June 2018, Malaysian (except for Labuan) subsidiaries are eligible for a reduction of between 1% and 4% on the standard tax rate for a portion of their income if there is an increase of 5% or more in the company's chargeable income from a business, compared to the immediately preceding year of assessment. The reduction in the tax rate will apply to the portion of chargeable income representing the increase.

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 or elect, in the prescribed form, to be charged for that year of assessment to tax of RM20,000.

Singapore CIT is calculated at 17% of the assessable profits with CIT rebate of 50%, capped at SGD25,000 for the year ended 31 December 2016, with CIT rebate of 40%, capped at SGD15,000 for the year ended 31 December 2017 and with CIT rebate of 20%, capped at SGD10,000 for the year ended 31 December 2018 and the six months ended 30 June 2018. There is no rebate on Singapore CIT for the six months ended 30 June 2019. The Group's entities incorporated in Singapore can also enjoy 75% tax exemption on the first SGD10,000 of normal chargeable income and a further 50% tax exemption on the next SGD290,000 of normal chargeable income for the years ended 31 December

2016, 2017 and 2018 and the six months ended 30 June 2018 and on the next SGD190,000 of normal chargeable income for the six months ended 30 June 2019. Singapore CIT has not been provided as the Group had no assessable profits for the six months ended 30 June 2019.

Reconciliation of income tax expenses

	Year ended 31 December			**Six months ended 30 June**	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Profit before tax	12,723	10,649	26,179	9,896	10,834
Income tax at applicable tax rate	1,894	1,665	5,407	2,070	1,818
Effect of graduated tax rate	(104)	(30)	–	–	–
Non-deductible expenses	1,138	244	755	1,148	1,775
Tax exempt revenue	(366)	(163)	(414)	(237)	(789)
Tax incentive under pioneer status	(1,656)	–	(2,072)	(1,036)	(501)
Income tax expenses	906	1,716	3,676	1,945	2,303

11. EARNINGS PER SHARE

No earnings per share information are presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful.

12. DIVIDENDS

	Year ended 31 December			**Six months ended 30 June**	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*
				(unaudited)	
Dividends declared to the then equity owners of the entities now comprising the Group	9,070	538	3,633	2,077	17,271

No dividends per share information is presented as its inclusion, for the purpose of the Historical Financial Information, is not considered meaningful.

13. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets RM'000 (Note 22)	Buildings RM'000	Containers and tanks RM'000	Furniture and fittings RM'000	Computer and office equipment RM'000	Motor vehicles RM'000	Construction-in-progress RM'000	Total RM'000
Reconciliation of carrying amounts – year ended 31 December 2016								
At 1 January 2016	16,127	7,699	3,175	176	3,266	5,674	2,791	38,908
Additions	14,536	398	535	530	379	156	19,564	36,098
Depreciation	(3,932)	(330)	(1,054)	(156)	(1,202)	(2,036)	–	(8,710)
Disposals	(136)	–	(149)	–	(726)	(3)	–	(1,014)
Exchange realignments	110	–	1	–	–	–	–	111
At 31 December 2016	26,705	7,767	2,508	550	1,717	3,791	22,355	65,393
Reconciliation of carrying amounts – year ended 31 December 2017								
At 1 January 2017	26,705	7,767	2,508	550	1,717	3,791	22,355	65,393
Additions	9,730	373	326	74	2,019	–	22,993	35,515
Depreciation	(6,081)	(381)	(1,004)	(164)	(1,136)	(1,593)	–	(10,359)
Disposals	(105)	(399)	(50)	–	(5)	(215)	–	(774)
Exchange realignments	(243)	–	–	–	–	–	–	(243)
At 31 December 2017	30,006	7,360	1,780	460	2,595	1,983	45,348	89,532
Reconciliation of carrying amounts – year ended 31 December 2018								
At 1 January 2018	30,006	7,360	1,780	460	2,595	1,983	45,348	89,532
Additions	13,074	8,592	656	1,512	1,215	76	2,002	27,127
Transfers	32,051	10,949	105	–	(97)	2,340	(45,348)	–
Depreciation	(8,494)	(745)	(810)	(429)	(1,121)	(95)	–	(11,694)
Disposals	(35)	–	(84)	–	–	(1,720)	–	(1,839)
Exchange realignments	76	–	2	–	–	–	–	78
At 31 December 2018	66,678	26,156	1,649	1,543	2,592	2,584	2,002	103,204
Reconciliation of carrying amounts – six months ended 30 June 2019								
At 1 January 2019	66,678	26,156	1,649	1,543	2,592	2,584	2,002	103,204
Additions	2,262	24	651	197	570	–	17,831	21,535
Transfers	(1,300)	–	194	–	–	1,106	–	–
Depreciation	(3,359)	(377)	(381)	(242)	(682)	(1,215)	–	(6,256)
Disposals	–	–	(1,089)	–	(5)	(33)	–	(1,127)
Exchange realignments	(14)	–	1	–	–	–	–	(13)
At 30 June 2019	64,267	25,803	1,025	1,498	2,475	2,442	19,833	117,343

	Right-of-use assets RM'000 (Note 22)	Buildings RM'000	Containers and tanks RM'000	Furniture and fittings RM'000	Computer and office equipment RM'000	Motor vehicles RM'000	Construction-in-progress RM'000	Total RM'000
At 31 December 2016								
Cost	33,837	10,596	5,916	1,202	6,636	16,676	22,355	97,218
Accumulated depreciation	(7,132)	(2,829)	(3,408)	(652)	(4,919)	(12,885)	–	(31,825)
Net carrying amounts	26,705	7,767	2,508	550	1,717	3,791	22,355	65,393
At 31 December 2017								
Cost	43,173	10,570	6,095	1,276	8,646	14,601	45,348	129,709
Accumulated depreciation	(13,167)	(3,210)	(4,315)	(816)	(6,051)	(12,618)	–	(40,177)
Net carrying amounts	30,006	7,360	1,780	460	2,595	1,983	45,348	89,532
At 31 December 2018								
Cost	84,672	30,111	6,737	2,783	9,764	17,010	2,002	153,079
Accumulated depreciation	(17,994)	(3,955)	(5,088)	(1,240)	(7,172)	(14,426)	–	(49,875)
Net carrying amounts	66,678	26,156	1,649	1,543	2,592	2,584	2,002	103,204
At 30 June 2019								
Cost	76,741	30,136	8,335	2,980	10,328	17,977	19,833	166,330
Accumulated depreciation	(12,474)	(4,333)	(7,310)	(1,482)	(7,853)	(15,535)	–	(48,987)
Net carrying amounts	64,267	25,803	1,025	1,498	2,475	2,442	19,833	117,343

The Group's leasehold lands (included in right-of-use assets) and construction-in-progress with aggregate net carrying amount of approximately RM18,973,000, RM34,496,000, RM34,148,000 and RM33,973,000 at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively were pledged to secure bank facilities granted to the Group *(Note 21)*.

The Group's buildings with a total carrying amount of approximately RM2,164,000, RM2,010,000, RM9,324,000 and RM9,181,000 at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively were pledged to secure bank facilities granted to the Group *(Note 21)*.

14. GOODWILL

	Integrated Freight Forwarding Services CGU
	RM'000
Reconciliation of carrying amounts	
At 1 January 2016 and 31 December 2016 and 2017	–
Acquisition of subsidiaries *(Note 28(a)&(b))*	904
Disposal of subsidiaries *(Note 29(b)&(c))*	(904)
At 31 December 2018, 1 January 2019 and 30 June 2019	–
Cost	286
Accumulated impairment loss	(286)
At 31 December 2016, 2017 and 2018 and 30 June 2019	–

Goodwill arising from the integrated freight forwarding services business (the "Integrated Freight Forwarding Services CGU") represented the acquisition of 100% equity interests in Infinity Lines (MY) at an aggregated consideration of RM1,025,000 in November 2007. The excess of fair value of the consideration transferred over the acquisition date fair value of the identifiable assets acquired and the liabilities assumed of approximately RM286,000 is recognised as goodwill and was fully impaired in prior years.

15. INTEREST IN ASSOCIATES

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Share of net assets	–	–	33	99

Details of the associates at the end of the reporting period are as follows:

Name of the associates	Principal place of business and place of incorporation	Registered and paid-up capital	Proportion of value of registered and paid-up capital indirectly held by the Company				Principal activities
			At 31 December			At 30 June	
			2016	2017	2018	2019	
AWH Infinity (MY)	Malaysia	RM2	–	50%	*Note (a)*		Not yet commenced business
Asia Global Connection NP Sdn. Bhd.	Malaysia	RM100,000	–	40%	40%	40%	Depot and transport services
FGN Logistics Sdn. Bhd. ("FGN Logistics")	Malaysia	RM500,000	*Note (b)*	–	–		Bulk logistics services

Notes:

(a) During the year ended 31 December 2018, 99,998 ordinary shares were allotted by AWH Infinity (MY), in which 69,999 ordinary shares were issued to Infinity L&T (MY) at a consideration of approximately RM70,000, and was fully paid during the year. Upon completion of the allotment of shares, Infinity L&T (MY) held 70% equity interest in AWH Infinity (MY), AWH Infinity (MY) ceased to be an associate of the Group and became a non-wholly owned subsidiary of the Group. The transaction constituted a step acquisition as defined in IFRS 3. Further details of the step acquisition are set out in Note 28(b).

Subsequent to the step acquisition on 16 May 2018, the Group disposed of its entire interest in AWH Infinity (MY) to an independent third party on 26 December 2018, details of the disposal are set out in Note 29(c).

(b) During the year ended 31 December 2016, the Group had disposed of its entire equity interest in FGN Logistics to an independent third party at a consideration of approximately RM250,000 which was fully received during the year. Loss on disposal of approximately RM38,000 was recognised in profit or loss.

All of the above associates are accounted for using the equity method. There are no capital commitment and contingent liabilities in relation to the associates themselves.

Relationship with associates

The associates are principally engaged in logistic related business and do not directly and significantly compete with the Group's business.

Fair value of investments

All of the above associates are private companies and there is no quoted market price available for the investments.

Financial information of individually immaterial associates

The table below shows, in aggregate, the carrying amount and the Group's share of results of associates that are not individually material and accounted for using the equity method.

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Carrying amount of interests	–	–	33	99

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Group's share of:				
(Loss) Profit	(1)	(40)	33	66

Unrecognised share of losses of associates

During the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2019, the unrecognised share of losses of associates for the year amounted to approximately Nil, RM119,000, Nil and Nil, respectively, and the cumulative unrecognised share of losses of associates up to 31 December 2016, 2017 and 2018 and 30 June 2019 amounted to approximately Nil, RM119,000, Nil and Nil, respectively.

16. INVENTORIES

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Raw materials	2,651	3,636	4,107	4,682
Finished goods	3,860	4,286	3,654	3,852
	6,511	7,922	7,761	8,534

17. FINANCIAL ASSETS MEASURED AT FVPL

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Mandatorily measured at FVPL				
Unlisted investments – money market funds	5,800	–	–	–

At 31 December 2016, the unlisted investments in money market funds (the "Funds") were placed with a bank in Malaysia. The Funds can be redeemed from time to time and with expected rate of return at the prevailing deposits rates offered by the bank. The Funds mainly invested in money market instruments, including negotiable instruments of deposits, bills of acceptance, commercial papers and fixed deposits. The fair values of the Funds are reported by the bank with reference to the fair value of the underlying instruments at the end of each reporting period.

The movement of the Funds is analysed as follows:

	Year ended 31 December			Six months ended 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of reporting period	–	5,800	–	–
Additions	46,285	26,900	35,300	–
Redemption	(40,389)	(32,634)	(35,211)	–
Fair value changes recognised in profit or loss	(96)	(66)	(89)	–
At the end of reporting period	5,800	–	–	–

18. TRADE AND OTHER RECEIVABLES

		At 31 December			At 30 June
		2016	**2017**	**2018**	**2019**
	Notes	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Trade receivables					
From third parties		42,263	50,676	50,108	39,368
From related companies		1,217	1,882	1,271	1,037
		43,480	52,558	51,379	40,405
Less: Impairment loss allowance	30	(3,047)	(3,836)	(2,966)	(2,044)
	18(a)	40,433	48,722	48,413	38,361
Other receivables					
Deposits paid		1,233	4,909	2,098	1,903
Other receivables		755	1,126	1,011	217
Prepayments		4,984	7,477	6,140	4,894
Prepayment for acquisition for property, plant and equipment		–	–	–	3,110
Due from an associate	18(b)	20	2	–	–
Due from related companies	18(c)	1,230	1,499	1,556	–
		8,222	15,013	10,805	10,124
		48,655	63,735	59,218	48,485
Analysed by:					
Non-current assets		–	–	–	3,110
Current assets		48,655	63,735	59,218	45,375
		48,655	63,735	59,218	48,485

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.

18(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 of trade receivables based on invoice date at the end of each reporting period is as follows:

	At 31 December			**At 30 June**
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within 30 days	19,318	22,446	17,988	18,290
31 to 60 days	10,894	9,776	11,394	9,595
61 to 90 days	5,070	6,008	6,521	3,572
Over 90 days	8,198	14,328	15,476	8,948
	43,480	52,558	51,379	40,405
Less: Impairment loss allowance	(3,047)	(3,836)	(2,966)	(2,044)
	40,433	48,722	48,413	38,361

Information about the Group's exposure to credit risks and impairment loss allowance for trade and other receivables is included in Note 30.

18(b) Due from an associate

The amount due is non-trade in nature, unsecured, interest-free and repayable on demand. No provision has been made for non-repayment of the amount due during the Relevant Periods.

The Group does not hold any collateral over these balances.

Details of the amount due from an associate are as follows:

	Year ended 31 December 2016		
	Greatest outstanding amount during the year	**Balance at 31.12.2016**	**Balance at 1.1.2016**
	RM'000	*RM'000*	*RM'000*
AWH Infinity (MY)	20	20	18

	Year ended 31 December 2017		
	Greatest outstanding amount during the year	**Balance at 31.12.2017**	**Balance at 1.1.2017**
	RM'000	*RM'000*	*RM'000*
AWH Infinity (MY)	23	2	20

	Year ended 31 December 2018		
	Greatest outstanding amount during the year	**Balance at 31.12.2018**	**Balance at 1.1.2018**
	RM'000	*RM'000*	*RM'000*
AWH Infinity (MY)	5	–	2

	Six months ended 30 June 2019		
	Greatest outstanding amount during the period	**Balance at 30.6.2019**	**Balance at 1.1.2019**
	RM'000	*RM'000*	*RM'000*
AWH Infinity (MY)	–	–	–

18(c) Due from related companies

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand. No provision has been made for non-repayment of the amounts due during the Relevant Periods.

The Group does not hold any collateral over these balances.

Details of the amounts due from related companies ultimately controlled by the Ultimate Controlling Parties are as follows:

	Year ended 31 December 2016		
	Greatest outstanding amount during the year	**Balance at 31.12.2016**	**Balance at 1.1.2016**
	RM'000	*RM'000*	*RM'000*
Infinity Shipping Sdn. Bhd. ("Infinity Shipping")	556	532	519
Lite Bulk Sdn. Bhd. ("Lite Bulk")	492	426	358
Qingdao Infinity Supply Chain Management Co. Ltd. ("Qingdao Infinity")	272	272	–
		1,230	877

	Year ended 31 December 2017		
	Greatest outstanding amount during the year	Balance at 31.12.2017	Balance at 1.1.2017
	RM'000	*RM'000*	*RM'000*
Infinity Shipping	665	665	532
Lite Bulk	769	569	426
Qingdao Infinity	272	265	272
		1,499	1,230

	Year ended 31 December 2018		
	Greatest outstanding amount during the year	Balance at 31.12.2018	Balance at 1.1.2018
	RM'000	*RM'000*	*RM'000*
Infinity Shipping	781	781	665
Lite Bulk	610	510	569
Qingdao Infinity	265	265	265
		1,556	1,499

	Six months ended 30 June 2019		
	Greatest outstanding amount during the period	Balance at 30.6.2019	Balance at 1.1.2019
	RM'000	*RM'000*	*RM'000*
Infinity Shipping	781	–	781
Lite Bulk	510	–	510
Qingdao Infinity	265	–	265
		–	1,556

19. RESTRICTED BANK BALANCES

Pursuant to the bank guarantee agreements signed with a bank in Malaysia, the amounts represent deposits in the bank in Malaysia maintained solely for the issuance of bank guarantee to the extent of approximately RM182,000, RM211,000, RM31,000 and RM31,000 at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively, to suppliers and are restricted for use by the Group for any other purposes. The restricted bank balances are denominated in RM. None of the bank guarantee was utilised by the Group at 31 December 2016, 2017 and 2018 and 30 June 2019.

