LEGION CONSORTIUM LIMITED

(incorporated in the Cayman Islands with limited liability)

Stock Code: 2129

SHARE OFFER

Sponsor

AmCap
Ample Capital Limited
豐盛融資有限公司

Sole Global Coordinator

首盛資本集團
Alpha Financial Group

Joint Bookrunners and Joint Lead Managers

首盛資本集團 Alpha Financial Group
千里碩 ELSTONE
AFG Securities Limited 高鉦証券有限公司
AmCap Ample Capital Limited 豐盛融資有限公司
交銀國際 BOCOM International
順安證券|資產管理
民銀資本 CMBC Capital Holdings Limited
First Fidelity Capital 首信資本集團
結好證券有限公司 GET NICE SECURITIES LIMITED
聯合證券 Head & Shoulders Securities
Plutus Securities Limited 貝德斯證券有限公司
新城晉峰 SEAZEN RESOURCES
Sinomax Securities Ltd. 佳富達證券
禹洲金控

IMPORTANT

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

LEGION CONSORTIUM 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

Number of Offer Shares	:	**312,500,000 Shares comprising 234,375,000 New Shares and 78,125,000 Sale Shares (subject to the Over-allotment Option)**
Number of Public Offer Shares	:	**31,250,000 New Shares (subject to reallocation)**
Number of Placing Shares	:	**281,250,000 Shares comprising 203,125,000 New Shares and 78,125,000 Sale Shares (subject to reallocation and the Over-allotment Option)**
Offer Price	:	**Not more than HK$0.52 per Offer Share and expected to be not less than HK$0.40 per Offer Share, plus brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% (payable in full upon application and subject to refund)**
Nominal Value	:	**HK$0.01 per Share**
Stock Code	:	**2129**

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新城晉峰 SEAZEN RESOURCES
Sinomax Securities Ltd. 佳富達證券
禹洲金控 YUZHOU FINANCIAL HOLDINGS

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection" in Appendix VII to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). 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 of the other documents referred to above.

The Offer Price is expected to be determined by the Price Determination Agreement to be entered into between our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters) on the Price Determination Date, which is expected to be on or around Wednesday, 6 January 2021 and, in any event, no later than Monday, 11 January 2021. The Offer Price will not be more than HK$0.52 per Offer Share and is expected to be not less than HK$0.40 per Offer Share unless otherwise announced. Applicants for Public Offer Shares are required to pay, on application, the maximum Offer Price of HK$0.52 for each Share together with a brokerage fee of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005% subject to refund if the Offer Price as finally determined should be lower than HK$0.52. If, for any reason, the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) are unable to reach an agreement on the Offer Price on Monday, 11 January 2021, the Share Offer (including the Public Offer) will not become unconditional and will lapse immediately.

The Sole Global Coordinator (for itself and on behalf of the Underwriters) may, with the consent of our Company (for ourselves and on behalf of the Selling Shareholder), reduce the number of Offer Shares and/or the indicative Offer Price range below that stated in this prospectus at any time not later than the morning of the last day for lodging applications under the Public Offer. In such case, a notice of the reduction of the number of the Offer Shares and/or the indicative Offer Price range will be published on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.legionconsortium.com**. Further details are set out in the sections headed "Structure and Conditions of the Share Offer" and "How to Apply for Public Offer Shares" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including but not limited to the risk factors set out in the section headed "Risk Factors" in this prospectus and the related Application Forms.

Prospective investors of the Public Offer should note that the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters) is entitled to terminate the obligations of the Public Offer Underwriters under the Public Offer Underwriting Agreement by means of a notice in writing given to our Company by the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters) upon the occurrence of any of the events set out in the section headed "Underwriting — Underwriting arrangements and expenses — Public Offer — Grounds for termination" in this prospectus, at any time prior to 8:00 a.m. (Hong Kong time) on the Listing Date. Further details of these termination provisions are set out in the section headed "Underwriting" in this prospectus. It is important that prospective investors refer to that section for further details.

