

IPO FACT SHEET
Infinity Logistics and Transport Ventures Limited (1442)
ISSUE STATISTICS

| | |
|---------------------------------------|---------------------------|
| Offer Size: | HK\$140.0m – HK\$170.0m |
| Placement Tranche: | 500.0m |
| Price: | HK\$0.28 – HK\$0.34 |
| Board lot: | 10,000 |
| Entry fee: | HK\$3,434.26 |
| Historical PE | 13.3x – 16.2x |
| Net tangible assets per share: | HK\$0.129 – HK\$0.144 |
| Market Cap (post-IPO): | HK\$560.0m – HK\$680.0m |
| Open: | 30 Dec 2019 |
| Close: | 12.00 noon on 09 Jan 2020 |
| Trading: | 21 Jan 2020 |
| Sponsor: | VBG Capital Limited |

| Year ended 31 Dec | (HK\$'000) | yoy % chg |
|----------------------------|------------|-----------|
| Revenue | | |
| 2017 | 352,706 | -0.3% |
| 2018 | 376,212 | 6.7% |
| Profit for the year/period | | |
| 2017 | 16,705 | -24.4% |
| 2018 | 42,081 | 151.9% |

BACKGROUND

- The 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, the Group is 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. It is 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, it is the fourth largest player as a NVOCC in the busiest port in Malaysia, namely the Port Klang, in terms of container throughput and the Group is one of the largest 20' high cube containers operator in the Southeast Asia.
- The Group's customer base comprises end customers, freight forwarder customers and overseas agents. During the Track Record Period, it had maintained business relationship with over 1,600 customers. Its five largest customers accounted for approximately 28.3%, 21.9%, 16.7% and 18.7% of its total revenue, respectively

BUSINESS STRATEGIES

- 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.
- Leverage its market position in flexitank solution and related services market to attract customers in different regions in Asia, such as North Asia.

COMPETITIVE STRENGTHS

- Its established track record of over 16 years in serving the logistics industry allows it to understand and adapt to its customers' needs.
- The Group is the fifth largest flexitank solution and related services provider in the world, in term of flexitank produced by COA certified producers in 2018.
- The Group is one of the largest 20' high cube containers operator in the Southeast Asia.
- The Group has an extensive coverage for logistic supporting network.

- The Group has an experienced and professional management team.

KEY RISKS

- The Group may face difficulty in providing its logistics services if it fails to renew or obtain its licences and permissions.
- The Group is dependent on its customers' business performance and their continuing demand for the Group's services.
- Its major customers who were its overseas agents.
- The Group is subject to various risks relating to third party payments.
- The Group may not be able to maintain its business relationship with Westports Malaysia and Penang Port Sdn Bhd.
- It relies on the expertise and experience of its key management personnel.
- Its cash flow may deteriorate due to its failure to collect trade receivables that are long overdue from its customers or potential mismatch in time between receipt from its customers and payments to its suppliers.

DIVIDEND POLICY

- No fixed dividend policy.

USE OF PROCEEDS

| | HK mn | As a percentage of gross proceeds from the Invitation |
|---|--------------|---|
| To set up the Proposed Westports FZ Warehouses in the Westports Free Zone in Port Klang, Malaysia. | 86.0 | 73.3% |
| To purchase haulage prime movers and trailers for its haulage services in its logistics centre and related services. | 9.4 | 8.0% |
| To replace its aged forklifts and acquire additional forklifts for its logistics centre and related services. | 5.6 | 4.8% |
| To purchase containers comprising general purpose containers and high cube containers for increasing its capacity of its NVOCC services. | 5.6 | 4.8% |
| To further enhance the Group's operational efficiency, technical capability and enhance the user experience for its 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. | 3.8 | 3.2% |
| For working capital of the Group. | 6.9 | 5.9% |
| Total: | 117.3 | 100.0% |

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