20. TRADE AND OTHER PAYABLES

		At 31 December			At 30 June
		2016	2017	2018	2019
	Notes	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Trade payables					
To third parties		32,233	32,059	24,235	23,784
To related companies		341	1,446	2,258	1,680
	20(a)	32,574	33,505	26,493	25,464
Other payables					
Accruals and other payables *(Note)*		3,828	4,300	5,569	5,952
Other payables for construction work		–	–	–	4,244
Provision for leakage claims	20(b)	1,871	4,451	2,392	1,712
Contract liabilities	20(c)	21	44	839	167
Due to the Ultimate Controlling Parties	20(d)	2,309	8,291	4,579	–
Due to related companies	20(d)	536	416	210	–
		8,565	17,502	13,589	12,075
		41,139	51,007	40,082	37,539

Note: The amount included accrued initial listing expenses of approximately Nil, Nil, RM600,000 and RM2,313,000 at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively.

20(a) Trade payables

The trade payables to associates and 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 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within 30 days	18,236	19,865	17,244	13,580
31 to 60 days	5,249	4,460	1,572	4,503
61 to 90 days	2,055	1,935	1,503	715
Over 90 days	7,034	7,245	6,174	6,666
	32,574	33,505	26,493	25,464

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

20(b) Provision for leakage claims

	Year ended 31 December			Six months ended 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of the reporting period	652	1,871	4,451	2,392
Additions (Reversal)	1,273	2,807	(1,684)	434
Utilisation	(54)	(227)	(375)	(1,114)
At the end of the reporting period	1,871	4,451	2,392	1,712

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 within two years prior to the end of the reporting period. The amount of provision takes into account the Group's recent claims experience.

20(c) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year/period) of contract liabilities from contracts with customers within IFRS 15 during the Relevant Periods are as follows:

	Year ended 31 December			Six months ended 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of the reporting period	–	21	44	839
Receipt of advances	21	44	839	167
Recognised as revenue	–	(21)	(44)	(839)
At the end of the reporting period	21	44	839	167

For the year ended 31 December 2018, there is an increase in the overall contract activities and customer base of the Group and the negotiation of larger prepayments, thereby increasing the amount arising from the receipt of advances or recognition of receivables.

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.

20(d) Due to the Ultimate Controlling Parties/related companies

The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand. The related companies are ultimately controlled by the Ultimate Controlling Parties.

21. 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 31 December			At 30 June
		2016	**2017**	**2018**	**2019**
	Notes	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Bank overdrafts – secured	21(a)	3,308	3,272	8,695	6,537
Interest-bearing borrowings – secured	21(b)	15,655	31,217	34,815	50,069
		18,963	34,489	43,510	56,606

21(a) Bank overdrafts – secured

	At 31 December							
	2016		**2017**		**2018**		**2019**	
	Interest rate (%)	*RM'000*	*Interest rate (%)*	*RM'000*	*Interest rate (%)*	*RM'000*	*Interest rate (%)*	*RM'000*
Bank overdrafts – secured	Base financing rate +4% per annum	3,308	Base financing rate +4% per annum	3,272	Base financing rate +4% per annum	8,695	Base financing rate +4% per annum	6,537

21(b) Interest-bearing borrowings

The interest-bearing borrowings represent amounts due to various banks which are repayable ranging from within one year to over five years since its inception at 31 December 2016, 2017 and 2018 and 30 June 2019.

The weighted average effective interest rates on interest-bearing borrowings were 5.92%, 4.54%, 4.85% and 4.68% per annum at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively.

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

	At 31 December			At 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Secured bank borrowings				
– Current portion	2,230	1,999	2,540	6,716
– Non-current portion	13,425	29,218	32,275	43,353
	15,655	31,217	34,815	50,069

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Carrying amounts of the above borrowings are repayable:				
Within one year	2,230	1,999	2,540	6,716
More than one year, but not exceeding two years	1,992	2,205	2,659	4,993
More than two years, but not exceeding five years	5,904	6,614	8,012	15,018
Over five years	5,529	20,399	21,604	23,342
	15,655	31,217	34,815	50,069
Less: amounts shown under current liabilities	(2,230)	(1,999)	(2,540)	(6,716)
Amounts shown under non-current liabilities	13,425	29,218	32,275	43,353

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 RM18,973,000, RM34,496,000, RM34,148,000 and RM33,973,000 at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively, as set out in Note 13;

(ii) buildings owned by the Group with aggregate net carrying amount of approximately RM2,164,000, RM2,010,000, RM9,324,000 and RM9,181,000 at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively, as set out in Note 13;

(iii) a building owned by a related company ultimately controlled by the Ultimate Controlling Parties; and

(iv) 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 31 December 2016, 2017 and 2018 and 30 June 2019, none of the covenants relating to drawn down facilities had been breached.

The collaterals and guarantees provided by the Ultimate Controlling Parties and/or the related company are expected to be released and replaced by a corporate guarantee to be given by the Group upon the Initial Listing and the banks have provided their consent in this regard.

22. LEASES

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Right-of-use assets *(Note 13)*				
Leased properties	10,370	11,527	19,340	18,531
Leasehold lands	3,974	3,925	38,023	37,824
Containers	2,225	6,896	6,974	6,604
Motor vehicles	10,136	7,658	2,341	1,308
	26,705	30,006	66,678	64,267

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Lease liabilities				
Current	6,878	6,601	5,360	5,048
Non-current	12,367	13,536	19,681	18,365
	19,245	20,137	25,041	23,413

In addition to the information disclosed in Note 7, the Group had the following amounts relating to leases during the Relevant Periods:

	Year ended 31 December			Six months ended 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Depreciation charge of right-of-use assets				
Leased properties	1,344	2,317	2,689	2,143
Leasehold lands	49	49	398	199
Containers	382	1,061	1,655	753
Motor vehicles	2,157	2,654	3,752	264
	3,932	6,081	8,494	3,359

The total cash outflow for leases for the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2018 and 2019 were approximately RM11,463,000, RM12,331,000 and RM11,695,000, RM5,866,000 *(unaudited)* and RM5,157,000, respectively.

Lease liabilities:

	Lease payments				Present value of lease payments			
	At 31 December			At 30 June	At 31 December			At 30 June
	2016	2017	2018	2019	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Amount payable:								
Within one year	7,911	7,471	6,884	6,314	6,878	6,601	5,360	5,048
More than one year, but not exceeding two years	5,006	4,694	4,324	3,828	4,383	4,044	3,425	2,719
More than two years, but not exceeding five years	5,528	6,458	7,642	7,463	4,443	5,184	4,947	4,899
After five years	3,840	6,509	21,739	20,818	3,541	4,308	11,309	10,747
	22,285	25,132	40,589	38,423	19,245	20,137	25,041	23,413
Less: future finance charges	(3,040)	(4,995)	(15,548)	(15,010)	–	–	–	–
Total lease liabilities	19,245	20,137	25,041	23,413	19,245	20,137	25,041	23,413

23. DEFERRED TAXATION

The movement in the Group's deferred tax liabilities arising from depreciation allowance for the Relevant Periods was as follows:

	Year ended 31 December			Six months ended 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of the reporting period	1,578	1,005	960	544
Credited to profit or loss *(Note 10)*	(573)	(45)	(416)	(337)
At the end of the reporting period	1,005	960	544	207

24. SHARE CAPITAL

The Company was incorporated as an exempted company with limited liability in the Cayman Islands on 7 March 2019. Upon its incorporation, the authorised share capital of HK$380,000 was divided into 38,000,000 ordinary shares at HK$0.01 each.

On the date of its incorporation, the Company allotted and issued one subscriber share as fully paid at par to a nominee subscriber. On the same day, the nominee subscriber transferred the one subscriber share, representing the entire issued share capital of the Company, to Dato' Chan Kong Yew at par.

There was no authorised and issued capital at 31 December 2016, 2017 and 2018 since the Company was not yet incorporated at that time.

Pursuant to the Reorganisation completed on 13 December 2019, the Company became the holding company of the entities now comprising the Group. Further details of the changes in authorised and issued share capital of the Company since its incorporation are set out in the paragraph headed "Reorganisation" of the section headed "History, Development and Reorganisation" of the Prospectus.

25. RESERVES

25(a) 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.

25(b) Exchange reserve

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

25(c) Movements of reserves of the Company

	Share capital	Accumulated losses	Total
	RM'000	*RM'000*	*RM'000*
Issue of share capital	–*	–	–*
Loss and total comprehensive loss for the period	–	(34)	(34)
At 30 June 2019	–*	(34)	(34)

* *Represent amount less than RM1,000*

26. ADDITIONAL INFORMATION ON CASH FLOWS

(a) Major non-cash transactions

In addition to the information disclosed elsewhere in the Historical Financial Information, the Group had the following major non-cash transactions:

(i) During the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2018 and 2019, 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 RM14,536,000, RM9,373,000 and RM12,716,000, RM10,996,000 *(unaudited)* and RM1,992,000, respectively.

(ii) During the six months ended 30 June 2019, the Group incurred payables of approximately RM4,244,000 to the constructors for the addition of property, plant and equipment.

(b) Reconciliation of liabilities arising from financing activities

The movement during the Relevant Periods in the Group's liabilities arising from financing activities is as follows:

	At 1 January 2016	Net cash flows	Non-cash changes: Additions to property, plant and equipment	Non-cash changes: Declaration of dividends	Non-cash changes: Exchange differences	At 31 December 2016
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Year ended 31 December 2016						
Dividends payables	–	(9,070)	–	9,070	–	–
Due from an associate	(18)	(2)	–	–	–	(20)
Due from related companies, net	(635)	(59)	–	–	–	(694)
Due to the Ultimate Controlling Parties	2,172	137	–	–	–	2,309
Interest-bearing borrowings	2,670	12,985	–	–	–	15,655
Lease liabilities	11,553	(6,873)	14,536	–	29	19,245
	15,742	(2,882)	14,536	9,070	29	36,495

	At 1 January 2017	Net cash flows	Non-cash changes: Additions to property, plant and equipment	Non-cash changes: Declaration of dividends	Non-cash changes: Exchange differences	At 31 December 2017
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Year ended 31 December 2017						
Dividends payables	–	(538)	–	538	–	–
Due from an associate	(20)	18	–	–	–	(2)
Due from related companies, net	(694)	(389)	–	–	–	(1,083)
Due to the Ultimate Controlling Parties	2,309	5,982	–	–	–	8,291
Interest-bearing borrowings	15,655	15,562	–	–	–	31,217
Lease liabilities	19,245	(8,316)	9,373	–	(165)	20,137
	36,495	12,319	9,373	538	(165)	58,560

	At 1 January 2018 RM'000	Net cash flows RM'000	Non-cash changes: Additions to property, plant and equipment RM'000	Non-cash changes: Declaration of dividends RM'000	Exchange differences RM'000	At 31 December 2018 RM'000
Year ended 31 December 2018						
Dividends payables	–	(3,633)	–	3,633	–	–
Due from an associate	(2)	2	–	–	–	–
Due from related companies, net	(1,083)	(263)	–	–	–	(1,346)
Due to the Ultimate Controlling Parties	8,291	(3,712)	–	–	–	4,579
Interest-bearing borrowings	31,217	3,598	–	–	–	34,815
Lease liabilities	20,137	(7,851)	12,716	–	39	25,041
	58,560	(11,859)	12,716	3,633	39	63,089

	At 1 January 2018 RM'000	Net cash flows RM'000	Non-cash changes: Additions to property, plant and equipment RM'000	Non-cash changes: Declaration of dividends RM'000	Exchange differences RM'000	At 30 June 2018 RM'000 (unaudited)
Six months ended 30 June 2018 (unaudited)						
Dividends payables	–	(2,077)	–	2,077	–	–
Due from an associate	(2)	2	–	–	–	–
Due from related companies, net	(1,083)	(910)	–	–	–	(1,993)
Due to the Ultimate Controlling Parties	8,291	(3,506)	–	–	–	4,785
Interest-bearing borrowings	31,217	2,736	–	–	–	33,953
Lease liabilities	20,137	(4,020)	10,996	–	(89)	27,024
	58,560	(7,775)	10,996	2,077	(89)	63,769

	At 1 January 2019	Net cash flows	Non-cash changes: Additions to property, plant and equipment	Non-cash changes: Declaration of dividends	Exchange differences	At 30 June 2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
Six months ended 30 June 2019						
Dividends payables	–	(17,271)	–	17,271	–	–
Due from related companies, net	(1,346)	1,346	–	–	–	–
Due to the Ultimate Controlling Parties	4,579	(4,579)	–	–	–	–
Interest-bearing borrowings	34,815	15,254	–	–	–	50,069
Lease liabilities	25,041	(3,632)	1,992	–	12	23,413
	63,089	(8,882)	1,992	17,271	12	73,482

27. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the Historical Financial Information, the Group had the following related party transactions during Relevant Periods:

(a) Transaction between the group entities have been eliminated on combination and are not disclosed. During the Relevant Periods, 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.

		Year ended 31 December			Six months ended 30 June	
		2016	2017	2018	2018	2019
Related party relationship	**Nature of transaction**	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
An associate	Logistics and related services income	–	–	4	2	–
	Logistics and related services costs	–	24	88	53	34
Related companies controlled by the Ultimate Controlling Parties	Logistics and related services income	2,889	3,308	1,565	1,461	46
	Logistics and related services costs	1,115	1,565	2,000	924	621

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

	Year ended 31 December			Six months ended 30 June	
	2016	**2017**	**2018**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000* (unaudited)	*RM'000*
Salaries, allowances and other benefits in kinds	995	1,374	1,341	648	761
Discretionary bonus	–	–	–	–	–
Contributions to defined contribution plans	103	152	166	85	82
	1,098	1,526	1,507	733	843

Further details of the directors' remuneration are set out in Note 8.

28. ACQUISITION OF SUBSIDIARIES

(a) Acquisition of BLS Infinity

On 29 January 2018, the Group acquired 51% equity interest in BLS Infinity, which principally engaged in the provision of trucking services in Malaysia. The Group has selected to measure the non-controlling interest at its proportionate interest in the identifiable assets and liabilities of the acquiree.

The following summarises the consideration paid and the assets acquired and liabilities assumed, as well as the amount of non-controlling interest and goodwill recognised at the date of acquisition:

	RM'000
Recognised amounts of the identifiable assets acquired and liabilities assumed:	
Bank balances and cash	97
Trade and other receivables	500
Trade and other payables	(2,233)
Total identifiable net liabilities	(1,636)
Non-controlling interests	802
Goodwill arising on acquisition	885
Total consideration	51
Satisfied by:	
Cash	51

Analysis of the net inflow of bank balances and cash in respect of the acquisition of BLS is as follows:

	RM'000
Net cash acquired from the subsidiary	97
Consideration paid	(51)
	46

Since acquisition and until disposal as set out in Note 29(b), the acquired business has contributed revenue of approximate RM2,946,000 and contributed a loss of approximately RM51,000 to the Group included in profit or loss for the year ended 31 December 2018.

If the business combinations effected during the year ended 31 December 2018 had been taken place at 1 January 2018, the revenue and profits of the Group would be increased by approximately RM173,000 and decreased by approximately RM4,000, respectively.

(b) Step acquisition of AWH Infinity (MY)

On 16 May 2018, AWH Infinity (MY) completed the allotment of 99,998 ordinary shares, in which 69,999 ordinary shares were issued to the Group. Upon completion of the allotment, the Group held 70% equity interest in AWH Infinity (MY). Prior to the business combination, the Group already held 50% equity interest in AWH Infinity (MY). The Group has selected to measure the non-controlling interest at its proportionate interest in the identifiable assets and liabilities of the acquiree.

Details of the carrying amount and fair value of the Group's equity interest held in AWH Infinity (MY) before business combination on 16 May 2018 are summarised as follows:

	RM'000
Carrying amount of equity interest held before the business combination	–

The following summarises the fair value of the consideration paid and the assets acquired and liabilities assumed, as well as the amount of non-controlling interest and goodwill recognised at the date of acquisition:

	RM'000
Recognised amounts of the identifiable assets acquired and liabilities assumed:	
Bank balances and cash	97
Trade and other payables	(24)
Total identifiable net assets	73
Non-controlling interest	(22)
Goodwill arising on acquisition	19
Total consideration	70
Satisfied by:	
Cash	70

Analysis of the net inflow of bank balances and cash in respect of the acquisition of AWH Infinity (MY) is as follows:

	RM'000
Net cash acquired from the subsidiary	97
Consideration paid	(70)
	27

Since acquisition and until disposal set out in Note 29(c), the acquired business made no significant contribution to revenue and results of the Group.

The acquired business made no significant contribution to revenue and results of the Group for the year if the above acquisition had been taken place at the beginning of the year.