30 December 2020

If there is any change in the following expected timetable, our Company will issue a separate announcement on the website of our Company at ***www.legionconsortium.com*** *and the website of the Stock Exchange at* ***www.hkexnews.hk****.*

Public Offer commences **WHITE** and **YELLOW** Application Forms available from	9:00 a.m. on Wednesday, 30 December 2020
Latest time for completing electronic applications under **HK eIPO White Form** service through one of the below ways (Note 2): (1) the designated website at **www.hkeipo.hk** (2) 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**	11:30 a.m. on Wednesday, 6 January 2021
Application lists for Public Offer open (Note 3)	11:45 a.m. on Wednesday, 6 January 2021
Latest time for lodging **WHITE** and **YELLOW** Application Forms and giving **electronic application instructions** to HKSCC (Note 4)	12:00 noon on Wednesday, 6 January 2021
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 Wednesday, 6 January 2021
Application lists for Public Offer close (Note 3)	12:00 noon on Wednesday, 6 January 2021
Expected Price Determination Date on or around (Note 5)	Wednesday, 6 January 2021

Announcement of (i) the final Offer Price; (ii) the level of indication of interest in the Placing; (iii) the level of applications of the Public Offer; (iv) the basis of allotment of the Offer Shares under the Public Offer; and (v) the number of Offer Shares reallocated, if any, between the Public Offer and the Placing to be published on our Company's website at **www.legionconsortium.com** *(Note 6)* and the website of the Stock Exchange at **www.hkexnews.hk** on or before	Tuesday, 12 January 2021
Announcement of 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 Public Offer Shares — 11. Publication of results" in this prospectus from	Tuesday, 12 January 2021
Results of allocations in the Public Offer will be available at **www.tricor.com.hk/ipo/result** (alternatively: **www.hkeipo.hk/IPOResult**) or available at "Allotment Result" function in the **IPO App** with a "search by ID Number/Business Registration Number" function from	Tuesday, 12 January 2021
Despatch/collection of share certificates in respect of wholly or partially successful applications pursuant to the Public Offer on or before *(Note 7)*	Tuesday, 12 January 2021

Despatch/collection of **HK eIPO White Form** e-Auto Refund payment instructions/refund cheques in respect of wholly or partially successful applications if the final Offer Price is less than the initial price per Public Offer Share payable on application (if applicable) and wholly or partially unsuccessful applications pursuant to the Public Offer on or about *(Note 8)* . . . . Tuesday, 12 January 2021

Dealings in Shares on the Stock Exchange expected to commence at . . . . 9:00 a.m. on Wednesday, 13 January 2021

The application for the Public Offer will commence on Wednesday, 30 December 2020 through Wednesday, 6 January 2021. Such time period is longer than the market practice of four days. The application monies (including brokerage fee, 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 or around Tuesday, 12 January 2021. Investors should be aware that the dealings in our Shares on the Stock Exchange are expected to commence on Wednesday, 13 January 2021.

Notes:

1. All times and dates refer to Hong Kong local times and dates, except as otherwise stated. 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. If there is any change in this expected timetable, our Company will issue a separate announcement on the website of our Company at **www.legionconsortium.com** and the website of the Stock Exchange at **www.hkexnews.hk**.
2. You will not be permitted to submit your application to **HK eIPO White From** Service Provider through the designated website at **www.hkeipo.hk** or the **IPO App** 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 or the **IPO App** 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 8 or above and/or Extreme Conditions at any time between 9:00 a.m. and 12:00 noon on Wednesday, 6 January 2021, the application lists will not open or close on that day. For further details, please refer to the section headed "How to Apply for Public Offer Shares — 10. Effect of bad weather and/or Extreme Conditions on the opening of the application lists" in this prospectus. If the application lists do not open and close on Wednesday, 6 January 2021, the dates mentioned in this section may be affected. A separate announcement will be made by us in such event.
4. Applicants who apply for Public Offer Shares by giving **electronic application instructions** to HKSCC should refer to the section headed "How to Apply for Public Offer Shares — 6. Applying by giving **electronic application instructions** to HKSCC via CCASS" in this prospectus.
5. The Price Determination Date is expected to be on or about Wednesday, 6 January 2021. If, for any reason, the Offer Price is not agreed on or before Monday, 11 January 2021 between our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters), the Share Offer (including the Public Offer) will not proceed and will lapse accordingly.
6. None of the information contained on any website forms part of this prospectus.

