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INFINITY LOGISTICS AND TRANSPORT VENTURES LIMITED

鷹輝物流有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1442)

SUPPLEMENTAL ANNOUNCEMENT

IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY

Reference is made to the announcement of Infinity Logistics and Transport Ventures Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 29 December 2023 (the “**Announcement**”) in relation to the Acquisition. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

The Company hereby provides the following further information under the section headed “REASONS FOR AND BENEFITS OF THE ACQUISITION” in the Announcement:

The Consideration was arrived after arm’s length negotiations between the Purchaser and the Vendor based on normal commercial terms, with reference to various factors including but not limited to (i) the business expansion plan of the Group in Singapore; (ii) the business development and future prospects of the Target Company; (iii) the existing resources of the Target Company; and (iv) the potential synergies that would arise from the Acquisition.

First, the Group has different geographical presence globally, including Malaysia, Singapore, Indonesia, Thailand, South Korea and other countries. Meanwhile, Singapore plays a vital role of the Group’s revenue from external customers, which account for approximately 19.4%, 18.3% and 16.8% of the total revenue of the Group for the six months ended 30 June 2023 and the years ended 31 December 2022 and 2021 respectively. The Group’s revenue from Singapore increased by approximately 41.4%, from approximately RM46.3 million for the year ended 31 December 2021 to approximately RM65.5 million for the year ended 31 December 2022. With the growing importance of the Singapore market, the Group is willing to dedicate more resources to enhancing its competitiveness in Singapore.

Second, based on the estimated revenue growth rate of approximately 6% per annum and current gross profit margin of approximately 40% of the Target Company, it is expected the Target Company will have sustainable growth potential in the future. Therefore, the Directors take the view that the future prospects of the Target Company in wholesale trade and freight transportation business would be beneficial to the Group’s overall business development by expanding its scale in the logistics sector.

As at 30 September 2023, the unaudited total assets of the Target Company was approximately RM31.4 million, including bank balances and cash of approximately RM6.6 million, and net assets of approximately RM8.5 million. The stable profitability and positive cash flows generated by the Target Company indicate that the Target Company has a strong financial position and a solid foundation for growth. The Acquisition provides the Company with access to strategic assets that are valuable for growth and competitiveness, including wider distribution channels and a stronger customer base. Accordingly, the Directors take the view that the existing resources of the Target Company would be beneficial to the Group's business development and the Acquisition is in the interests of the Company's shareholders as a whole.

In addition, economies of scale could be achieved through the Acquisition, which combines the strengths of the Group and the Target Company and allow the Group to offer products or services at more competitive prices. This would lead to an increase in the Group's market share and improved its positioning in the industry.

Having considered the above and the long-term strategic fit and operational synergies from the Acquisition, and based on the assessments by the Directors that the future benefits to be derived from the Acquisition would outweigh the associated costs of investments, the Directors are of the view that the Consideration is fair and reasonable, and in the interest of the Company and its shareholders as a whole.

Except as disclosed above, all the information in the Announcement remains unchanged.

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

Hong Kong, 9 January 2024

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