29. DISPOSAL OF SUBSIDIARIES

(a) Disposal of Andaman Coastal Sdn, Bhd. ("Andaman Coastal (MY)")

During the year ended 31 December 2016, the Group agreed with independent third parties to dispose of 100% equity interest in Andaman Coastal (MY) which engaged in freight forwarding business to an independent third party at a consideration of RM1,800,000. The disposal of Andaman Coastal (MY) was completed on 19 September 2016. The net assets of Andaman Coastal (MY) at the date of the disposal were as follows:

	At 19 September 2016 *RM'000*
Net assets disposed of:	
Trade and other receivables	3,483
Bank balances and cash	98
Trade and other payables	(870)
Net asset value of Andaman Coastal (MY)	2,711
Loss on disposal of Andaman Coastal (MY)	(911)
Total consideration	1,800
Satisfied by:	
Cash	1,800

Analysis of the net inflow of bank balances and cash in respect of the disposal of Andaman Coastal (MY) is as follows:

	RM'000
Cash consideration	1,800
Bank balances and cash disposed of	(98)
Net inflow of bank balances and cash on disposal	1,702

(b) Disposal of BLS Infinity (MY)

Following the acquisition of 51% equity interest as detailed in Note 28(a), the Group agreed with an independent third party to dispose of its entire equity interest in BLS Infinity (MY) which engaged in trucking services at a consideration of RM51,000. The disposal was completed on 29 December 2018. The net liabilities of BLS Infinity (MY) at the date of the disposal were as follows:

	At 29 December 2018
	RM'000
Trade and other receivables	816
Bank balances and cash	51
Trade and other payables	(2,554)
Total identifiable net liabilities	(1,687)
Non-controlling interests	827
Goodwill	885
Gain on disposal of BLS Infinity (MY)	26
Total consideration	51
Satisfied by:	
Cash	51

Analysis of the net cash flow of bank balances and cash in respect of the disposal of BLS Infinity (MY) is as follows:

	RM'000
Cash consideration	51
Bank balances and cash disposed of	(51)
Net cash flow of bank balances and cash on disposal	–

(c) Disposal of AWH Infinity (MY)

Following the step acquisition as detailed in Note 28(b), the Group agreed with an independent third party to dispose of its entire equity interest in AWH Infinity (MY) at a consideration of RM70,000. The disposal was completed on 26 December 2018. The net assets of AWH Infinity (MY) at the date of the disposal were as follows:

	At 26 December 2018 *RM'000*
Bank balances and cash	95
Trade and other payables	(24)
Total identifiable net assets	71
Non-controlling interest	(21)
Goodwill	19
Gain on disposal of AWH Infinity (MY)	1
Total consideration	70
Satisfied by:	
Cash	70

Analysis of the net outflow of bank balances and cash in respect of the disposal of AWH Infinity (MY) is as follows:

	RM'000
Cash consideration	70
Bank balances and cash disposed of	(95)
Net outflow of bank balances and cash on disposal	(25)

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise of financial assets measured at FVPL, trade and other receivables, current accounts with an associate, related companies and the Ultimate Controlling Parties, bank balances and cash, trade and other payables, bank overdrafts, interest-bearing borrowings and obligations under finance leases. Details of these financial instruments are disclosed in respective notes.

The main risks arising from the Group's financial instruments are price risk, interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group generally adopts conservative strategies on its risk management and limits the Group's exposure to these risks to a minimum level as follows:

Price risk

The Group is exposed to price risk arising from its financial assets measured at FVPL, include the unlisted investments in money market funds, which are classified as financial assets measured at FVPL which their fair value will fluctuate.

At the end of each reporting period, if the transaction price of the investments has been 5% higher/lower with all other variables held constant, the Group's pre-tax results would increase/decrease by approximately RM290,000, Nil, Nil and Nil for the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2019, respectively.

The sensitivity analysis has been determined assuming that the reasonably possible changes in the fair value of the unlisted investments had occurred at the end of the reporting period and had been applied to the exposure to price risk in existence at that date. The stated changes represent the management's assessment of reasonably possible changes in the fair value of the unlisted investments over the next 12 months after the end of each reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the price risk because the exposure at the end of each reporting period does not reflect the exposure during the Relevant Periods.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank overdrafts and interest-bearing borrowings of approximately RM18,963,000, RM34,489,000, RM43,510,000 and RM56,606,000 with floating interest rate at 31 December 2016, 2017 and 2018 and 30 June 2019, respectively. The Group currently does not have a policy to hedge against the interest rate risk as the management does not expect any significant interest rate risk at the end of each reporting period.

At the end of each reporting period, if interest rate has been 100 basis points higher/lower and all other variables were held constant, the Group's pre-tax results would decrease/increase by approximately RM190,000, RM345,000, RM435,000 and RM566,000 for the years ended 31 December 2016, 2017 and 2018 and 30 June 2019, respectively.

The sensitivity analysis above has been determined assuming that the change in interest rate had occurred throughout the Relevant Periods and had been applied to the exposure to interest rate risk for the closing balance of bank overdrafts and interest-bearing borrowings in existence at the end of each reporting period. The stated changes represent management's assessment of a reasonably possible change in interest rates over the next twelve months after the end of reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of each reporting period does not reflect the exposure during the Relevant Periods.

Foreign currency risk

The Group's transactions are mainly denominated in RM, SGD and US$.

Certain financial assets and financial liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities and therefore exposed to foreign currency risk. The carrying amounts of those financial assets and liabilities are analysed as follows:

	Financial assets				Financial liabilities			
	At 31 December			At 30 June	At 31 December			At 30 June
	2016	2017	2018	2019	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*	*RM'000*
SGD	2,343	1,060	1,529	3,238	858	408	548	881
US$	18,563	18,244	36,045	34,805	5,909	11,195	8,755	11,885

The following table indicates the approximate change in the Group's pre-tax results if exchange rates of SGD and US$ had changed against the functional currencies of the respective group entities by 5% and all other variables were held constant at the end of each reporting period.

	At 31 December 2016		At 31 December 2017		At 31 December 2018		At 30 June 2019	
	Increase (decrease) in foreign exchange rates	Effect on profit before tax	Increase (decrease) in foreign exchange rates	Effect on profit before tax	Increase (decrease) in foreign exchange rates	Effect on profit before tax	Increase (decrease) in foreign exchange rates	Effect on profit before tax
		RM'000		*RM'000*		*RM'000*		*RM'000*
SGD	5%	74	5%	32	5%	49	5%	118
	(5%)	(74)	(5%)	(32)	(5%)	(49)	(5%)	(118)
US$	5%	633	5%	352	5%	1,365	5%	1,146
	(5%)	(633)	(5%)	(352)	(5%)	(1,365)	(5%)	(1,146)

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of each reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the next 12 months after the end of each reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of each reporting period does not reflect the exposure during the Relevant Periods.

Credit risk

Credit risk refers to the risk that debtors will default on their obligations to repay the amounts due to the Group, resulting in a loss to the Group. The Group's credit risk is mainly attributable to trade and other receivables, financial assets measured at FVPL, restricted bank balances and bank balances and cash. The Group limits its exposure to credit risk by selecting the counterparties with reference to their past credit history and/or market reputation. The Group's maximum exposure to the credit risk is summarised as follows:

	At 31 December			At 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Trade and other receivables	43,671	56,258	53,078	40,481
Financial assets measured at FVPL	5,800	–	–	–
Restricted bank balances	182	211	31	31
Bank balances and cash	9,969	9,246	24,682	22,005
	59,622	65,715	77,791	62,517

Trade receivables

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of two months.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. Credit quality of a customer is assessed based on an extensive credit rating and individual credit limit assessment which is mainly based on the Group's own trading records.

At 31 December 2016, 2017 and 2018 and 30 June 2019, the Group had a concentration of credit risk as approximately 15%, 13%, 15% and 10% of the total trade receivables was due from the Group's largest trade debtor, respectively, and approximately 33%, 38%, 37% and 30% of the total trade receivables was due from the Group's five largest trade debtors, respectively.

The Group's customer base consists of a wide range of clients and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL of trade receivables and recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected loss rate used in the provision matrix is calculated for each category based on historical observed loss rates over the expected life of the trade receivables and adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables.

There was no change in the estimation techniques or significant assumptions made during the Relevant Periods.

At the end of each reporting period, the ageing analysis of the trade receivables of by due date is as follow:

	At 31 December			At 30 June
	2016	2017	2018	2019
	RM'000	*RM'000*	*RM'000*	*RM'000*
Not yet due	10,174	9,942	17,345	14,710
Past due:				
Within 30 days	14,814	15,659	10,842	10,762
31 to 60 days	8,595	9,463	7,334	5,303
61 to 90 days	3,061	4,931	6,628	2,978
Over 90 days	6,836	12,563	9,230	6,652
	33,306	42,616	34,034	25,695
	43,480	52,558	51,379	40,405
Less: Impairment loss allowance	(3,047)	(3,836)	(2,966)	(2,044)
	40,433	48,722	48,413	38,361

The information about the exposure to credit risk and ECL for trade receivables using a provision matrix is as follows:

	Expected loss rate	Gross carrying amounts	Impairment loss allowance	Net carrying amounts
	%	*RM'000*	*RM'000*	*RM'000*
At 31 December 2016				
Not past due	3%	10,174	(276)	9,898
1 – 30 days past due	4%	14,814	(626)	14,188
31 – 60 days past due	4%	8,538	(369)	8,169
61 – 90 days past due	4%	3,043	(129)	2,914
Over 90 days past due	16%	6,239	(975)	5,264
Individually impaired	100%	672	(672)	–
		43,480	(3,047)	40,433

	Expected loss rate	Gross carrying amounts	Impairment loss allowance	Net carrying amounts
	%	RM'000	RM'000	RM'000
At 31 December 2017				
Not past due	3%	9,701	(245)	9,456
1 – 30 days past due	6%	15,659	(873)	14,786
31 – 60 days past due	5%	9,404	(455)	8,949
61 – 90 days past due	3%	4,515	(125)	4,390
Over 90 days past due	6%	11,831	(690)	11,141
Individually impaired	100%	1,448	(1,448)	–
		52,558	(3,836)	48,722

	Expected loss rate	Gross carrying amounts	Impairment loss allowance	Net carrying amounts
	%	RM'000	RM'000	RM'000
At 31 December 2018				
Not past due	1%	17,345	(181)	17,164
1 – 30 days past due	3%	10,842	(323)	10,519
31 – 60 days past due	3%	7,334	(247)	7,087
61 – 90 days past due	4%	6,628	(175)	6,453
Over 90 days past due	9%	8,125	(935)	7,190
Individually impaired	100%	1,105	(1,105)	–
		51,379	(2,966)	48,413

	Expected loss rate	Gross carrying amounts	Impairment loss allowance	Net carrying amounts
	%	RM'000	RM'000	RM'000
At 30 June 2019				
Not past due	1%	14,710	(203)	14,507
1 – 30 days past due	1%	10,762	(149)	10,613
31 – 60 days past due	2%	5,303	(101)	5,202
61 – 90 days past due	1%	2,978	(34)	2,944
Over 90 days past due	19%	6,295	(1,200)	5,095
Individually impaired	100%	357	(357)	–
		40,405	(2,044)	38,361

Included in the impairment loss allowance at 31 December 2016, 2017 and 2018 and 30 June 2019, was provision for doubtful debts for specific unsecured trade receivables with balances of approximately RM672,000, RM1,448,000, RM1,105,000 and RM357,000, respectively, which the debtors have no recent business relationship with the Group and the Group expects the outstanding amounts could not be recovered in a foreseeable future.

The Group does not hold any collateral over trade receivables at 31 December 2016, 2017 and 2018 and 30 June 2019.

The movement in the impairment loss allowance for trade receivables is as follows:

	Year ended 31 December			Six months ended 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
At the beginning of the reporting period	4,305	3,047	3,836	2,966
(Reversal of) Provision for impairment loss	(1,103)	826	(516)	(912)
Write off	(155)	(37)	(354)	(10)
At the end of the reporting period	3,047	3,836	2,966	2,044

At 31 December 2017, mainly due to an increase in days past due over 60 days resulted in an addition in impairment loss allowance.

At 31 December 2018, mainly due to a decrease in days past due over 60 days resulted in a reversal in impairment loss allowance.

At 30 June 2019, mainly due to a decrease in days past due over 60 days resulted in a reversal in impairment loss allowance.

Trade receivables of approximately RM155,000, RM37,000, RM354,000 and RM10,000 written off during the years ended 31 December 2016, 2017 and 2018 and six months ended 30 June 2019, respectively, are still subject to enforcement activities.

Amounts due from an associate, related companies and other receivables

The Group considers that the amounts due from an associate, related companies and other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default.

Financial assets at measured FVPL, restricted bank balances and bank balances and cash

The management considers the credit risk in respect of financial assets measured at FVPL, restricted bank balances and bank balances and cash is minimal because the counter-parties are authorised financial institutions with high credit ratings.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity profile of the Group's financial liabilities at the end of each reporting period, based on the contractual undiscounted payments, is summarised below:

	Total carrying amounts *RM'000*	Total contractual undiscounted cash flows *RM'000*	Less than 1 year or on demand *RM'000*	1 to 2 years *RM'000*	2 to 5 years *RM'000*	Over 5 years *RM'000*
At 31 December 2016						
Trade and other payables	39,247	39,247	39,247	–	–	–
Bank overdrafts	3,308	3,308	3,308	–	–	–
Interest-bearing borrowings	15,655	20,445	3,344	2,988	7,948	6,165
Lease liabilities	19,245	22,285	7,911	5,006	5,528	3,840
	77,455	85,285	53,810	7,994	13,476	10,005
At 31 December 2017						
Trade and other payables	46,512	46,512	46,512	–	–	–
Bank overdrafts	3,272	3,272	3,272	–	–	–
Interest-bearing borrowings	31,217	40,867	3,425	3,334	9,424	24,684
Lease liabilities	20,137	25,132	7,471	4,694	6,458	6,509
	101,138	115,783	60,680	8,028	15,882	31,193
At 31 December 2018						
Trade and other payables	36,851	36,851	36,851	–	–	–
Bank overdrafts	8,695	8,695	8,695	–	–	–
Interest-bearing borrowings	34,815	46,084	4,164	4,152	11,734	26,034
Lease liabilities	25,041	40,589	6,884	4,324	7,642	21,739
	105,402	132,219	56,594	8,476	19,376	47,773
At 30 June 2019						
Trade and other payables	35,662	35,662	35,662	–	–	–
Bank overdrafts	6,537	6,537	6,537	–	–	–
Interest-bearing borrowings	50,069	64,326	9,391	7,373	20,219	27,343
Lease liabilities	23,413	38,423	6,314	3,828	7,463	20,818
	115,681	144,948	57,904	11,201	27,682	48,161

31. FAIR VALUE MEASUREMENTS

The following presents the assets measured at fair value or required to disclose their fair value in the Historical Financial Information on a recurring basis across the three levels of the fair value hierarchy defined in IFRS 13 "Fair Value Measurement" with the fair value measurement categorised in its entirety based on the lowest level input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;

- Level 3 (lowest level): unobservable inputs the asset or liability.

(a) Assets measured at fair value

	Level 2			
	At 31 December			At 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Assets measured at fair value				
Financial assets at measured FVPL				
– Unlisted investments – money market funds *(Note 17)*	5,800	–	–	–

During the Relevant Periods, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements. The details of the measurement basis and movements of the financial assets measured at FVPL are set out in Note 17.

The Group reviews estimation of fair values of the unlisted investments in money market funds which are categorised into Level 2 of the fair value hierarchy. Reports with estimation of the fair values are prepared by the bank on a monthly basis.

(b) Assets and liabilities with fair value disclosure, but not measured at fair value

All other financial assets and financial liabilities are carried at amounts not materially different from their fair values at 31 December 2016, 2017 and 2018 and 30 June 2019.

32. 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 31 December			At 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Within one year	924	623	1,794	2,826
Over one year but within two years	539	–	1,409	2,429
Over two years but within three years	–	–	72	1,517
	1,463	623	3,275	6,772

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 31 December			At 30 June
	2016	**2017**	**2018**	**2019**
	RM'000	*RM'000*	*RM'000*	*RM'000*
Contracted but not provided, net of deposits paid for property, plant and equipment	17,887	2,645	23,620	13,101

33. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners. The Group manages its capital structure and makes adjustments, including payment of dividend to equity owners, call for additional capital from equity owners or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the Relevant Periods.

34. EVENTS AFTER THE REPORTING PERIOD

In addition to information disclosed elsewhere in the Historical Financial Information, subsequent to 30 June 2019, the Group has the following subsequent events:

(i) Emirates Supply Chain Services Sdn. Bhd. ("Emirates (MY)") was incorporated in Malaysia with limited liability on 4 December 2019. As at the date of incorporation, three shares and seven shares were allotted and issued to Infinity L&T (MY) and an independent third party, respectively (representing 30% and 70% of the issued shares, respectively). Upon completion of the Reorganisation, Emirates (MY) remained as an associate of the Group.

Emirates (MY) was inactive since its incorporation and up to the date of this report.

(ii) Pursuant to the resolution of the Company's shareholders passed on 13 December 2019, the Company acquired all the issued shares of ILNT 2926 and IBL 2926 from 2926 Holdings and consideration of 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.

(iii) Pursuant to the resolution of the Company's shareholders passed on 14 December 2019, inter-alia, the authorised share capital of the Company was increased from HK$380,000 to HK$150,000,000 by the creation of an additional 14,962,000,000 shares of HK$0.01 each and the Capitalisation Issue (as defined below) was conditionally approved.