7. Applicants for 1,000,000 Public Offer Shares or more on **WHITE** Application Forms or through the **HK eIPO White Form** service (as the case may be) who have provided all information required in their relevant Application Forms that they may collect their refund cheques (where relevant) and/or share certificates (where relevant) personally from our Hong Kong Branch Share Registrar, Tricor Investor Services Limited, from 9:00 a.m. to 1:00 p.m. on Tuesday, 12 January 2021 or any other day as announced by our Company as the date of despatch of share certificates/e-Auto Refund payment instructions/refund cheques.

   Individuals who are eligible for personal collection must not authorise any other person(s) to make collection on their behalf. Corporate applicants which are eligible for personal collection must attend by their authorised representative(s) bearing a letter of authorisation from such corporation(s) 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.

   Applicants for 1,000,000 Public Offer Shares or more on **YELLOW** Application Forms may collect their refund cheques, if any, in person but may not collect their share certificates personally, which will be deposited into CCASS for the credit of their designated CCASS Participants' stock accounts or CCASS Investor Participants' stock accounts, as appropriate. The procedures for collection of refund cheques for **YELLOW** Application Form applicants are the same as those for **WHITE** Application Form applicants.

   Uncollected share certificates and refund cheques, if any, will be despatched by ordinary post to the addresses specified in the relevant Application Form at the applicants' own risk. Further information is set out in the section headed "How to Apply for Public Offer Shares — 14. Despatch/collection of share certificates and refund monies" in this prospectus.

   Share certificates are expected to be issued on Tuesday, 12 January 2021 but will only become valid certificates of title 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.

8. e-Auto Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications and also in respect of successful applications in the event that the Offer Price as finally determined is less than the price payable on application. Further information is set out in the section headed "How to Apply for Public Offer Shares — 14. Despatch/collection of share certificates and refund monies" in this prospectus.

   Applicants who apply through the **HK eIPO White Form** service and paid their application monies through single bank account may have refund monies (if any) despatched to their application payment bank account, in the form of e-Auto Refund payment instructions. Applicants who apply through the **HK eIPO White Form** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions to the **HK eIPO White Form** Service Provider, in the form of refund cheques, by ordinary post at their own risk.

Particulars of the structure of the Share Offer, including the conditions thereto, are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus. Details relating to how to apply for the Public Offer Shares are set out in the section headed "How to Apply for Public Offer Shares" in this prospectus.

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by our Company solely in connection with the Share Offer and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Offer Shares offered by this prospectus pursuant to the Share Offer. This prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong.

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. Our Company, the Selling Shareholder, the Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Underwriters have not authorised anyone to provide you with information that is different from what is contained in this prospectus and the Application Forms. Any information or representation not contained nor made in this prospectus or the Application Forms must not be relied on by you as having been authorised by our Company, the Selling Shareholder, the Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, and any of their respective directors, officers, employees, agents, representatives or advisers or any other person involved in the Share Offer.

The contents on our Company's website at www.legionconsortium.com do not form part of this prospectus.

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CONTENTS

This summary aims to give you an overview of the information contained in this prospectus. As the following is only a summary, it does not contain all the information that may be important to you. You should read the whole prospectus in its entirety before you decide to invest in the Offer Shares.

There are risks associated with any investment. Some of the particular risks in investing in the Offer 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 the Offer Shares. Various expressions used in this summary are defined in the section headed "Definitions" in this prospectus.

OVERVIEW

Founded in 1995, we are a well-established logistics service provider in Singapore offering trucking, freight forwarding and value added transport services to our customers. According to the Converging Knowledge Report, our market share of the entire trucking, freight forwarding and general warehousing segments of the logistics sector of Singapore is approximately 0.49% to 0.50% in terms of revenue in 2019.

We have developed reputation as an integrated logistics solution provider equipped with a vehicle fleet, three logistics yards, and experienced management team. As at the Latest Practicable Date, we have a total of 144 employees of which 52 are transportation (drivers) that support our vehicle fleet comprising 56 prime movers, 500 trailers and three flat vans, and machineries comprising two reach stackers and two forklifts, which are either self-owned or financed through hire-purchase. Depending on our capacity and in order to enhance the flexibility and cost effectiveness of our services, we engage subcontractors to carry out certain trucking services.

