

TARGET

Intelligence Report

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T H U R S D A Y

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INFINITY LOGISTICS AND TRANSPORT VENTURES LTD:

THE FAMILY COMPANY OF DATO' CHAN KONG YEW

While the businesses of Infinity Logistics and Transport Ventures Ltd (Code: 1442, Main Board, The Stock Exchange of Hongkong Ltd) are primarily based in Malaysia, Senior Management of the Company selected the premier equity market of the **Hongkong Special Administrative Region (HKSAR)** of the **People's Republic of China (PRC)** to launch a Share Offer.

That took place on Monday, December 30, 2019.

The rationale for Senior Management's determination, one was told in the Share Offer Prospectus, was due to the belief that by so doing, it would enhance the corporate profile and credibility of the Company; and, that the HKSAR '*is uniquely positioned as the key gateway between the PRC (proper, being separate and distinct from the HKSAR) and international markets.*'

Also, of course, the amount of money, raised in the Share Offer would '*facilitate us to implement our future plans ...*', one was led to believe.

The Initial Public Offering (IPO) Of

Infinity Logistics and Transport Ventures Ltd

The Company's Share Offer Prospectus, launched on December 30, 2019, was for the sales of 500 million, one-cent Offer Shares at the Indicative Offer Price Per Share, ranging between a low of 28 cents and a high of 34 cents.

A Public Offer Shares tranche, obviously targeting investors of the HKSAR, was limited to 50 million Offer Shares, while a Placing Offer Shares tranche, clearly meant to excite and entice Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities, in which this class of investor has equity control, were induced to subscribe to 450 million Offer Shares via Share Placements.

On Monday, January 20, 2020, in an announcement with regard to the Share Price and the Allotment Results, it was stated that the share price had been struck at 31 cents and that the Company, anticipated netting about \$HK117.30 million (about RM62.73 million) from this cash-raising exercise.

In respect of the Public Offer Shares tranche, one was informed that it had been '*moderately over-subscribed*', with requests for the Shares on Offer in this tranche, numbering 12,439 valid applications for 522,840,000 Public Offer Shares, representing about 10.46 times the 50 million Offer Shares initially available under this tranche.

As for the Placing Offer Shares tranche, it had been '*slightly over-subscribed*' by about 1.05 times the 450 million Offer Shares, initially available under this tranche.

At Pages Eight and Nine of this Announcement, one was told how Management intended to utilise the net proceeds of the Share Offer:

1. Approximately, \$HK86.00 million, that is about 73.30 percent of the net proceeds, '*will be used to set up the Proposed Westports FZ Warehouses in the Westports Free Zone in Port Klang, Malaysia*';
2. Approximately, \$HK9.40 million, that is about 8.00 percent 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*';
3. Approximately, \$HK5.60 million, that is about 4.80 percent of the net proceeds, '*will be used to replace our aged forklifts and acquire additional forklifts for our logistics centre and related services*';

4. Approximately, \$HK5.60 million, that is about 4.80 percent 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'*;
5. Approximately, \$HK3.80 million, that is about 3.20 percent 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,
6. Approximately, \$HK6.90 million, that is about 5.90 percent of the net proceeds, *'will be used for working capital of our Group.'*

* **NVOCC**: Non-vessel operating common carrier, which means a carrier that does not own or operate vessels and is engaged in the provision of shipping services.

The History And Business Of Infinity Logistics And Transport Ventures Ltd

Infinity Logistics and Transport Ventures Ltd was incorporated in the Cayman Islands on March 7, 2019, *'in preparation for the Listing* (on the Main Board of The Stock Exchange of Hongkong Ltd), one was told at Page 91 of the Share Offer Prospectus.

Under the heading, ***'BUSINESS DEVELOPMENT'***, at this Page, it was stated that the history of the Company could be traced back to *'the commencement of operation of Infinity L&T (MY)'* – Infinity Logistics and Transport Sdn Bhd, a company, incorporated in Malaysia on November 7, 2000.

This company is, today, an indirect, wholly owned subsidiary of Infinity Logistics and Transport Ventures Ltd.

Infinity Logistics and Transport Sdn Bhd was founded in Malaysia by Dato' Chan Kong Yew and Dato' Kwan Siew Deeg, who used their own personal resources to seed this company. It was, originally, engaged in the provision of logistics services.

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