(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, 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).

35. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared in accordance with IFRSs and/or other applicable financial reporting standards for the Company or any of its subsidiaries in respect of any period subsequent to 30 June 2019.

The information set forth in this appendix does not form part of the Accountants' Report jointly prepare by Mazars CPA Limited, Certified Public Accountants, Hong Kong, and Mazars LLP, Public Accountants and Chartered Accountants of Singapore, the independent joint reporting accountants of the Company, as set forth in Appendix I to this prospectus, and is included herein for information purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following statement of unaudited pro forma adjusted combined net tangible assets of the Group is prepared in accordance with Rule 4.29 of the Listing Rules and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants for illustrative purposes only, and is set out below to illustrate the effect of the Share Offer on the net tangible assets of the Group attributable to equity owners of the Company at 30 June 2019 as if the Share Offer had taken place on that date.

The unaudited pro forma adjusted combined net tangible assets of the Group has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the combined net tangible assets of the Group attributable to equity owners of the Company at 30 June 2019 or at any future dates following the Share Offer. It is prepared based on the unaudited net tangible assets of the Group attributable to equity owners of the Company at 30 June 2019 as set out in the Accountants' Report in Appendix I to this Prospectus, and adjusted as described below. The unaudited pro forma adjusted combined net tangible assets do not form part of the Accountants' Report as set out in Appendix I to this Prospectus.

	Audited combined net tangible assets attributable to equity owners of the Company at 30 June 2019		Estimated net proceeds from the Share Offer		Unaudited pro forma adjusted combined net tangible assets attributable to equity owners of the Company		Unaudited pro forma adjusted combined net tangible assets attributable to equity owners of the Company per Share	
	(Note 1)	*(Note 5)*	*(Note 5)*	*(Note 2)*		*(Note 5)*	*(Note 3)*	*(Note 5)*
	RM'000	*HK$'000*	*RM'000*	*HK$'000*	*RM'000*	*HK$'000*	*RM*	*HK$*
Based on the Offer Price of HK$0.28 per Offer Share	73,602	137,636	62,578	117,021	136,180	254,657	0.068	0.127
Based on the Offer Price of HK$0.34 per Offer Share	73,602	137,636	77,338	144,621	150,940	282,257	0.075	0.140

Notes to the unaudited Pro Forma Statement of adjusted combined net tangible assets

1. The audited combined net tangible assets attributable to equity owners of the Company at 30 June 2019 is extracted from the Accountants' Report as set out in Appendix I to this Prospectus, which is based on the audited combined net assets value attributable to equity owners of the Company at 30 June 2019 of approximately RM 73,725,000, less club membership of approximately RM123,000.

2. The estimated net proceeds from the Share Offer are based on 500,000,000 Offer Share at the Offer Price of HK$ 0.28 per Offer Share or HK$ 0.34 per Offer Share, being the low or high end of the stated offer price range, after deduction of relevant estimated underwriting commissions and fees and other related fees (excluding approximately RM 7,219,000 listing-related expenses which have been accounted for prior to 30 June 2019) and taking no account of any Shares which may be allotted and issued pursuant to the exercise of any options that may be granted under the Share Option Scheme or any Shares that may be allotted and issued or repurchased by the Company pursuant to the general mandates given to the Directors.

3. The unaudited pro forma adjusted combined net tangible assets attributable to equity owners of the Company per Share is arrived at after making the adjustments referred to in this section and on the basis of a total of 2,000,000,000 Shares in issue immediately following completion of the Share Offer but takes no account of any Shares which may be allotted and issued pursuant to the exercise of any options that may be granted under the share option scheme or any Shares which may be allotted and issued or repurchased by the Company pursuant to the general mandates for the allotment and issue or repurchase of Shares referred to in Appendix V to this Prospectus or otherwise.

4. No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to 30 June 2019.

5. These amounts are converted from RM to HK$ or HK$ to RM at an exchange rate of RM1.00 to HK$1.87. No representation is made that RM/HK$ amount have been, could have been or may be converted to HK$/RM at that rate or at all.

The following is the text of a report received from the independent joint reporting accountants of the Company, Mazars CPA Limited, Certified Public Accountants, Hong Kong, and Mazars LLP, Public Accountants and Chartered Accountants of Singapore, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this prospectus.

B. ASSURANCE REPORT FROM THE INDEPENDENT REPORTING ACCOUNTANTS ON THE UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS OF THE GROUP

MAZARS 中审众环　　MAZARS

The Directors
Infinity Logistics and Transport Ventures Limited
VBG Capital Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Infinity Logistics and Transport Ventures Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") prepared by the directors of the Company (the "Directors"). The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted combined net tangible assets attributable to equity owners of the Company at 30 June 2019 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued in connection with the initial listing of the Company's shares in the Main Board of The Stock Exchange of Hong Kong Limited dated 30 December 2019 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Share Offer (as defined in the Prospectus) on the Group's combined financial position at 30 June 2019 as if the Share Offer had taken place on 30 June 2019. As part of this process, information about the Group's combined financial position at 30 June 2019 has been extracted by the Directors from the Group's historical financial information included in the Accountants' Report as set out in Appendix I to the Prospectus.

Directors' responsibility for the unaudited pro forma financial information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Reporting accountants' independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Hong Kong Standard on Quality Control 1 "Quality Control for Firms That Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29 (7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We did not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those repost were addressed by us at the date of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the unaudited pro forma financial information in accordance with paragraph 7.31 of the Listing Rules and with reference to AG 7.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2019 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29 (1) of the Listing Rules.

Yours faithfully,

Mazars CPA Limited
Certified Public Accountants
42nd Floor, Central Plaza
18 Harbour Road, Wanchai
Hong Kong

30 December 2019

Mazars LLP
Public Accountants and Chartered Accountants of Singapore
135 Cecil Street
#10-01 MYP Plaza
Singapore 069536

30 December 2019

The following is the summary of values within the valuation reports received from Savills (Malaysia) Sdn Bhd ("Savills Malaysia"), as independent Property Valuer in connection with their opinion of values of the Property interests of the Group as at 30 November 2019, prepared for the purpose of incorporation in this prospectus.

savills

Savills (Malaysia) Sdn Bhd
Level 9, Menara Milenium
Jalan Damanlela
Bukit Damansara
50490 Kuala Lumpur
Malaysia

T : +603 2092 5955
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www.savills.com.my

The Board of Directors
Infinity Logistics & Transport Ventures Limited
No. 2, Jalan Kasuarina 8
Bandar Botanic
41200 Klang
Selangor Darul Ehsan
Malaysia

30 December 2019

Dear Sirs,

INSTRUCTIONS

In accordance with the instructions of Infinity Logistics & Transport Ventures Limited (referred to as the "Company") and its subsidiaries (together referred to as the "Group") for Savills Malaysia to value the properties situated in Malaysia (as more particularly described in the attached valuation reports), we confirm that we have inspected the properties, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of values of the properties as at 30 November 2019 (the "valuation date").

DEFINITION OF MARKET VALUE

The valuation of each of the properties represent its Market Value. The definition of Market Value adopted in the Malaysian Valuation Standards (Sixth Edition 2019) issued by the Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia follow the International Valuation Standards published by the International Valuation Standard Council ("IVSC").

Market Value is defined by the Malaysian Valuation Standards (Sixth Edition 2019) as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

VALUATION BASIS AND ASSUMPTIONS

In valuing the properties, we have complied with the requirements set out in Chapter 5 of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited published by The Stock Exchange of Hong Kong Limited, Malaysian Valuation Standards (Sixth Edition 2019) issued by Board of Valuers, Appraisers, Estate Agents and Property Managers Malaysia and International Valuation Standards 2017 by IVSC.

Our valuations have been made on the assumption that the properties are sold in the open market without the benefit of a deferred term contract or any similar arrangement which could serve to affect the values of the properties.

In valuing the properties, we have assumed that the Group has an enforceable title to each of the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owning on any property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

Dimensions, measurements and areas included in the valuation reports are based on information provided to us and are therefore only approximations. Unless otherwise stated, dimensions and areas would be measured on-site or scaled off from the plans and calculated in accordance with, where appropriate, each local measurement guidelines and are quoted to a reasonable approximation, with reference to their source.

We confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the properties and the valuers undertaking the valuation are authorised to practise as valuers and have the necessary expertise and experience in valuation of such type of properties.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and is our personal, unbiased professional analyses, opinions and conclusions.

VALUATION METHODOLOGY

In valuing Property No. 1, we have concluded that this Property has "no commercial value" mainly due to the fact that there are restrictions against any assignment and sub-letting of the property.

In valuing Property No. 2, we have adopted the Comparison Approach which entails comparing the Property with comparable properties which were sold or are being offered for sale and making adjustments for factors which affect value such as location, market conditions, size, tenure, siting, efficiency and restriction (if any), availability of infrastructure, vacant possession and other relevant characteristics.

In valuing Property No. 3, which is tenanted by the Group in Malaysia, we consider that the Property has "no commercial value" mainly due to either no provision for/the prohibition against assignment and sub-letting or otherwise lack of substantial profit rents.

TITLE INVESTIGATION

We have relied upon on the property data and information supplied by the Client and the Group legal adviser, David Lai & Tan (DLT) which we assumed to be true and accurate. Savills Malaysia takes no responsibility for inaccurate data and information supplied by the owner & its legal advisor and subsequent conclusions related to such data.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given to by the Group and its legal adviser in Malaysia, DLT, regarding to the title of each of the properties and the interests of the Group in the properties. We has accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, completion date of buildings, particulars of occupancy, site & floor areas and all other relevant matters. However, Savills Malaysia has not inspected the original documents to ascertain the existence of any amendments which may not appear on the copies provided to us.

We have assumed that, unless otherwise stated, the transferable land use rights of the properties for their respective terms at nominal annual land use fees have been granted and that any premiums payable have already been fully paid.

SITE INSPECTION

Our valuers Datuk Sr. Paul Khong, Mr. Lee Yen Ten and Mr. Tan Yi Huan have inspected on various occasion and latest being on 10 December 2019. However, they have not carried out site investigations to determine the suitability of the soil conditions and the services etc. The valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delay will be incurred during the construction period. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the properties are free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are accurate and correct.

CURRENCY AND EXCHANGE RATE

Unless otherwise stated, all monetary sums as shown in our valuation reports are expressed in Ringgit Malaysia ("RM") which is the official currency of Malaysia.

We enclosed herewith our summary of values and valuation reports.

Yours faithfully,
For and on behalf of
SAVILLS (MALAYSIA) SDN BHD

DATUK SR. PAUL KHONG
MRICS FRISM APEPS
Chartered Surveyor
Registered Valuer (V-528)
Managing Director

Note: Datuk Sr. Paul Khong is the Managing Director of Savills (Malaysia) Sdn Bhd and a Registered Valuer who has over 25 years of experience in the valuation of properties in Malaysia.

SUMMARY OF VALUES

No.	Property	Market Value in existing state as at 30 November 2019
Group I – Property held by the Group for investment in Malaysia		
1.	A Registered Lease interest of KNS Infinity Sdn Bhd built-upon with two detached warehouses Precinct 8, Part of P806, P808, P832 & P833, Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia.	No commercial value* (* for the reference value, please refer to Note 5 of the report)
Group II – Property held by the Group for future development in Malaysia		
2.	A parcel of industrial land Lot No. 26, Phase 3A on Part of P.N. 7935 Lot No. 74078, Mukim & District of Klang, Selangor Darul Ehsan, Malaysia.	RM38,000,000
Group III – Property tenanted by the Group in Malaysia		
3.	Two adjoining 3- & 4-storey shopoffices Nos. 2 & 4, Jalan Kasuarina 8, Bandar Botanic 41200 Klang, Selangor Darul Ehsan, Malaysia.	No commercial value

VALUATION REPORT

Group I – Property held by the Group for investment in Malaysia

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2019
1.	A Registered Lease interest of KNS Infinity Sdn Bhd built-upon with two detached warehouses, Precinct 8, Part of P806, P808, P832 & P833, Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan, Malaysia. It is held under part of/registered on Master Title PN 7324/ Lot 67894, Mukim and District of Klang, Selangor Darul Ehsan, Malaysia. The land is held by KNS Infinity Sdn Bhd vide a Registered Lease interest registered on Master Title Lot 67894. The buildings are built by Infinity Logistics & Transport Sdn Bhd at their own costs. Both Land & Building interests are valued together as per our Client's instructions and both KNS Infinity Sdn Bhd (Lessee) & Infinity Logistics & Transport Sdn Bhd (Tenant) are wholly-owned subsidiary of the Group.	**Land** The land (7.74 acres) is held under a Registered Lease interest of KNS Infinity Sdn Bhd (a wholly-owned subsidiary of the Group) for a period of 30-year with an option to renew for a further 30-year commencing on 27 September 2017 at a monthly rental of RM61,648.70 (inclusive 6% GST) and a monthly maintenance charge of RM2,150. This land was subsequently sub-tenanted to Infinity Logistics & Transport Sdn Bhd (a wholly-owned subsidiary of the Group) for a period of 3-year with an option to renew for a further 1-year, commencing on 27 October 2018 at a monthly rental of RM61,648.70 and a monthly maintenance charge of RM2,150. **Warehouses** There are two units of single storey detached warehouses currently built on site. During the course of inspection, we noted that there is an unapproved roof extension connecting both warehouses. The warehouses are currently built by Infinity Logistics & Transport Sdn Bhd at their own costs. The two warehouses will have a total gross floor area of approximately 19,700 square metres (approx. 212,000 square feet). The Property is located within Port Klang Free Zone (PKFZ) which lies approximately 70 kilometres & 30 kilometres south-west of City Centre of Kuala Lumpur and Town Centre of Klang respectively. Notable industrial concerns found within the general vicinity include Aker Solutions Malaysia Sdn Bhd, Syarikat Logistik Petikemas Sdn Bhd, Asia Propel Sdn Bhd, OAG Group of Company, DRB Hicom Auto Solution Sdn Bhd, Gulf Lubes Malaysia Sdn Bhd, Cargill Palm Products Sdn Bhd and Visko Industries Sdn Bhd to name a few.	As at the valuation date, the Property is tenanted to FZ Services Sdn Bhd.	No commercial value (please refer to Note 5)

Notes:

(1) According to the title search on the registered Document of Title (Master Title Lot 67894) issued by Registry of Land Titles, Selangor Darul Ehsan, the Registered Owner of the land is Port Kelang Authority.

i. Part of the land measuring approximately 7.74 acres has been leased to KNS Infinity Sdn Bhd for 30 years commencing on 27 September 2017 vide Presentation no. 47461/2018 dated 30 May 2018;

ii. The entire land is designated for industrial usage; and

iii. The apportioned annual Quit Rent (Cukai Tanah) in respect of the Property amounts to RM33,039.

(2) According to the Local Planning Guidelines of Klang Municipal Council, the Property is presently zoned for industrial usage.

(3) Based on the Land Lease Agreement between Port Klang Authority & Port Klang Free Zone Sdn Bhd (the "Lessor") and KNS Infinity Sdn Bhd (the "Lessee") dated 15 January 2018, the pertinent lease details are as follows:

• Demised area	:	Jalan FZ1 – P8, Part of P806, Part of P808, Part of P832 & Part of P833, Port Klang Free Zone/KS12, 42920 Pulau Indah, Selangor Darul Ehsan.
• Land area	:	approximately 7.74 acres (about 31,322.6687 square metres or 337,154.4 square feet).
• Lease term	:	30-year Lease with an option to renew for a further 30-year.
• Commencement date	:	27 September 2017
• Monthly rental rate	:	RM61,648.70 (inclusive of GST)
• Rent review	:	Every five (5) years at Market Rental with a rental cap not exceeding 15% of the preceding monthly lease rental.
• Monthly maintenance charge	:	RM2,150
• Permitted use/Purpose	:	warehouse and logistics services for commodities such as polymers, LME metal products, iron and steel products and other value added services.
• Construction of the building (clauses 10.(a)(v) & 10.(a)(vi))	:	10.(a)(v) Commence construction of the building within Twelve (12) months from the commencement date; & 10.(a)(vi) Complete construction of the building with the issuance of the Certificate of Completion and Compliance thereof by the Lessee's Architect or Engineer within Two (2) years from the commencement date.

(4) The Building Plans have been approved vide Plans bearing reference no. 600-4/1/0087(2018) dated 27 September 2018 and issued with CCC bearing reference no. LAM/S/No. 24369 dated 19 September 2019.