As at the Latest Practicable Date, we are operating three logistics yards of approximately 38,240 sq. m. for the provision of our open-yard storage services as part of our value added transport services.

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, our revenue was approximately S$36.7 million, S$40.7 million, S$43.7 million and S$26.6 million, respectively. The following table sets forth the breakdown of our revenue by business operation during the Track Record Period.

	Year ended 31 December						Eight months ended 31 August			
	2017		2018		2019		2019		2020	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$* *(unaudited)*	*%*	*S$*	*%*
Trucking services	19,017,742	51.8	19,923,874	49.0	21,845,794	50.0	14,541,204	50.6	14,239,061	53.5
Freight forwarding services	13,312,750	36.2	16,550,548	40.7	17,399,097	39.8	11,115,041	38.7	9,934,940	37.3
Value added transport services	4,417,991	12.0	4,193,852	10.3	4,431,405	10.2	3,083,771	10.7	2,447,673	9.2
Total	36,748,483	100.0	40,668,274	100.0	43,676,296	100.0	28,740,016	100.0	26,621,674	100.0

COMPETITIVE ADVANTAGES

Our Directors believe that the following competitive advantages are the key factors to our success and will enable us to further develop our business in the future:

- We have a broad spectrum of involvement in the logistics business and an integrated services model creating synergy
- We have a fleet of vehicles to carry out our trucking services
- We have built up a reputation in the industry due to our emphasis on providing quality services
- Our services have a wide geographical coverage in Singapore serving a diverse customer base
- Our experienced and dedicated management team

- We have close and stable working relationships with our broad range of suppliers
- We utilise our in-house technology

BUSINESS STRATEGIES

We aim to strengthen our position as the provider of trucking, freight forwarding and value added transport services in Singapore. To achieve this, we intend to focus on the following strategies:

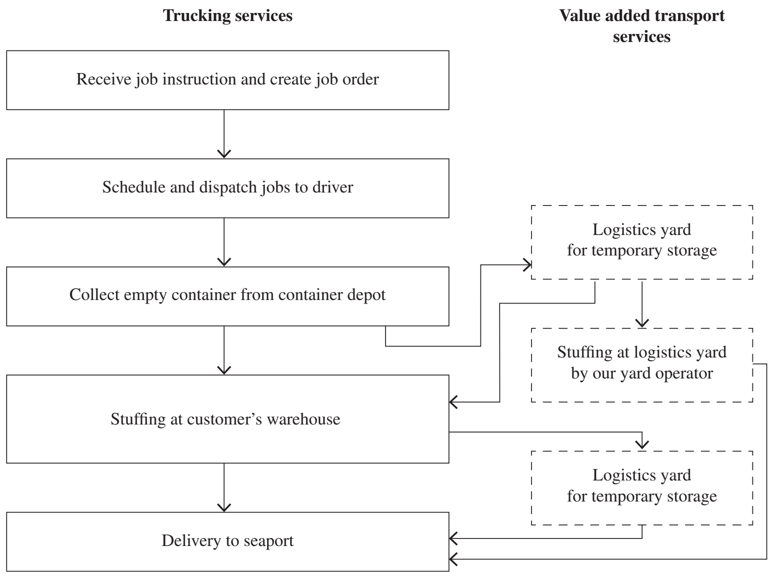
- Expand and upgrade our fleet size and machinery
- Expand and enhance our value added transport services and operational scale through the strategic acquisition of a logistics company which provides warehousing services and the expansion of our open-yard storage services
- Continue to develop our leading market position in Singapore by maintaining long-term relationships with our five largest customers and suppliers and expand our customer base
- Further strengthening our labour resources and continue to attract, train and retain skilled employees to support future growth and expansion

