

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.

INFINITY LOGISTICS AND TRANSPORT VENTURES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1442)

DISCLOSEABLE TRANSACTION PURCHASE OF FLEXITANK PRODUCTION LINES

THE PURCHASE

The Board is pleased to announce that on 25 April 2023 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the SP Agreement with the Vendor for the purchase of the Flexitank Production Lines at a consideration of EUR12,000,000 (equivalent to approximately RM58,910,400) to be paid and settled in cash. The Purchase will be financed by a bank loan and internal resources of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in respect of the Purchase exceeds 5% but all of them are less than 25%, the Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement thereunder.

THE PURCHASE

The Board is pleased to announce that on 25 April 2023 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the SP Agreement with the Vendor for the purchase of two fully automated production lines that are made up of equipment designed for the production of flexitanks (the “**Flexitank Production Lines**”) at a consideration of EUR12,000,000 (equivalent to approximately RM58,910,400) to be paid and settled in cash. The Purchase will be financed by a bank loan and internal resources of the Group.

THE SP AGREEMENT

The principal terms of the SP Agreement are summarized as follows:

- Date : 25 April 2023 (after trading hours).
- Parties: : (i) The Purchaser: Infinity Bulk Logistics Sdn. Bhd.; and
(ii) The Vendor: District Towers, S.L.
- Assets to be purchased : The Flexitank Production Lines.
- Consideration : The consideration under the SP Agreement is EUR12,000,000 (equivalent to approximately RM58,910,400) (exclusive of transportation cost, local installation cost, local value-added tax, import taxes and training cost at the delivery location) and will be satisfied in cash. The Consideration is payable in full upon the receipt of an invoice from the Vendor following the signing of the SP Agreement.
- Delivery : The Vendor shall deliver the Flexitank Production Lines to the premises confirmed in writing by the Purchaser and on the date to be agreed upon by both parties within one (1) year from the date of the SP Agreement.
- Installation : The Vendor shall complete the installation, testing and commissioning within seven (7) days of arrival of the Flexitank Production Lines at the Purchaser's premises.
- Warranty : The warranty for the Flexitank Production Lines shall cover a period of two (2) years from the date of signing the acceptance of the Flexitank Production Lines by both parties and include the following services from the Vendor:
- (i) the Vendor shall despatch its technicians to conduct inspections on the Flexitank Production Line(s) within fourteen (14) days from the date of notification in writing from the Purchaser for any electrical and/or mechanical failure or any other fault of the Flexitank Production Line(s). The Vendor shall provide a written report to the Purchaser within seven (7) days from the date of inspection; and
 - (ii) the Vendor shall make good the Flexitank Production Line(s) and ensure that the Flexitank Production Line(s) is operational within two (2) months from the date of the report.

INFORMATION ON THE GROUP AND THE PURCHASER

The Group is principally engaged in the provision of integrated freight forwarding and related services, logistics centre and related services, land transportation services, flexitank solution and related services and fourth party logistics services.

The Purchaser is a limited liability company incorporated in Malaysia and an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in flexitank solution and related services and bulk logistics services.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Spain with limited liability and is principally engaged in the business of design, manufacturing, and production of fully automated production lines for the production of flexitanks and the sale of flexitanks.

As at the date of this announcement, the Vendor is owned as to 99% by Mr. Raf Henri Herman and 1% by Ms. Carmen Lacambra Abello. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and its connected persons as at the date of this announcement.

REASONS FOR AND BENEFITS OF THE PURCHASE

Due to the competitive landscape, the flexitank industry is currently undergoing an accelerated consolidation process, where the smaller or non-compliant players are being absorbed or gone out of business, as the bigger ones targeting mergers and acquisition to become bigger to reap the economies of scale and extending their reach into a wider customer base.

By expanding horizontally, with the Purchase from a European flexitank production line manufacturer with strong research and development capabilities in process automation and patent pending, we could transfer the automation technology to our local flexitank production to reduce dependency on low-level manual labour and enable upskilling and career development. Besides, automation also enhances our product quality and operational efficiency resulting in cost competitiveness and market reputation. The Directors expect that the Flexitank Production Lines will commence operations in the second quarter of 2024.

The terms of the SP Agreement (including the Consideration) are arrived at after arm's length negotiations between the Purchaser and the Vendor. Having considered the foregoing, the Directors are of the view that the terms of the SP Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in respect of the Purchase exceeds 5% but all of them are less than 25%, the Purchase constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement thereunder.

DEFINITIONS

Unless the context otherwise required, capitalized terms used in this announcement shall have the following meanings:

| | |
|-----------------------|---|
| “Board” | the board of Directors |
| “Company” | Infinity Logistics and Transport Ventures Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it in the Listing Rules |
| “Consideration” | the consideration of EUR12,000,000 (equivalent to approximately RM58,910,400) payable by the Purchaser to the Vendor under the SP Agreement |
| “Directors” | the directors of the Company |
| “EUR” | Euro, the lawful currency of the member states of the European Union |
| “Group” | the Company and its subsidiaries from time to time |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Purchase” | the purchase of the Flexitank Production Lines by the Purchaser from the Vendor pursuant to the terms and conditions of the SP Agreement |
| “Purchaser” | Infinity Bulk Logistics Sdn. Bhd., a limited liability company incorporated in Malaysia and an indirect wholly-owned subsidiary of the Company |
| “RM” | Ringgit Malaysia, the lawful currency of Malaysia |
| “SP Agreement” | the sale and purchase agreement entered into on 25 April 2023 (after trading hours) between the Purchaser and the Vendor in respect of the Purchase |

| | |
|------------------|--|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | District Towers, S.L., a limited liability company incorporated in Spain |
| “%” | per cent |

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

Hong Kong, 25 April 2023

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