(5) For the present exercise, we have attributed "no commercial value" to the Property since it is not transferable in the market unless with full prior written consent obtained from the Lessor. For reference purpose, we are of the opinion that the market value of the Property as at the valuation date would be RM29,000,000, on the assumptions/bases that:

- KNS Infinity Sdn Bhd (the Lessee) shall fully exercise all options to renew the lease made with Port Kelang Free Zone (the Lessor);

- The said lease will be expired on 26 September 2077 as follows:
  - Current lease term – expires on 26 September 2047
  - 30-year option to renew – expires on 26 September 2077
- The rental rate will be renewed once every five years and the revised rental shall subject to a cap of 15%;
- KNS Infinity Sdn Bhd shall continue to pay all rental promptly without default till the expiry of the lease in 2077;
- There shall be no any obstacle for the Group to transfer both Land & Building to a third party as both interests of Land & Building are valued together as per instructions of our Client. KNS Infinity Sdn Bhd (Lessee) and Infinity Logistics & Transport Sdn Bhd (Tenant) are now deemed as same/related parties under the Group (wholly-owned subsidiary of the Group); &
- The Property shall be easily transferable without any extra time and costs to be incurred.

In arriving of the aforesaid reference value, we have adopted the Cost Approach. The values of the land and building are separately determined and a summation of these values is taken to be the Market Value of the Property as an integral whole. The value of the land is arrived at by the profit rent principle whilst the value of the building is arrived by estimate the new replacement cost of the buildings and structures and making reference to the total costs spent, from which deductions are made to allow for the physical, functional and economic obsolescence.

(6) The Lease arrangement (where Land Rentals are payable on a monthly basis till expiry of the Registered Lease in 26 September 2077) is a common Lease arrangement solely in the PKFZ development in Port Klang only.

(7) The Property is tenanted to FZ Services Sdn Bhd for a term of 2 years commencing on 19 September 2019 at a monthly rental of RM382,296 with an option to renew for a further one year term.

(8) We have been provided with a legal opinion on the Property by Group's legal adviser, which contains, inter alia, the following information:

i. the 30-year lease is registered under the (master title) Lot 67894 vide Presentation no. 47461/2018 dated 30 May 2018;

ii. the Lease Agreement dated 15 January 2018 is legally binding;

iii. the Tenancy Agreement dated 14 January 2019 is legally binding; and

iv. the Group has the right to hold and enjoy the Property during the term of the Lease.

VALUATION REPORT

Group II – Property held by the Group for future development in Malaysia

No.	Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 November 2019
2.	A parcel of industrial land, Lot No. 26, Phase 3A on Part of P.N. 7935 Lot No. 74078, Mukim & District of Klang, Selangor Darul Ehsan, Malaysia. However, based on the assessment bill provided by the Client, the property address is PT 152263, Jalan Sungai Chandong 26/KS11, Pulau Indah Industrial Park, 42920 Selangor Darul Ehsan, Malaysia. It is held under HSD 158967/Lot PT 152263, Mukim and District of Klang, Selangor Darul Ehsan, Malaysia.	The Property is a prominent corner parcel of industrial land with triple frontages onto Persiaran Pelabuhan Barat, Jalan Sungai Pinang 4/1 & Jalan Sungai Chandong 26/KS11. It is located within Pulau Indah Industrial Park which lies approximately 62 kilometres & 22 kilometres south-west of City Centre of Kuala Lumpur and Town Centre of Klang. Notable industrial concerns found within the general vicinity include the industrial premises of F&N Dairies Manufacturing Sdn Bhd, Solmax International Asia Pacific Sdn Bhd, Ecolex Sdn Bhd, Scientex Great Wall Sdn Bhd, Oleon Sdn Bhd, Ramly Food Industries Sdn Bhd, Secret Recipe Manufacturing Sdn Bhd, Hartasuma Sdn Bhd, Huat Swee Kim Sdn Bhd, Yara International (M) Sdn Bhd and Dexion Asia Sdn Bhd to name a few. The Property has a provisional title land area of 84,321.495 square metres (i.e. about 20.84 acres). The Property has a 99-year leasehold interest, expiring on 30 October 2116 (unexpired term of approximately 97 years).	As at the valuation date, the Property is a vacant land held for future development by the Group.	RM38,000,000

Notes:

(1) The title search on the registered Document of Title (i.e. Lot PT 152263) issued by Registry of Land Titles, Selangor Darul Ehsan reveals that the Registered Owner of the Property is Infinity Logistics & Transport Sdn Bhd.

i. The provisional title land area is approximately 84,321.495 square metres (i.e. about 20.84 acres) and is designated for light industrial usage.

ii. The annual Quit Rent (Cukai Tanah) amounts to RM55,231.

(2) According to the Local Planning Guidelines of Klang Municipal Council, the Property is presently zoned for industrial usage.

(3) The salient terms of the Sale & Purchase Agreement (SPA) dated 15 January 2016 made between Central Spectrum (M) Sdn Bhd (the "Vendor") and Infinity Logistics & Transport Sdn Bhd (the "Purchaser") are summarised as follows:

•	Particulars of the Lot	:	Lot No. 26, Phase 3A, Pulau Indah Industrial Park
•	Land area	:	20.84 acres (907,790.40 square feet)
•	Category of use	:	Perusahaan ("Industrial")
•	Purchase price	:	RM34,496,035.20
•	Maintenance charge	:	RM3,000.00 per acre/year (RM250.00 per acre/month) -services include domestic refuse collection, cleaning of public drains and grass cutting on the road reserves in relation to the Lot until such services are taken over by the Appropriate Authority(s). • **RM62,520 (for Year 2018)**
•	Basic infrastructure to be provided for the Lot (Fourth Schedule of the SPA)	:	a. site clearance and earthworks; b. road and roadside drains excluding entrance/slab/bridge for drain crossing; c. water reticulation mains to the vicinity of the Lot; d. electrical substations within the vicinity of Lot; and e. telephone ductworks and manholes to the vicinity of the Lot.
•	Delivery of the vacant possession (under clause 13.1 of the SPA)		The Vendor shall deliver vacant possession of the Lot to the Purchaser upon completion of the Basic Infrastructure provided in the Fourth Schedule herein. The vacant possession of the Lot shall be delivered to the Purchaser within thirty six (36) months from the date of the agreement. • **Based on the legal opinion provided by DLT, the Vendor has issued a notice of delivery of vacant possession on 28 August 2017.**

• Construction of premises (under clauses 17.2 & 17.3 of the SPA) *	:	17.2 The Purchaser shall within twelve (12) months from the date of the delivery of the vacant possession apply to and submit the development order and building plans for the approval to the Appropriate Authority for the construction of factory and building as approved for the industrial purposes in accordance with the guidelines and requirement as set out by the Appropriate Authority. 17.3 The Purchaser shall within thirty six (36) months from the date of delivery of vacant possession commence the construction of the building at the Lot as approved for industrial purposes in accordance with the guidelines and requirements as set out by the Appropriate Authority.

**Note:*

Vacant Possession of the site was issued by the Vendor on 28 August 2017. The Purchaser has an unfulfilled obligation to apply to construct building(s) within 12 months (i.e. due on 27 August 2018) and commence the construction within 36 months (i.e. due on 27 August 2020). We note that no plan has been submitted to date. This non-fulfilment may trigger the rights of the Vendor under the SPA to annul the sale and re-transfer the Property with full refund of the payment paid, excluding any compensation paid to the Purchaser.

(4) Based on the Legal Opinion Letter provided by the lawyer's (DLT), they are of the view that the Vendor (Central Spectrum (M) Sdn Bhd) is unlikely to commence any action against the Purchaser (Infinity Logistics & Transport Sdn Bhd) over the said land and even if an action is taken, any damages is nominal as they do not foresee any damages that would be suffer by the Vendor.

(5) The annual Assessment Rate (Cukai Pintu) for 2019 amounts to RM49,014.

(6) We have been provided with a legal opinion on the Property by Group's legal adviser, which contains, *inter alia*, the following information:

i. Infinity Logistics & Transport Sdn Bhd is presently the Registered Owner of the Property; and

ii. a charge is registered against the Property in favour of Hong Leong Bank Berhad.

VALUATION REPORT

Group III – Property tenanted by the Group in Malaysia

No.	Property	Description and tenancy details	Particulars of occupancy	Market Value in existing state as at 30 November 2019
3.	Two adjoining 3- & 4-storey shopoffices, Nos. 2 & 4, Jalan Kasuarina 8, Bandar Botanic 41200 Klang, Selangor Darul Ehsan, Malaysia. It is held under HSD 126573/Lot PT 118018 & HSD 126574/Lot PT 118019, both within Mukim and District of Klang, Selangor Darul Ehsan, Malaysia.	The Properties comprises two adjoining shopoffices as follows: • No. 2 (4-storey corner shopoffice); & • No. 4 (3-storey intermediate shopoffice). It is located within Bandar Botanik which lies approximately 48 kilometres south-west & 9 kilometres south of City Centre of Kuala Lumpur and Town Centre of Klang respectively. Developments within Bandar Botanik comprise mainly of terraced houses, semi-detached houses, detached houses, serviced apartments/ condominiums, shopoffices, a shopping mall and vacant lands earmarked for future development. **Provisional Title Land Area** • No. 2: Approximately 4,300 square feet; & • No. 4: Approximately 1,870 square feet Based on the latest tenancy agreement dated 1 March 2019, the Properties has a total lettable area of approximately 17,154 square feet. The Properties were completed in 2008. The Properties are tenanted by Infinity Logistics & Transport Sdn Bhd from Infinity Shipping Sdn Bhd (do not form part of the Group) for a 3-year term commencing on 1 January 2019 at a monthly rental of RM15,000 with an option to renew for a further 1-year term.	As at the valuation date, the Properties were occupied (tenanted) by Infinity Logistics & Transport Sdn Bhd.	No commercial value

Notes:

(1) According to HSD 126573/Lot PT 118018 & HSD 126574/Lot PT 118019 issued by Registry of Land Titles, Selangor Darul Ehsan, the Registered Owner of the Properties is Infinity Shipping Sdn Bhd. The provisional title land areas are as follows:

- No. 2, Jalan Kasuarina 8/KS7 - Approximately 4,300 square feet; &
- No. 4, Jalan Kasuarina 8/KS7 - Approximately 1,870 square feet

and both are designated for commercial.

(2) No copies of the original Approved Building Plan have been provided. The Properties were physically measured on-site and the said floor plan were re-drawn accordingly. The gross floor areas of the properties are estimated at:

- No. 2, Jalan Kasuarina 8/KS7 - approx. 12,000 square feet; &
- No. 4, Jalan Kasuarina 8/KS7 –approx. 5,000 square feet.

Based on the Tenancy Agreement dated 1 March 2019, the lettable area reported is at approximately 17,154 square feet.

(3) The Properties are tenanted by Infinity Logistics & Transport Sdn Bhd from the landlord for a 3-year term commencing on 1 January 2019 at a monthly rental of RM15,000 with an option to renew for a further 1-year term.

(4) We have been provided with a legal opinion on the Properties prepared by Group's legal adviser, which contains, inter alia, the following information:

i. the Tenancy Agreement dated 1 March 2019 is legally binding; and

ii. the Group has the right to hold and enjoy the Properties during the term of the tenancy.

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman Islands company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 7 March 2019 under the Cayman Companies Law. The Company's constitutional documents consist of its Amended and Restated Memorandum of Association (**Memorandum**) and its Amended and Restated Articles of Association (**Articles**).

1. MEMORANDUM OF ASSOCIATION

(a) The Memorandum provides, *inter alia*, that the liability of members of the Company is limited and that the objects for which the Company is established are unrestricted (and therefore include acting as an investment company), and that the Company shall have and be capable of exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate whether as principal, agent, contractor or otherwise and, since the Company is an exempted company, that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.

(b) By special resolution the Company may alter the Memorandum with respect to any objects, powers or other matters specified in it.

2. ARTICLES OF ASSOCIATION

The Articles were adopted on 14 December 2019 and effective on the Listing Date. A summary of certain provisions of the Articles is set out below.

(a) Shares

(i) Classes of shares

The share capital of the Company consists of ordinary shares.

(ii) Variation of rights of existing shares or classes of shares

Subject to the Cayman Companies Law, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class of shares may (unless otherwise provided for by the terms of issue of the shares of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. The provisions of the Articles relating to general meetings shall *mutatis mutandis* apply to every such separate general meeting, but so that the necessary quorum (other than at an adjourned meeting) shall be not less than two persons together holding (or, in the case of a member being a corporation, by its duly authorized representative) or representing by proxy not less than one-third in nominal value of the issued shares of that class. Every holder of shares of the class shall be entitled on a poll to one vote for every such share held by him, and any holder of shares of the class present in person or by proxy may demand a poll.

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(iii) Alteration of capital

The Company may, by an ordinary resolution of its members: (a) increase its share capital by the creation of new shares of such amount as it thinks expedient; (b) consolidate or divide all or any of its share capital into shares of larger or smaller amount than its existing shares; (c) divide its unissued shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges or conditions; (d) subdivide its shares or any of them into shares of an amount smaller than that fixed by the Memorandum; (e) cancel any shares which, at the date of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; (f) make provision for the allotment and issue of shares which do not carry any voting rights; and (g) change the currency of denomination of its share capital.

(iv) Transfer of shares

Subject to the Cayman Companies Law and the requirements of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), all transfers of shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a Clearing House or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a share until the name of the transferee is entered in the register of members of the Company in respect of that share.

The Board may, in its absolute discretion, at any time and from time to time remove any share on the principal register to any branch register or any share on any branch register to the principal register or any other branch register. Unless the Board otherwise agrees, no shares on the principal register shall be removed to any branch register nor shall shares on any branch register be removed to the principal register or any other branch register. All removals and other documents of title shall be lodged for registration and registered, in the case of shares on any branch register, at the relevant registration office and, in the case of shares on the principal register, at the place at which the principal register is located.

The Board may, in its absolute discretion, decline to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or on which the Company has a lien. It may also decline to register a transfer of any share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any share to more than four joint holders.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The register of members may, subject to the Listing Rules, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine.

Fully paid shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(v) Power of the Company to purchase its own shares

The Company may purchase its own shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirement imposed from time to time by the Articles or any, code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong.

Where the Company purchases for redemption a redeemable Share, purchases not made through the market or by tender shall be limited to a maximum price and, if purchases are by tender, tenders shall be available to all members alike.

(vi) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to the ownership of shares in the Company by a subsidiary.

(vii) Calls on shares and forfeiture of shares

The Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment of such shares made payable at fixed times. A call may be made payable either in one sum or by instalments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding 20% per annum as the Board shall fix from the day appointed for payment to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced the Company may pay interest at such rate (if any) not exceeding 20% per annum as the Board may decide.

If a member fails to pay any call or instalment of a call on the day appointed for payment, the Board may, for so long as any part of the call or instalment remains unpaid, serve not less than 14 days' notice on the member requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment. The notice shall name a further day (not earlier than the expiration of 14 days from the date of the notice) on or before which the payment required by the notice is to be made, and shall also name the place where payment is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, nevertheless, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until payment at such rate not exceeding 20% per annum as the Board may prescribe.

(b) Directors

(i) Appointment, retirement and removal

At any time or from time to time, the Board shall have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an additional Director to the existing Board subject to any maximum number of Directors, if any, as may be determined by the members in general meeting. Any Director so appointed to fill a casual vacancy shall hold office only until the first general meeting of the Company after his appointment and be subject to re-election at such meeting. Any Director so appointed as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

At each annual general meeting, one third of the Directors for the time being shall retire from office by rotation. However, if the number of Directors is not a multiple of three, then the number nearest to but not less than one third shall be the number of retiring Directors. The Directors to retire in each year shall be those who have been in office longest since their last re-election or appointment but, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected has been lodged at the head office or at the registration office of the Company. The period for lodgment of such notices shall commence no earlier than the day after despatch of the notice of the relevant meeting and end no later than seven days before the date of such meeting and the minimum length of the period during which such notices may be lodged must be at least seven days.

A Director is not required to hold any shares in the Company by way of qualification nor is there any specified upper or lower age limit for Directors either for accession to or retirement from the Board.

A Director may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and the Company may by ordinary resolution appoint another in his place. Any Director so appointed shall be subject to the "retirement by rotation" provisions. The number of Directors shall not be less than two.

The office of a Director shall be vacated if he:

(aa) resign;

(bb) dies;

(cc) is declared to be of unsound mind and the Board resolves that his office be vacated;

(dd) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;

(ee) he is prohibited from being or ceases to be a director by operation of law;

(ff) without special leave, is absent from meetings of the Board for six consecutive months, and the Board resolves that his office is vacated;

(gg) has been required by the stock exchange of the Relevant Territory (as defined in the Articles) to cease to be a Director; or

(hh) is removed from office by the requisite majority of the Directors or otherwise pursuant to the Articles.

From time to time the Board may appoint one or more of its body to be managing director, joint managing director or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine, and the Board may revoke or terminate any of such appointments. The Board may also delegate any of its powers to committees consisting of such Director(s) or other person(s) as the Board thinks fit, and from time to time it may also revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) Power to allot and issue shares and warrants

Subject to the provisions of the Cayman Companies Law, the Memorandum and Articles and without prejudice to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached to it such rights, or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the Board may determine). Any share may be issued on terms that, upon the happening of a specified event or upon a given date and either at the option of the Company or the holder of the share, it is liable to be redeemed.

The Board may issue warrants to subscribe for any class of shares or other securities of the Company on such terms as it may from time to time determine.