OUR SERVICES AND OPERATIONS

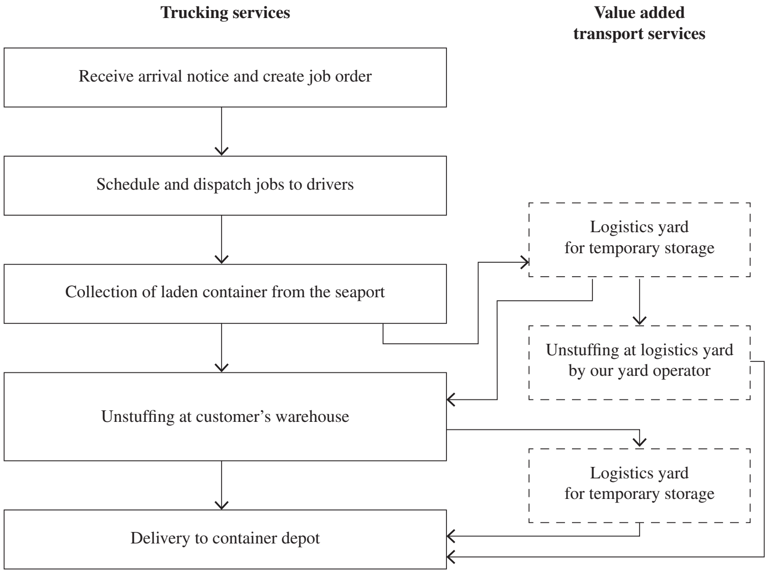
We offer trucking services, freight forwarding services and value added transport services to our customers in Singapore.

Our trucking services refer to the haulage, primarily containers, between seaports and our customers' designated pick up and/or delivery points within Singapore. The seaports are located within the designated free trade zone where the cargo are exempt from the Goods and Services Tax. We also provide non-containerised trucking services for the transportation of cargo which do not fit in containers. Our responsibilities include ensuring that the cargo is delivered punctually and in good condition.

The diagram below shows the export work flow for our trucking services from the customers' designated pick up points to the seaport. The diagram also shows how our value added transport services are integrated with our trucking services.

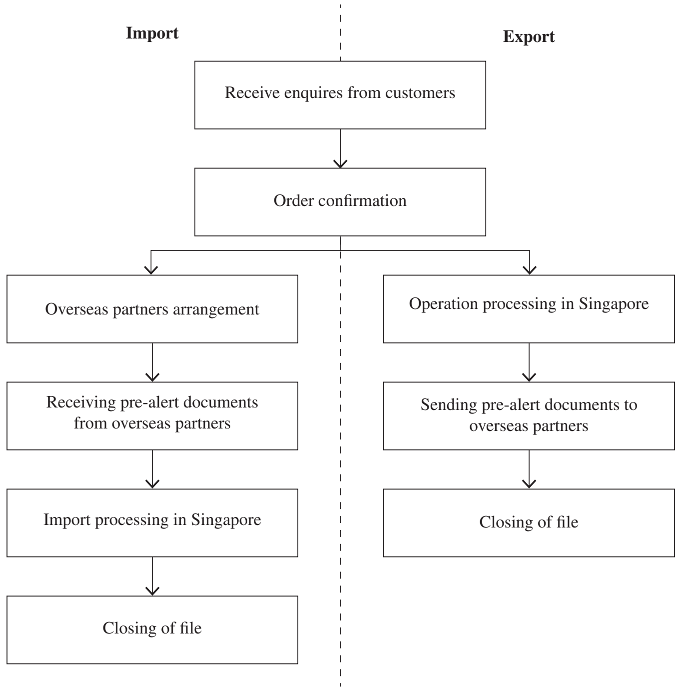


The diagram below shows the import work flow for our trucking services from the seaport to the customers' designated delivery points. The diagram also shows how our value added transport services are integrated with our trucking services.



Our freight forwarding services refer to the one-stop solution whereby we act as an agent to organise and coordinate the shipment for customers to get their goods from the origin to the final point of distribution. The end-customers are usually in industries like retail and manufacturing who have limited knowledge in supply chain and logistics. The point of origin or destination of the customers' shipments are usually in a foreign country and we are responsible for coordinating the entire shipment process from Singapore to the foreign country or vice versa, which may include transportation by air, sea and/or land.

The diagram below shows the import and export work flow for our freight forwarding services.



Value added transport services refer to our open-yard storage services, stuffing and unstuffing services and trucking services between our logistics yards and our customers' designated pick up and/or delivery points. Open-yard storage services refer to the handling and storage of laden and empty containers and general cargo, either temporary or long-term at our logistics yards or any other locations designated by our customer(s). In relation to our stuffing and unstuffing services, while customers may instruct its own staff to conduct the stuffing and unstuffing of cargo to and from containers, if requested by our customers, we may also deploy our yard operators to perform the stuffing and unstuffing services. Container haulage between our logistics yards and customers' designated pick up or delivery points refer to the transportation of cargo from our customers' designated pick up points to our logistics yards for long-term storage or delivery of cargo from our logistics yards to our customers' designated delivery points. Our Group entered into logistics services agreements to provide open-yard storage services with seven customers for an aggregate contract value of approximately S$4.8 million and approximately S$0.4 million to be recognised for the two months ending 31 December 2020 and approximately S$2.4 million, S$1.6 million and S$0.4 million to be recognised for the three years ending 31 December 2023 respectively.

OUR CUSTOMERS

Our customers range from logistics service providers along the supply chain and end-customers from different industries in Singapore. The cargo that we transport for our customers may include, amongst others, industrial materials, chemicals, and a wide range of consumer goods. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, total revenue attributable to our five largest customers amounted to approximately S$6.9 million, S$7.1 million, S$6.2 million and S$5.2 million, respectively, representing approximately 18.9%, 17.5%, 14.3% and 19.6% of our total revenue respectively. For the same periods, total revenue attributable to our largest customer amounted to approximately S$2.0 million, S$1.7 million, S$1.3 million and S$1.6 million, respectively, representing approximately 5.5%, 4.1%, 3.1% and 6.0% of our total revenue, respectively.

OUR PRICING POLICY

In determining our pricing policy, we consider a variety of factors. For our trucking services, we consider factors like container size, distance required for delivery, duration of waiting time; for our freight forwarding services, we consider factors like the prevailing market rates offered by other freight forwarding service providers, costs of engaging agents and subcontractors, urgency and transit time; and for our value added transport services, we consider factors like the container size, duration of container storage and prevailing market rates.

OUR SUPPLIERS

Our suppliers mainly include providers of port operation services, logistics yards, office premises, repair and maintenance, tyres and diesel for our fleet and logistics services in Singapore. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, the cost of services from our five largest suppliers amounted to approximately S$6.9 million, S$6.9 million, S$6.8 million and S$4.6 million, respectively, representing approximately 29.6%, 26.2%, 25.5% and 26.6% of our total cost of services respectively. For the same periods, the cost of services from our largest supplier amounted to approximately S$2.8 million, S$2.8 million, S$2.7 million and S$2.4 million, respectively, representing approximately 11.9%, 10.6%, 10.3% and 13.7% of our total cost of services, respectively.

Overlapping of our customers and suppliers

During the Track Record Period, to the best knowledge and belief of our Directors, six of our largest customers were also our suppliers and two of our largest suppliers were also our customers.

To the best knowledge and belief of our Directors, save for R&S Engineering Works Pte. Ltd., the rest of the entities and their ultimate beneficial owners are Independent Third Parties. Please refer to the section headed "Business — Overlapping of our customers and suppliers" in this prospectus for more information.

KEY FINANCIAL INFORMATION

The following table sets forth our key operational and financial data during the Track Record Period.

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

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$* (unaudited)	*S$*
Revenue	36,748,483	40,668,274	43,676,296	28,740,016	26,621,674
Gross profit	13,478,636	14,411,376	17,042,926	11,361,264	9,283,803
Profit before taxation	6,941,142	4,679,627	7,561,035	5,484,612	4,201,706
Profit and other comprehensive income for the year/period	5,961,263	3,615,762	6,066,133	4,528,636	3,440,286

Revenue

Our Group's overall revenue decreased by approximately S$2.1 million, or 7.3%, from approximately S$28.7 million for the eight months ended 31 August 2019 to approximately S$26.6 million for the eight months ended 31 August 2020. Such decrease was mainly attributable to the decrease in trucking services, freight forwarding services and value added transport services of approximately S$0.3 million, S$1.2 million and S$0.6 million respectively which was contributed by (i) decrease in trucking revenue from some of our largest customers such as Customer J, Customer H and Customer I but partially offset by the increase in trucking revenue from other largest customers such as Customer G and Customer AY during the same period; (ii) decrease in freight forwarding shipment volume and decrease in sea freight rates; and (iii) decrease in value added transport services due to a decrease in ad-hoc storage service provided to customers such as refrigerated container plugin services.