Where warrants are issued to bearer, no certificate in respect of such warrants shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate has been destroyed and the Company has received an indemnity in such form as the Board thinks fit with regard to the issue of any such replacement certificate.

Subject to the provisions of the Cayman Companies Law, the Articles and, where applicable, the rules of any stock exchange of the Relevant Territory (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

While there are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries, the Board may exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Cayman Companies Law to be exercised or done by the Company in general meeting, but if such power or act is regulated by the Company in general meeting, such regulation shall not invalidate any prior act of the Board which would have been valid if such regulation had not been made.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and uncalled capital of the Company and, subject to the Cayman Companies Law, to issue debentures, debenture stock, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The Directors shall be entitled to receive, as ordinary remuneration for their services, such sums as shall from time to time be determined by the Board or the Company in general meeting, as the case may be, such sum (unless otherwise directed by the resolution by which it is determined) to be divided among the Directors in such proportions and in such manner as they may agree or, failing agreement, either equally or, in the case of any Director holding office for only a portion of the period in respect of which the remuneration is payable, pro rata. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in attending any Board meetings, committee meetings or general meetings or otherwise in connection with the discharge of their duties as Directors. Such remuneration shall be in addition to any other remuneration to which a Director who holds any salaried employment or office in the Company may be entitled by reason of such employment or office.

Any Director who, at the request of the Company, performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such special or extra remuneration as the Board may determine, in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration shall be in addition to his ordinary remuneration as a Director.

The Board may establish, either on its own or jointly in concurrence or agreement with subsidiaries of the Company or companies with which the Company is associated in business, or may make contributions out of the Company's monies to, any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or former Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and former employees of the Company and their dependents or any class or classes of such persons.

The Board may also pay, enter into agreements to pay or make grants of revocable or irrevocable, whether or not subject to any terms or conditions, pensions or other benefits to employees and former employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or former employees or their dependents are or may become entitled under any such scheme or fund as mentioned above. Such pension or benefit may, if deemed desirable by the Board, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vi) Compensation or payments for loss of office

Payments to any present Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually or statutorily entitled) must be approved by the Company in general meeting.

(vii) Loans and provision of security for loans to Directors

The Company shall not directly or indirectly make a loan to a Director or a director of any holding company of the Company or any of their respective close associates, enter into any guarantee or provide any security in connection with a loan made by any person to a Director or a director of any holding company of the Company or any of their respective close associates, or, if any one or more of the Directors hold(s) (jointly or severally or directly or indirectly) a controlling interest in another company, make a loan to that other company or enter into any guarantee or provide any security in connection with a loan made by any person to that other company.

(viii) ***Disclosure of interest in contracts with the Company or any of its subsidiaries***

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company.

No Director or intended Director shall be disqualified by his office from contracting with the Company, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relationship established by it. A Director who is, in any way, materially interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the earliest meeting of the Board at which he may practically do so.

There is no power to freeze or otherwise impair any of the rights attaching to any share by reason that the person or persons who are interested directly or indirectly in that share have failed to disclose their interests to the Company.

A Director shall not vote or be counted in the quorum on any resolution of the Board in respect of any contract or arrangement or proposal in which he or any of his close associate(s) has/have a material interest, and if he shall do so his vote shall not be counted nor shall he be counted in the quorum for that resolution, but this prohibition shall not apply to any of the following matters:

(aa) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(bb) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(cc) any proposal concerning an offer of shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

(dd) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of either: (i) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or (ii) any of a pension fund or retirement, death or disability benefits scheme which relates to Directors, their close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and

(ee) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares, debentures or other securities of the Company by virtue only of his/their interest in those shares, debentures or other securities.

(ix) Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

(c) Alterations to the constitutional documents and the Company's name

To the extent that the same is permissible under Cayman Islands law and subject to the Articles, the Memorandum and Articles of the Company may only be altered or amended, and the name of the Company may only be changed, with the sanction of a special resolution of the Company.

(d) Meetings of member

(i) Special and ordinary resolutions

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or by proxy or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given.

Under Cayman Companies Law, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within 15 days of being passed.

An "ordinary resolution", by contrast, is a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of members which are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice has been duly given.

A resolution in writing signed by or on behalf of all members shall be treated as an ordinary resolution duly passed at a general meeting of the Company duly convened and held, and where relevant as a special resolution so passed.

(ii) Voting rights and right to demand a poll

Subject to any special rights, restrictions or privileges as to voting for the time being attached to any class or classes of shares at any general meeting: (a) on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every share which is fully paid or credited as fully paid registered in his name in the register of members of the Company but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for this purpose as paid up on the share; and (b) on a show of hands every member who is present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote. Where more than one proxy is appointed by a member which is a Clearing House (as defined in the Articles) or its nominee(s), each such proxy shall have one vote on a show of hands. On a poll, a member entitled to more than one vote need not use all his votes or cast all the votes he does use in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution to be voted on by a show of hands. Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded by (in each case by members present in person or by proxy or by a duly authorised corporate representative):

(A) at least two members;

(B) any member or members representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or

(C) a member or members holding shares in the Company conferring a right to vote at the meeting on which an aggregate sum has been paid equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Should a Clearing House or its nominee(s) be a member of the Company, such person or persons may be authorised as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised in accordance with this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or its nominee(s) as if such person were an individual member including the right to vote individually on a show of hands.

Where the Company has knowledge that any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings

The Company must hold an annual general meeting each year other than the year of the Company's adoption of the Articles. Such meeting must be held not more than 15 months after the holding of the last preceding annual general meeting, or such longer period as may be authorised by the Stock Exchange at such time and place as may be determined by the Board.

(iv) Requisition of general meetings

Extraordinary general meetings may be convened on the requisition of one or more members holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

(v) Notices of meetings and business to be conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the time, place and agenda of the meeting and particulars of the resolution(s) to be considered at that meeting and, in the case of special business, the general nature of that business.

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address or (in the case of a notice) by advertisement in the newspapers. Any member whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which shall be deemed to be his registered address for this purpose. Subject to the Cayman Companies Law and the Listing Rules, a notice or document may also be served or delivered by the Company to any member by electronic means.

Although a meeting of the Company may be called by shorter notice than as specified above, such meeting may be deemed to have been duly called if it is so agreed:

(i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and

(ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights in the Company.

All business transacted at an extraordinary general meeting shall be deemed special business. All business shall also be deemed special business where it is transacted at an annual general meeting, with the exception of certain routine matters which shall be deemed ordinary business.

(vi) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

(vii) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorized representative) or by proxy.

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of a duly authorised officer or attorney. Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form as the Board may from time to time approve, provided that it shall not preclude the use of the two-way form. Any form issued to a member for appointing a proxy to attend and vote at an extraordinary general meeting or at an annual general meeting at which any business is to be transacted shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise his discretion in respect of) each resolution dealing with any such business.

(e) Accounts and audit

The Board shall cause proper books of account to be kept of the sums of money received and expended by the Company, and of the assets and liabilities of the Company and of all other matters required by the Cayman Companies Law (which include all sales and purchases of goods by the company) necessary to give a true and fair view of the state of the Company's affairs and to show and explain its transactions.

The books of accounts of the Company shall be kept at the head office of the Company or at such other place or places as the Board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any account, book or document of the Company except as conferred by the Cayman Companies Law or ordered by a court of competent jurisdiction or authorised by the Board or the Company in general meeting.

The Board shall from time to time cause to be prepared and laid before the Company at its annual general meeting balance sheets and profit and loss accounts (including every document required by law to be annexed thereto), together with a copy of the Directors' report and a copy of the auditors' report, not less than 21 days before the date of the annual general meeting. Copies of these documents shall be sent to every person entitled to receive notices of general meetings of the Company under the provisions of the Articles together with the notice of annual general meeting, not less than 21 days before the date of the meeting.

Subject to the rules of the stock exchange of the Relevant Territory (as defined in the Articles), the Company may send summarized financial statements to members who have, in accordance with the rules of the stock exchange of the Relevant Territory, consented and elected to receive summarized financial statements instead of the full financial statements. The summarized financial statements must be accompanied by any other documents as may be required under the rules of the stock exchange of the Relevant Territory, and must be sent to those members that have consented and elected to receive the summarised financial statements not less than 21 days before the general meeting.

The Company shall appoint auditor(s) to hold office until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the Company in general meeting or by the Board if authority is so delegated by the members.

The members may, at a general meeting remove the auditor(s) by a special resolution at any time before the expiration of the term of office of the auditor(s) and shall, by an ordinary resolution, at that meeting appoint new auditor(s) in place of the removed auditor(s) for the remainder of the term.

The auditors shall audit the financial statements of the Company in accordance with generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

(f) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the Board.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide:

(i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is paid, although no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share;

(ii) all dividends shall be apportioned and paid pro rata in accordance with the amount paid up on the shares during any portion(s) of the period in respect of which the dividend is paid; and

(iii) the Board may deduct from any dividend or other monies payable to any member all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may resolve:

(aa) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled to such dividend will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

(bb) that the members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

Upon the recommendation of the Board, the Company may by ordinary resolution in respect of any one particular dividend of the Company determine that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, bonus or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent and shall be sent at the holder's or joint holders' risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

The Board may, if it thinks fit, receive from any member willing to advance the same, and either in money or money's worth, all or any part of the money uncalled and unpaid or instalments payable upon any shares held by him, and in respect of all or any of the monies so advanced may pay interest at such rate (if any) not exceeding 20% per annum, as the Board may decide, but a payment in advance of a call shall not entitle the member to receive any dividend or to exercise any other rights or privileges as a member in respect of the share or the due portion of the shares upon which payment has been advanced by such member before it is called up.

All dividends, bonuses or other distributions unclaimed for one year after having been declared may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends, bonuses or other distributions unclaimed for six years after having been declared may be forfeited by the Board and, upon such forfeiture, shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

The Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants remain uncashed on two consecutive occasions or after the first occasion on which such a cheque or warrant is returned undelivered.

(g) Inspection of corporate records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Hong Kong Companies Ordinance.

(h) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under Cayman Islands law, as summarized in paragraph 3(f) of this Appendix.

(i) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

(i) if the Company is wound up, the surplus assets remaining after payment to all creditors shall be divided among the members in proportion to the capital paid up on the shares held by them respectively; and

(ii) if the Company is wound up and the surplus assets available for distribution among the members are insufficient to repay the whole of the paid-up capital, such assets shall be distributed, subject to the rights of any shares which may be issued on special terms and conditions, so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up on the shares held by them, respectively.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the sanction of a special resolution and any other sanction required by the Cayman Companies Law, divide among the members in specie or kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like sanction, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator thinks fit, but so that no member shall be compelled to accept any shares or other property upon which there is a liability.

(j) Subscription rights reserve

Provided that it is not prohibited by and is otherwise in compliance with the Cayman Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of the shares to be issued on the exercise of such warrants, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of such shares.

3. CAYMAN ISLANDS COMPANY LAW

The Company was incorporated in the Cayman Islands as an exempted company on 7 March 2019 subject to the Cayman Companies Law. Certain provisions of Cayman Islands company law are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the Cayman Companies Law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

(a) Company operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

Under Cayman Companies Law, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premiums on those shares shall be transferred to an account, to be called the "share premium account". At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

(i) paying distributions or dividends to members;

(ii) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(iii) any manner provided in section 37 of the Cayman Companies Law;

(iv) writing-off the preliminary expenses of the company; and

(v) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

(c) Financial assistance to purchase shares of a company or its holding company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of Section 37A(1) of the Cayman Companies Law. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Cayman Companies Law.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under Cayman Islands law that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

Subject to a solvency test, as prescribed in the Cayman Companies Law, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

(f) Protection of minorities and shareholders' suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of Foss v. Harbottle and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

(g) Disposal of assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

(h) Accounting and auditing requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

(i) Exchange control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

(j) Taxation

Pursuant to section 6 of the Tax Concessions Law (2018 Revision) of the Cayman Islands, the Company has obtained an undertaking from the Financial Secretary that:

(i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits or income or gains or appreciation shall apply to the Company or its operations; and

(ii) no tax be levied on profits, income gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by the Company:

(aa) on or in respect of the shares, debentures or other obligations of the Company; or

(bb) by way of withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (2018 Revision).

The undertaking for the Company is for a period of 20 years from 11 March 2019.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

(m) Inspection of corporate records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

(n) Register of members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Law (2013 Revision) of the Cayman Islands.

(o) Register of Directors and officers

Pursuant to the Cayman Companies Law, the Company is required to maintain at its registered office a register of directors, alternate directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within 60 days of any change in such directors or officers, including a change of the name of such directors or officers.

(p) Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due.

In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s).The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorized to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

(q) Reconstructions

Reconstructions and amalgamations may be approved by a majority in number representing 75% in value of the members or creditors, depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the courts. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, the courts are unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management, and if the transaction were approved and consummated the dissenting member would have no rights comparable to the appraisal rights (i.e. the right to receive payment in cash for the judicially determined value of their shares) ordinarily available, for example, to dissenting members of a United States corporation.

(r) Take-overs

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

(s) Indemnification

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

4. GENERAL

Appleby, the Company's legal adviser on Cayman Islands law, has sent to the Company a letter of advice which summarises certain aspects of the Cayman Islands company law. This letter, together with a copy of the Cayman Companies Law, is available for inspection as referred to in the paragraph headed "Documents Available for Inspection" in Appendix VI. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 7 March 2019. Our Company has established a principal place of business in Hong Kong at Unit B, 13th Floor, Winsan Tower, 98 Thomson Road, Wan Chai, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 30 July 2019. In connection with such registration, Mr. Lau Wai Piu Patrick has been appointed as authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it is subject to the Companies Law and its constitution documents comprise the Memorandum of Association and the Articles of Association. A summary of various parts of the constitution documents and relevant aspects of the Companies Law is set out in Appendix IV to this prospectus.

2. Changes in authorised and issued share capital of our Company

(a) As at the date of incorporation, our Company had an authorised share capital of HK$380,000 divided into 38,000,000 Shares of par value HK$0.01 each, of which one Share was allotted and issued as fully paid to an initial subscriber. Subsequently on the same date, the subscriber transferred one subscriber Share to Dato' Chan.

(b) On 12 December 2019, Dato' Chan transferred one share (representing his entire shareholding in the Company) to 2926 Holdings at the nominal consideration of HK$0.01.

(c) On 13 December 2019, pursuant to the Reorganisation Agreement, our Company acquired all the issued shares of ILNT 2926 and IBL 2926 from 2926 Holdings and Mr. Teo, in consideration of which, our Company allotted and issued 1,889 Shares to 2926 Holdings and 110 shares to Mr. Teo. After the said transfer, ILNT 2926 and IBL 2926 become the wholly-owned subsidiaries of our Company.

(d) Pursuant to the written resolutions of the Shareholders passed on 14 December 2019, the authorised share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares of par value HK$0.01 each to HK$150,000,000 divided into 15,000,000,000 Shares of par value of HK$0.01 each, by creation of a further 14,962,000,000 Shares. Such shares shall rank pari passu in respects of all the existing Shares.

(e) Immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme), 2,000,000,000 Shares will be allotted and issued, all fully paid or credited as fully paid, and 13,000,000,000 Shares will remain unissued.

(f) Other than any Shares which may be issued pursuant to the exercise of any options that may fall to be granted under the Share Option Scheme, or the exercise of the general mandate referred to in "A. Further information about our Company – 3. Written resolutions of our Shareholders" in this Appendix, our Directors have no present intention to issue any part of the authorised but unissued capital of our Company, and without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

(g) Save as disclosed above, there has been no alteration in the share capital of our Company since its incorporation.