Our Group's overall revenue increased by approximately S$3.0 million, or 7.4%, from approximately S$40.7 million for the year ended 31 December 2018 to approximately S$43.7 million for the year ended 31 December 2019. Such increase was mainly attributable to the increase in trucking services of approximately S$1.9 million arising from the increase in our average trucking rate per trip mainly due to increase in depot handling charges charged to customers and increase in revenue from Customer I which included more warehouse to warehouse trucking services. Freight forwarding services increased by approximately S$0.8 million mainly due to the increase in freight forwarding shipment volume.

Our Group's overall revenue increased by approximately S$4.0 million, or 10.9%, from approximately S$36.7 million for the year ended 31 December 2017 to approximately S$40.7 million for the year ended 31 December 2018. Such increase was mainly attributable to the increase in trucking services of approximately S$0.9 million arising from the increase in our average trucking rate per trip mainly due to trucking trips which involved trucking of overweight cargoes that led to a higher average trucking rate per trip and increase in revenue from customer I which included more warehouse to warehouse trucking services. Freight forwarding services increased by approximately S$3.3 million mainly due to the increase in freight forwarding shipment volume and increase in air and sea freight rates. For more details, please refer to the section headed "Financial Information — Period to period comparison of results of operations" in this prospectus.

Gross profit and gross profit margin

Our Group's overall gross profit decreased by approximately S$2.1 million, or 18.4%, from approximately S$11.4 million for the eight months ended 31 August 2019 to approximately S$9.3 million for the eight months ended 31 August 2020 mainly attributable to the decrease in revenue as described above, whilst our overall gross profit margin decreased slightly from approximately 39.5% to 34.9%.

Our Group's overall gross profit increased by approximately S$2.6 million, or 18.1%, from approximately S$14.4 million for the year ended 31 December 2018 to approximately S$17.0 million for the year ended 31 December 2019 mainly attributable to the increase in revenue as described above, whilst our overall gross profit margin remained relatively stable at approximately 35.4% and 39.0% for the years ended 31 December 2018 and 2019 respectively.

Our Group's overall gross profit increased by approximately S$0.9 million, or 6.7%, from approximately S$13.5 million for the year ended 31 December 2017 to approximately S$14.4 million for the year ended 31 December 2018, whilst gross profit margin decreased slightly from approximately 36.7% to 35.4%.

Profit for the year/period

Our Group's profit for the period decreased by approximately S$1.1 million, or 24.4%, from approximately S$4.5 million for the eight months ended 31 August 2019 to approximately S$3.4 million for the eight months ended 31 August 2020. Such decrease was mainly attributable to the decrease in gross profit as described above which was partially offset by the increase in other income mainly due to Jobs Support Scheme (JSS) subsidy, which amounted to approximately S$0.6 million for the eight months ended 31 August 2020, received from the Singapore government in response to the outbreak of COVID-19.

Our Group's profit for the year increased by approximately S$2.5 million, or 69.4%, from approximately S$3.6 million for the year ended 31 December 2018 to approximately S$6.1 million for the year ended 31 December 2019. Such increase was mainly attributable to the increase in gross profit as described above.

Our Group's profit for the year decreased by approximately S$2.4 million, or 40.0%, from approximately S$6.0 million for the year ended 31 December 2017 to approximately S$3.6 million for the year ended 31 December 2018. Such decrease was mainly attributable to the increase in gross profit as describe above but offset with listing expenses incurred for the year ended 31 December 2018. For more details, please refer to the section headed "Financial Information — Period to period comparison of results of operations" in this prospectus.