3. Written resolutions of our Shareholders

Pursuant to the written resolutions of our Shareholders passed on 14 December 2019, among other things:

(a) the authorised share capital of our Company was increased from HK$380,000 divided into 38,000,000 Shares of par value HK$0.01 each to HK$150,000,000 divided into 15,000,000,000 Shares of par value HK$0.01 each by the creation of an additional 14,962,000,000 Shares of par value HK$0.01 each. Such shares shall rank pari passu in respects of all existing shares;

(b) Subject to the conditions set forth in the paragraph headed "Structure and conditions of the Share Offer – Conditions of the Public Offer" in this prospectus being fulfilled or waived (if applicable):

(i) the Share Offer were approved and our Directors or any committee of the Board were authorised to (aa) allot and issue the Offer Shares to rank pari passu with the then existing Shares in all respects; (bb) implement the Share Offer and the Listing; and (cc) do all things and execute all documents in connection with or incidental to the Share Offer and the Listing with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;

(ii) conditional on the share premium account of our Company being credited as a result of the allotment and issue of the Offer Shares pursuant to the Share Offer, our Directors were authorised to capitalize a maximum amount of HK$14,999,980 standing to the credit of the share premium account of our

Company and to apply such amount in paying up in full at par an aggregate of 1,499,998,000 Shares for allotment and issue, credited as fully paid at par and rank pari passu in all respects with each other and the existing issued Shares (except entitlement to the Capitalisation Issue), to 2926 Holdings and Mr. Teo, and the Directors were authorised to give effect to such capitalization and distribution;

(iii) the rules of the Share Option Scheme, the principal terms of which are set out in "D. Share Option Scheme" in this Appendix, were approved and adopted and our Directors or any committee of the Board were authorised, subject to the terms and conditions of the Share Option Scheme, to implement the Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options that may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable expedient to implement the Share Option Scheme;

(iv) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with, otherwise than by way of rights issues or an issue of Shares upon the exercise of any subscription rights attached to any warrants of our Company or pursuant to the exercise of any options that may be granted under the Share Option Scheme or under any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of our subsidiaries of shares or rights to acquire shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares of our Company in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association or a specific authority granted by our Shareholders in general meeting, such number of Shares not exceeding (1) 20% of the aggregate number of our issued Shares as enlarged by the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme); and (2) the aggregate number of our issued Shares repurchased under the Repurchase Mandate as defined in paragraph (v) below. Such mandate shall remain in effect until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of our Company;

(2) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands; or

(3) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate;

(v) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate number of our issued Shares immediately following the completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme) and on the basis of 2,000,000,000 Shares in issue on the Listing Date, which will be equivalent to 200,000,000 Shares. Such mandate shall remain in effect until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of our Company;

(2) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any other applicable laws of the Cayman Islands;

(3) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate;

(vi) the general unconditional mandate mentioned in paragraph (iv) above was extended by the addition to the aggregate number of share which may be allotted or agreed conditionally or unconditionally to by allotted, issued or dealt with by our Directors pursuant to such general mandate of an amount representing the aggregate number of Share repurchased by our Company pursuant to the Repurchase Mandate referred to in paragraph (v) above provided that such extended amount shall not exceed 10% of the aggregate number of our issued Shares immediately following the completion of the Capitalisation Issue and the Share Offer excluding any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme and on the basis of 2,000,000,000 Shares in issue on the Listing Date, it shall not exceed 200,000,000 Shares; and

(vii) our Company approved and adopted the Memorandum of Association and Articles of Association, the terms of which are summarised in Appendix IV to this prospectus, with effect upon the Listing.

4. Reorganisation

The companies comprising our Group underwent a Reorganisation in preparation for the Listing, details of which are set out in the paragraphs headed "History, Development and Reorganisation – Reorganisation" of this prospectus. Following the Reorganisation, our Company became the holding company of our Group.

Diagrams showing our Group's structure after the Reorganisation and immediately upon completion of the Capitalisation Issue and the Share Offer (assuming that no Share has been issued pursuant to the exercise of any option that may be granted under the Share Option Scheme) are set out in the paragraphs headed "History, Development and Reorganisation – Reorganisation" of this prospectus.

5. Changes in share capital of subsidiaries

Our Company's subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

Save as mentioned in the paragraphs headed "History, Development and Reorganisation – Establishment and development of the subsidiaries and associate company of our Company", there was no change in the share capital of the major subsidiaries of our Company during the three years preceding the date of this prospectus.

Save for the subsidiaries mentioned in Appendix I to this prospectus, our Company has no other subsidiaries.

6. Repurchase by our Company of its own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the written resolutions passed by our Shareholders on 14 December 2019, the Repurchase Mandate was given to our Directors authorising our Directors to exercise all powers of our Company to purchase the Shares as described above in the paragraphs headed "A. Further information about our Company – 3. Written resolutions of our Shareholders" in this Appendix.

(ii) Source of funds

Any repurchases must be financed out of funds legally available for such purpose in accordance with the Memorandum of Association and Articles of Association and any applicable laws of the Cayman Islands. A listed company is prohibited from repurchasing its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the Cayman Islands law, any repurchases by our Company may be made out of profits of our Company or out of the proceeds of a fresh issue of share made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law, out of capital and, in case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium accounts of our Company, or if authorised by the Articles of Association and subject to the Companies Law, out of capital.

(iii) Core connected persons

Under the Listing Rules, a company shall not knowingly repurchase shares from a core connected person (as defined in the Listing Rules) and a core connected person shall not knowingly sell his shares to the company.

(iv) Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the

Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(v) Status of repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of the company resolve to hold the shares purchased by the company as treasury shares, shares purchased by the company shall be treated as cancelled and the amount of the company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorised share capital under Cayman law.

(vi) Suspension of repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vii) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(b) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 2,000,000,000 Shares in issue immediately after Listing (without taking into account any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme), could accordingly result in up to 200,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(c) Reasons for repurchases

Repurchases of Shares will only be made when our Directors believe that such a repurchase will benefit our Company and Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share.

(d) Funding of repurchases

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with our Memorandum of Association and Articles of Association and the applicable laws and regulations of the Cayman Islands.

On the basis of the current financial position of our Group as disclosed in this prospectus and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate or our Group.

(e) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, our Memorandum and Articles and the applicable laws of the Cayman Islands.

No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, in the event that the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Code due to any repurchase made pursuant to the Repurchase Mandate immediately after the Listing.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts

The following contracts (not being contracts entered into the ordinary course of business of our Group) have been entered into by members of our Group within the three years immediately preceding the date of this prospectus and are or may be material:

(a) the Reorganisation Agreement;

(b) the Deed of Indemnity;

(c) the Deed of Non-competition; and

(d) the Public Offer Underwriting Agreement.

2. Intellectual property rights of our Company

(a) Trademark

As at the Latest Practicable Date, our Group is the registered owner of the following trademarks in Malaysia which we believe are material to our business:

Trademark	Registered owner	Date of registration	Expiry date	Place of registration	Trademark number	Class *(Note)*
infinity infinity	ILNT (MY)	18 April 2014	18 April 2024	Malaysia	2014055673	22 *(Note 1)*
infinity	ILNT (MY)	14 June 2013	14 June 2023	Malaysia	2013055755	39 *(Note 2)*

Note:

1. Pursuant to the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification), Class 22 includes packaging bags (sacks) of paper for bulk storage, packaging bags (sacks) of paper for bulk transportation, packaging bags (sacks) of plastic for bulk storage, packaging bags (sacks) of plastic for bulk transportation, plastics liners for bags or containers made of paper or cardboard, plastics liners for the transport of bulk materials in containers, plastics liners for the storage of bulk materials in containers, all included in class 22.

2. Pursuant to the International Classification of Goods and Services for the Purposes of the Registration of Marks (Nice Classification), Class 39 includes transport; packaging and storage of goods; travel arrangement; information on transportations and storage; transportation brokerage; freight brokerage, sea brokerage; rental of storage containers, containers for lease and sales, rental of storage space; logistics services; freight services; freight forwarding; freight (shipping of goods); freight shipping; freight transportation services; freight warehousing; all included in class 39.

(b) Domain name

As at the Latest Practicable Date, our Group had registered the following domain name:

Domain name	Registrant	Date of registration	Expiry date
www.infinity.com.my	Infinity L&T (MY)	14 June 2009	14 June 2020

Information contained in the above website does not form part of this prospectus.

Save as disclosed herein, there are no other trade or service marks, patents, copyrights, other intellectual or industrial property rights which are or may be material to the business of our Group.

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

1. Directors

(a) Disclosure of interests of Directors

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Share Offer (without taking into account any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme), the interests and short positions of our Directors and chief executive of our Company in the Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have taken under such provisions), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, will be as follows:

(i) Long position in the Shares

Name of Directors	Capacity	Number and class of securities	Approximate percentage of shareholding
Dato' Chan *(Note 1)*	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000 ordinary Shares	70.875%
Dato' Kwan *(Note 1)*	Interest in a controlled corporation; interest held jointly with another person	1,417,500,000 ordinary Shares	70.875%
Datin Lo *(Note 2)*	Interest of spouse	1,417,500,000 ordinary Shares	70.875%

Notes:

1. 2926 Holdings is the registered and beneficial owner holding 70.875% of the issued Shares of our Company. 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 Code) with respect to each of the members of our Group during the Track Record Period and shall continue to do the same as of and after the date of the Concert Parties Confirmatory Deed. Details of the Concert Parties Confirmatory Deed are set out in the section headed "History, Development and Reorganisation – Parties acting in concert" in this prospectus. 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.

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.

(ii) Long position in the ordinary shares of associated corporations

Name of Directors	Name of associated corporation	Capacity/ Nature	Number of Share(s) held	Approximately percentage of interest
Dato' Chan	2926 Holdings	Beneficial owner	604	63.9%
Dato' Kwan	2926 Holdings	Beneficial owner	341	36.1%
Datin Lo *(Note)*	2926 Holdings	Interest of spouse	604	63.9%

Note: 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.

(b) Particulars of service contracts

Each of Dato' Chan, Dato' Kwan and Datin Lo, our executive Directors, has entered into a service contract with our Company for an initial fixed term of three years commencing from the Listing Date until terminated by not less than three months' notice in writing served by either party. Commencing from the Listing Date, each of our executive Directors is entitled to an annual salary set out below, such salary to be reviewed annually by our Board and the Remuneration Committee.

In addition, each of our executive Directors may be entitled to, if so recommended by the Remuneration Committee and approved by the Board at its absolute discretion, a discretionary bonus, the amount of which is determined with reference to the operating results of our Group and the performance of the executive Director, provided that the relevant executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of our Board approving the amount of annual salary, discretionary bonus and other benefits payable to him. Commencing from the Listing Date, the basic annual salary of our executive Directors are as follows:

Name	Amount *RM*
Dato' Chan	471,000
Dato' Kwan	397,000
Datin Lo	229,000

Each of Mr. Chan Leng Wai, Mr. Li Chi Keung and Mr. Tan Poay Teik being our independent non-executive Directors, has entered into a letter of appointment with our Company for an initial term of service commencing from the Listing Date and shall continue thereafter subject to a maximum of three years unless terminated by either party giving not less than one month's notice in writing. Commencing from the

Listing Date, the annual remuneration payable to the independent non-executive Directors under each of the letters of appointment is as follows:

Name	Amount *(HK$)*
Mr. Chan Leng Wai	170,000
Mr. Li Chi Keung	120,000
Mr. Tan Poay Teik	120,000

Save as disclosed above, none of our Directors has or is proposed to enter into a service contract/letter of appointment with our Company or any of our subsidiaries (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

(c) Directors' remuneration

Our Company's policies concerning remuneration of executive Directors are:

(i) the amount of remuneration payable to our executive Directors will be determined on a case by case basis depending on the experience, responsibility, workload and the time devoted to our Group by the relevant Director;

(ii) non-cash benefits may be provided to our Directors under their remuneration package; and

(iii) our executive Directors may be granted, at the discretion of our Board, share options of our Company, as part of the remuneration package.

The aggregate amounts of remuneration (including fees, salaries, allowances and benefits in kind, discretionary bonus and contributions to defined contribution plans) which are paid by our Group to the Directors for each of the three years ended 31 December 2018 and the six months ended 30 June 2019 were approximately RM0.9 million, RM1.3 million, RM1.2 million and RM0.7 million, respectively.

An aggregate sum of approximately RM1.4 million is expected to be paid to our Directors as annual Directors' fees and other emoluments by our Group for 31 December 2019 under the arrangements in force at the date of this prospectus excluding discretionary bonus.

2. Substantial shareholders

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the Share Offer and taking no account of any Shares which may be allotted and issued upon the exercise of any option that may be granted under the Share Option Scheme, the following persons/entities (not being our Directors or chief executive of our Company) will have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of our Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

Long position in Shares, underlying Shares and debentures

Name	Capacity	Number and class of securities	Approximate percentage of shareholding
2926 Holdings	Beneficial owner	1,417,500,000 ordinary Shares	70.875%

3. Related party transactions

Our Group entered into the related party transactions within the three years immediately preceding the date of this prospectus as mentioned in note 27 of the Accountants' Report set out in Appendix I to this prospectus.

4. Disclaimers

Save as disclosed in this Appendix and the section headed "Substantial Shareholders" of this prospectus:

(a) and taking no account of any Shares which may be taken up or acquired under the Share Offer or any Shares which may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme, our Directors are not aware of any person who immediately following completion of the Capitalisation Issue and the Share Offer will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company or any other members of our Group;

(b) none of our Directors and chief executive of our Company has for the purposes of Divisions 7 and 8 of Part XV of the SFO or the Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, an interest or short position in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the Shares are listed on the Stock Exchange;

(c) none of our Directors nor the experts named in "E. Other information – 6. Qualifications of experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the three years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(d) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;

(e) none of the experts named in "E. Other information – 6. Qualifications of experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and

(f) none of our Directors, their close associate or any shareholders of our Company (which to the knowledge of our Directors owns more than 5% of our Company's issued capital) has any interest in our Group's five largest suppliers and five largest customers.

D. SHARE OPTION SCHEME

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally approved by all Shareholders on 14 December 2019.

For the purpose of this section, unless the context otherwise requires:

"Board"	means the board of Directors of our Company or a duly authorised committee thereof;

"Eligible Participant"	means, among others, any director, full-time or part-time employee of our Company or any member of our Group, including any executive, non-executive directors and independent non-executive directors, advisers, consultants of our Company or any of our subsidiaries;
"Exercise Period"	means in respect of any particular Option, the period to be determined and notified by our Board to each Participant but which shall not exceed ten years from the date of grant of such option;
"Option"	means an right(s) to subscribe for Shares granted pursuant to the Share Option Scheme;
"Other Schemes"	means any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for Shares may be granted;
"Participant"	means any Eligible Participant who accepts or is deemed to have accepted the offer of any Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Participant;
"Shareholders"	means shareholders of our Company from time to time;
"Subsidiary"	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Listing Rules) of our Company, whether incorporated in Hong Kong or elsewhere; and
"Trading Day"	means a day on which trading of Shares take place on the Stock Exchange.

(a) Purpose of the Share Option Scheme

The Share Option Scheme enables our Company to grant Options to Eligible Participant as incentives or rewards for their contributions to our Group.

(b) Who may join

Our Board may, at its discretion, invite any Eligible Participant to take up Options at a price calculated in accordance with sub-paragraph (d) below. Upon acceptance of the Option, the Eligible Participant shall pay HK$1.00 to our Company by way of consideration for the grant. The Option will be offered for acceptance for a period of not less than five business days from the date on which the Option is granted.

(c) Grant an Option

Any grant of Options must not be made after inside information has come to the knowledge of our Company until such inside information has been announced pursuant to the relevant requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of our Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules), and (b) the deadline for our Company to publish an announcement of its results for any year, half-year, quarter-year period or any interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. Our Directors may not grant any Option to an Eligible Participant during the periods or times in which the Directors are prohibited from dealing in shares pursuant to the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

The total number of Shares issued and to be issued upon exercise of the Options granted to a Participant under the Share Option Scheme and Other Schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares of our Company (or the Subsidiary) in issue from time to time, and provided that if approved by Shareholders in general meeting with such Participant and his close associates (or his associates if the participant is a connected person) abstaining from voting, our Company may make a further grant of Options to such Participant (the "**Further Grant**") notwithstanding that the Further Grant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted under the Share Option Scheme and Other Schemes to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the Shares in issue from time to time. In relation to the Further Grant, our Company must send a circular to our Shareholders, which discloses the identity of the relevant Participant, the number and the terms of the Options to be granted (and Options previously granted to such Participant under the Share Option Scheme and Other Schemes) and the information required under the Listing Rules. The number and terms (including the exercise price) of Options which is the subject of the Further Grant shall be fixed before the relevant Shareholders' meeting and the date of meeting of our Board for proposing the Further Grant should be taken as the date of grant for the purpose of calculating the relevant subscription price.

(d) Price of Shares

The subscription price for the Shares subject to Options will be a price determined by our Board and notified to each Participant and shall be the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the Options, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share.

For the purpose of calculating the subscription price, in the event that on the date of grant, our Company has been listed for less than five Trading Days, the Offer Price shall be used as the closing price for any Trading Day falling within the period before the Listing Date.

(e) Maximum number of Shares

(i) The total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and Other Schemes must not, in aggregate, exceed 10% of the Shares in issue as at the Effective Date (the "**Scheme Mandate Limit**") provided that Options lapsed in accordance with the terms of the Shares Option Scheme or Other Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of 2,000,000,000 Shares in issue on the Listing Date, the Scheme Mandate Limit will be equivalent to 200,000,000 Shares, representing 10% of the Shares in issue as at the Listing Date.

(ii) Subject to the approval of Shareholders in general meeting, our Company may renew the Scheme Mandate Limit to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and Other Schemes under the Scheme Mandate Limit as renewed must not exceed 10% of the Shares in issue as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and Other Schemes (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. In relation to the Shareholders' approval referred to in this paragraph (ii), our Company shall send a circular to our Shareholders containing the information required by the Listing Rules.

(iii) Subject to the approval of Shareholders in general meeting, our Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to Eligible Participant specifically identified by our Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph (iii), our Company shall send a circular to our Shareholders containing such relevant information as required by the Listing Rules in this regard.

(iv) Notwithstanding the foregoing, our Company may not grant any Options if the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and Other Schemes exceeds 30% of the Shares in issue from time to time.

(v) The exercise of any Option shall be subject to the Shareholders in general meeting approving any increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of our Company for purpose of allotment of shares upon exercise of Options.

(f) Time of exercise of Option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Board to each Participant provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option.

(g) Rights are personal to grantee

An Option shall be personal to the Participant and shall not be assignable or transferable and no Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest whether legal or beneficial in favour of any third party over or in relation to any Option.

(h) Rights on death

If a Participant dies before exercising the Options in full, his or her personal representative(s) may exercise the Options up to the Participant's entitlement (to the extent that it has become exercisable on the date of death and not already exercised) within a period of 12 months from the date of death or such longer period as our Board may determine, failing which such Options will lapse.

(i) Changes in capital structure

In the event of any alteration in the capital structure of our Company while an Option remains exercisable, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, reclassification, subdivision or reduction of capital of our Company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to the Options so far as unexercised, and/or the exercise price, and/or the method of exercise of the Options, and/or the maximum number of Shares subject to the Share Option Scheme.

Any adjustments required under this paragraph must give a Participant the same proportion of the equity capital as that to which that Participant was previously entitled and shall be made on the basis that the aggregate exercise price payable by Participant on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, but no such adjustments may be made to the extent that Shares would be issued at less than nominal value and, unless with the prior approval of the Shareholders in general meeting, no such adjustments may be made to the advantage of the Participant. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, an independent financial adviser of our Company or the auditors of our Company must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules and the supplementary guidance set out in the letter issued by the Stock Exchange dated 5 September 2005 and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(j) Rights on take-over

If a general offer (whether by way of takeover offer as defined in the Takeovers Code or scheme of arrangement or otherwise in like manner) has been made to all our Shareholders (other than the offeror and/or any persons acting in concert with the offeror), to acquire all or part of the issued Shares, and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Participant shall be entitled to exercise his or her outstanding Option in full or any part thereof within 14 days after the date on which such offer becomes or is declared unconditional. For the purposes of this sub-paragraph, "acting in concert" shall have the meaning ascribed to it under the Takeovers Code as amended from time to time.

(k) Rights on a compromise or arrangement

(i) In the event of a notice is given by our Company to our Shareholders to convene a Shareholders' meeting for the purpose of considering and approving a resolution to voluntarily wind up our Company, our Company shall forthwith give notice thereof to the Participants and the Participants may, by notice in writing to our Company accompanied by the remittance for the total exercise price payable in respect of the exercise of the relevant Options (such notice to be received by our Company not later than two business days prior to the proposed meeting) exercise the outstanding Option either in full or in part and our Company shall, as soon as possible and in any event no later than the business day immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the Participants which falls to be issued on such exercise.

(ii) In the event of a compromise or arrangement between our Company and its members or creditors being proposed in connection with a scheme for the reconstruction or amalgamation of our Company (other than any relocation schemes as contemplated in Rule 7.14(3) of the Listing Rules), our Company shall give notice thereof to all Participants on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme of arrangement, and thereupon the Participants may, by notice in writing to our Company accompanied by the remittance for the total exercise price payable in respect of the exercise of the relevant Options (such notice to be received by our Company not later than two business days prior to the proposed meeting) exercise the outstanding Option either in full or in part and our Company shall, as soon as possible and in any event no later than the business day (excluding any period(s) of closure of our Company's share registers) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Participants which falls to be issued on such exercise credited as fully paid and registered the Participants as holders thereof.

(l) Lapse of Option

An Option shall lapse forthwith and not exercisable (to the extent not already exercised) on the earliest of:

(i) the date of expiry of the Option as may be determined by the Board and under the Share Option Scheme;

(ii) subject to paragraphs (f), (h), (j), (k) and (p), the expiry of the Exercise Period of the Option;

(iii) subject to paragraph (k)(i), the date of commencement of the winding-up of our Company;

(iv) the date when the proposed compromise or arrangement becomes effective in respect of the situation contemplated in paragraph (k)(ii);

(v) in the event that the Participant was an employee or director of any member of our Group on the date of grant of Option to him or her, the date on which such member of our Group terminates the Participant's employment or removes the Participant from his or her office on the ground that the Participant has been guilty of misconduct, has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty. A resolution of our Board or the board of directors of the relevant member of our Group to the effect that such employment or office has or has not been terminated or removed on one or more grounds specified in this sub-paragraph shall be conclusive;

(vi) the happening of any of the following events, unless otherwise waived by our Board:

(1) any liquidator, provisional liquidator, receiver or any person carrying out any similar function has been appointed anywhere in the world in respect of the whole or any part of the asset or undertaking of the Participant (being a corporation); or

(2) the Participant (being a corporation) has ceased or suspended payment of its debts, become unable to pay its debts or otherwise become insolvent; or

(3) there is unsatisfied judgment, order or award outstanding against the Participant or our Company has reason to believe that the Participant is unable to pay or has no reasonable prospect of being able to pay his/her/its debts; or

(4) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of type mentioned in sub-paragraphs (1), (2) and (3) above; or

(5) a bankruptcy order has been made against the Participant or any director of the Participant (being a corporation) in any jurisdiction; or

(6) a petition for bankruptcy has been presented against the Participant or any director of the Participant (being a corporation) in any jurisdiction; or

(vii) the date the Participant commits any breach of any terms or conditions attached to the grant of the Option, unless otherwise resolved to the contrary by our Board; or

(viii) the date on which our Board resolves that the Participant has failed or otherwise is or has been unable to meet the continuing eligibility criteria in accordance with the terms of the Share Option Scheme.

(m) Ranking of Shares

Shares allotted and issued upon the exercise of an Option will be subject to our Memorandum and Articles of Association as amended from time to time and will rank pari passu in all respects with the fully paid or credited as fully paid Shares in issue on the date of such allotment or issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment or issue. Any Share allotted upon the exercise of the Option shall not carry voting rights until the name of the Grantee has been entered into the register of members of the Company as the holder thereof.

(n) Cancellation of Options granted

Any cancellation of Options granted in accordance with the Share Option Scheme but not exercised must be approved by the grantee concerned in writing.

In the event that our Board elects to cancel any Options and issue new ones to the same grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

(o) Period of Share Option Scheme

The Share Option Scheme will be valid and effective for a period of ten years commencing on the Listing Date, after which period no further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

(p) Alteration to and termination of Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of our Board, except that the provisions of the Share Option Scheme relating to matters contained in Rule 17.03 of the Listing Rules shall not be altered to the advantage of the Participant or the prospective Participants without the prior approval of our Shareholders in general meeting (with the Eligible Participant, the Participants and their respective close associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Participants as would be required by our Shareholders under our Memorandum and Articles of Association (as amended from time to time) for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the Share Option Scheme, which are of a material nature shall first be approved by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the Share Option Scheme.

Our Company may, by ordinary resolution in general meeting, at any time terminate the operation of the Share Option Scheme before the end of its life and in such event no further Options will be offered but the provisions of the Share Option Scheme shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to our Shareholders seeking approval for the first new scheme to be established after such termination.

(q) Granting of Options to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates

Where Options are proposed to be granted to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates, the proposed grant must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options).

If a grant of Options to a Substantial Shareholder of our Company or an independent non-executive Director, or any of their respective associates will result in the total number of the Shares issued and to be issued upon exercise of the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme or Other Schemes in any 12-month period up to and including the date of the grant (i) representing in aggregate over 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the Shares in issue from time to time, and (ii) having an aggregate value, based on the closing price of the Shares at the date of the grant, in excess of HK$5 million, then the proposed grant of Options must be approved by our Shareholders on a poll in a general meeting. The grantee, his associates and all core connected persons of our Company must abstain from voting at such general meeting, except that any connected person may vote against the resolution provided that his or her intention to do so has been stated in the circular. The circular must contain the information required under the Listing Rules.

In addition, Shareholders' approval as described above will also be required for any change in terms of the Options granted to an Eligible Participant who is a substantial shareholder of our Company, an independent non-executive Director or their respective associates.

The circular must contain the following:

(i) details of the number and terms of the Options (including the subscription price relating thereto) to be granted to each Eligible Participant, which must be fixed before the relevant Shareholders' meeting, and the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the subscription price;

(ii) a recommendation from our independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the Options in question) to independent Shareholders, as to voting; and

(iii) all other information as required by the Listing Rules.

For the avoidance of doubt, the requirements for the granting of Options to a Director or chief executive (as defined in the Listing Rules) of our Company set out in this paragraph (q) do not apply where the Eligible Participant is only a proposed Director or proposed chief executive of our Company.

(r) Conditions of Share Option Scheme

The Share Option Scheme is conditional on (i) the passing of a resolution to adopt the Share Option Scheme by the Shareholders in general meeting; and (ii) the Stock Exchange granting approval for the listing of and permission to deal in the Share which may be issued pursuant to the exercise of Options.

Application has been made to the Listing Committee for the listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of Options that may be granted under Share Option Scheme.

(s) Present status of the Share Option Scheme

As at the Latest Practicable Date, no options had been granted or agreed to be granted by our Company under the Share Option Scheme.

The terms of the Share Option Scheme are in compliance with Chapter 17 of the Listing Rules.

E. OTHER INFORMATION

1. Tax and other indemnities

Each of our Controlling Shareholders (collectively, the "**Indemnifiers**") has entered into the Deed of Indemnity (being the material contract referred to in "B. Further information about the business of our Group – 1. Summary of material contracts – (b) the Deed of Indemnity" in this Appendix) with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) to provide indemnities on a joint and several basis in respect of, among other matters:

(a) any tax (which includes estate duty) liabilities in whatever part of the world which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received, or of any transactions entered into, whether alone, or in conjunction with the occurrence of any other circumstances on or up to the date on which the Share Offer becomes unconditional (the "**Effective Date**"), save for any taxation the extent that:

(i) provision, reserve or allowance has been made for such taxation or liability in the audited accounts of the Company or any member of our Group for each of the three years ended 31 December 2018;

(ii) falling on any member of our Group on or after the Listing Date which any member of our Group knew or ought reasonably to have foreseen would give rise to the Tax liability and which could reasonably have been avoided, unless such taxation, taxation claim or liability would not have arisen but for any act or omission or transaction voluntarily effected by the Company or any other member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers but excluding any such act, omission or transaction:

(A) carried out or in the ordinary course of its business or in the ordinary course of acquiring and disposing of capital assets on or before the Listing Date;

(B) carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date or pursuant to any statement of intention made in the Prospectus; or

(C) consisting of any of the members of our Group ceasing, or being deemed to cease, to be a member of our Group for the purposes of any matter of taxation on or before the Listing Date;

(iii) such taxation, taxation claim or liability arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the Inland Revenue Department of Hong Kong or any other relevant authority in any other jurisdiction coming into force after the Date of Indemnity or to the extent such taxation, taxation claim or liability arises or is increased by an increase in rates of taxation after the Date of Indemnity with retrospective effect; and

(iv) any provision or reserve made for such taxation, taxation claim or liability in the Account which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers' liability (if any) in respect of such taxation, taxation claim or liability shall be reduced by an amount not exceeding such over-provision or excess reserve; and

(b) all claims, actions, demands, liabilities, damages, costs, expenses, penalties, fines and of whatever nature suffered or incurred by any of the subsidiary of our Group directly or indirectly as a result of or in connection with the non-compliance or alleged non-compliance by any member of our Group with any applicable laws, rules and regulations in Hong Kong, Malaysia or any jurisdictions in the course of its business occurred on or before the Listing Date and/or all actions, claims, demands, proceedings, costs and expenses, damages, losses and liabilities whatsoever which may be made, suffered or incurred by any the member of our Group in respect of or arising directly or indirectly from or on the basis of or in connection with any litigation, arbitration, claim and/or legal proceedings, whether of criminal, administrative, contractual, tortious or otherwise nature instituted or threatened against any the member of our Group and/or any act, non-performance, omission or otherwise of any the member of our Group accrued or arising on or before the Listing Date.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries in the Cayman Islands or the BVI or Hong Kong, Malaysia or Singapore being jurisdictions in which one or more of the companies comprising our Group were incorporated.

2. Litigation

Save as disclosed in the paragraphs headed "Business – Litigation and potential claims" in this prospectus, neither our Company nor any of our subsidiaries is engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to our Directors to be pending or threatened by or against our Company or any of our subsidiaries, that would have a material adverse effect on our Group's results of operations or financial condition.

3. Sole Sponsor

The Sole Sponsor has made an application for and on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, including the Offer Shares and any Shares which may fall to be allotted and issued pursuant to the Capitalisation Issue and the exercise of any options that may be granted under the Share Option Scheme.

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately US$5,038 and are payable by our Company.

5. Promoter

Our Company has no promoter.

6. Qualifications of experts

The qualifications of the experts who have given reports, letter or opinions (as the case may be) in this prospectus are as follows:

Name	Qualification
VBG Capital Limited	A corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO
Appleby	Legal advisers to our Company as to Cayman Islands law
Frost & Sullivan GIC Malaysia Sdn Bhd	Industry consultant
Savills (Malaysia) Sdn Bhd	Property valuer
David Lai & Tan	Legal advisers to our Company as to Malaysian law
Mazars CPA Limited; and Mazars LLP	Certified Public Accountants; and Public Accountants and Chartered Accountants of Singapore

7. Consents of experts

Each of the experts referred to above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters, opinions or summaries thereof (as the case may be) and the references to its name included in this prospectus in the form and context in which it respectively appears.

8. Sponsor's fees

The Sole Sponsor will be paid by our Company a total fee of HK$4,200,000 to act as sponsor to our Company in connection with the Listing.

9. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Miscellaneous

(a) Save as disclosed in this Appendix and the sections headed "History, development and Reorganisation" and "Underwriting" of this prospectus, within the three years preceding the date of this prospectus:

(i) no share or loan capital of our Company or any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;

(ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and

(iii) no commission has been paid or payable (excluding commission payable to sub-underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company.

(b) No share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(c) No founder, management or deferred shares of our Company or any of our subsidiaries has been issued or agreed to be issued.

(d) Our Directors confirm that, up to the date of this prospectus, save as disclosed in "Summary – Recent development and material adverse change", there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2019 (being the date to which the latest audited combined financial statements of our Group were made up), and there had been no event since 30 June 2019 which would materially affect the information as shown in the Accountants' Report.

(e) There has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this prospectus.

(f) None of VBG Capital Limited, Appleby, Mazars CPA Limited, Mazars LLP, Savills (Malaysia) Sdn Bhd, Frost & Sullivan GIC Malaysia Sdn Bhd and David Lai & Tan:

    (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or

    (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.

(g) No company within our Group is presently listed on any stock exchange or traded on any trading system and no part of the shares or loan capital of our Company is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek listing of, or permission to deal in, any part of its shares or loan capital on any other stock exchange.

(h) Our Company has no outstanding convertible debt securities.

(i) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

(j) There are no arrangements under which future dividends are waived or agreed to be waived.

11. Bilingual prospectus

The English language and the Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

12. Taxation of holders of Shares

(a) Hong Kong

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

Profits from dealings in Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the Shares. It is emphasised that none of our Company, our Directors or parties involved in the Share Offer accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were copies of the Application Forms, the written consents referred to in the paragraph headed "E. Other information – 7. Consents of experts" in Appendix V to this prospectus, copies of the material contracts referred to in the paragraph headed "B. Further information about the business of our Group – 1. Summary of material contracts" in Appendix V to this prospectus.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of TC & Co. of Units 2201–2203, 22nd Floor, Tai Tung Building, 8 Fleming Road, Wan Chai, Hong Kong, during normal business hours up to and including the date which is 14 days from the date of this prospectus:

1. the Memorandum and the Articles of Association;

2. the Accountants' Report prepared by Mazars CPA Limited and Mazars LLP, the text of which is set out in Appendix I to this prospectus;

3. the audited combined financial statements of our Group during the Track Record Period;

4. the report from Mazars CPA Limited and Mazars LLP on the unaudited pro forma financial information of our Group, the text of which are set out in Appendix II to this prospectus;

5. the F&S Report referred in the section headed "Industry Overview" in this Prospectus;

6. the property valuation report prepared by Savills (Malaysia) Sdn Bhd as set out in Appendix III to this prospectus.

7. the letter of advice prepared by Appleby, summarising certain aspects of the Companies Law referred to in Appendix IV to this prospectus;

8. the Companies Law;

9. the legal opinion prepared by David Lai & Tan, the legal advisers to our Company as to Malaysian law, in respect of certain aspects of our Group;

10. copies of the material contracts referred to in the paragraph headed "Statutory and General Information – B. Further information about the business of our Group – 1. Summary of material contracts" in Appendix V to this prospectus;

11. the service agreements and letters of appointment referred to in the paragraph headed "Statutory and General Information – C. Further information about Directors, management and staff – 1. Directors" in Appendix V to this prospectus;

12. the written consents referred to the paragraph headed "Statutory and General Information – E. Other information – 7. Consents of experts" in Appendix V to this prospectus; and

13. the Share Option Scheme.

Infinity Logistics and Transport Ventures Limited