The following table sets out the breakdown of our gross profit and gross profit margin segment for the Track Record Period:

	Year ended 31 December						Eight months ended 31 August			
	2017		2018		2019		2019		2020	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$* *(unaudited)*	*%*	*S$*	*%*
Gross Profit										
Trucking services	8,127,955	60.3	7,903,595	54.8	9,117,494	53.5	6,046,100	53.2	4,927,821	53.1
Freight forwarding services	4,020,830	29.8	4,791,543	33.2	5,313,438	31.2	3,416,526	30.1	3,077,002	33.1
Value added transport services	1,329,851	9.9	1,716,238	12.0	2,611,994	15.3	1,898,638	16.7	1,278,980	13.8
Total	13,478,636	100.0	14,411,376	100.0	17,042,926	100.0	11,361,264	100.0	9,283,803	100.0
Gross Profit Margin										
Trucking services		42.7		39.7		41.7		41.6		34.6
Freight forwarding services		30.2		29.0		30.5		30.7		31.0
Value added transport services		30.1		40.9		58.9		61.6		52.3
Total		36.7		35.4		39.0		39.5		34.9

For more details, please refer to the section headed "Financial Information — Period to period comparison of results of operations" in this prospectus.

Gross profit margin for trucking services and freight forwarding services remained relatively stable throughout the Track Record Period. Gross profit margin for trucking services decreased from approximately 41.6% for the eight months ended 31 August 2019 to approximately 34.6% for the eight months ended 31 August 2020 mainly due to the decrease in revenue from trucking services as described above along with the increase in cost of services for trucking services by approximately 9.4% mainly due to the increase in port and depot charges. According to our Directors, some of our customers were not operating at full capacity during the circuit breaker period thus causing the delay in retrieving the containers from the port which incurred detention charges.

Gross profit margin for value added transport services increased from approximately 30.1% for the year ended 31 December 2017 to approximately 40.9% for the year ended 31 December 2018. This was mainly due to the expiry of leasing the Kian Teck Lane yard on 26 July 2017, 39 Tuas View Crescent yard on 16 August 2018 and the decrease in logistic yard cost for 15A Pioneer Crescent yard due to renewal of leasing of agreement on 1 March 2018, all of which lowered our logistics yard cost by approximately 23.1%. Furthermore, the average utilisation rate of our yards increased, which is in line with the increase in revenue.

Gross profit margin for value added transport services increased from approximately 40.9% for the year ended 31 December 2018 to approximately 58.9% for the year ended 31 December 2019. This was mainly due to expiry of leasing the 39 Tuas View Crescent yard on 16 August 2018 and the decrease in logistics yard cost for 15B Pioneer Crescent yard due to renewal of leasing of agreement on 28 March 2019, all of which lowered our logistics yard cost by approximately 30.0%.

Gross profit margin for value added transport services decreased from approximately 61.6% for the eight months ended 31 August 2019 to approximately 52.3% for the eight months ended 31 August 2020. This was mainly due to the decrease in ad-hoc storage services provided to customers such as refrigerated container plug in services for the eight months ended 31 August 2020 in comparison to the eight months 31 August 2019.

Summary of the combined statements of financial position

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Non-current assets	9,326,297	10,252,893	13,358,023	13,891,437
Current assets	17,615,884	15,447,583	23,136,705	23,537,872
Current liabilities	6,517,643	5,341,555	6,742,110	7,962,322
Non-current liabilities	2,189,907	1,591,894	4,929,764	5,203,847
Net current assets	11,098,241	10,106,028	16,394,595	15,575,550
Net assets	18,234,631	18,767,027	24,822,854	24,263,140

Our net current assets and net assets remained relatively stable at approximately S$11.1 million and S$18.2 million respectively as at 31 December 2017 and approximately S$10.1 million and S$18.8 million respectively as at 31 December 2018.

Our net current assets and net assets increased from approximately S$10.1 million and S$18.8 million respectively as at 31 December 2018 to approximately S$16.4 million and S$24.8 million respectively as at 31 December 2019, primarily due to the increase in bank balances and cash from approximately S$4.4 million as at 31 December 2018 to approximately S$11.2 million as at 31 December 2019 which was primarily driven by the overall growth of our business and deposit of approximately S$1.5 million refunded for terminating an acquisition of a property but partially offset by increase in lease liabilities pursuant to the adoption of IFRS 16 on 1 January 2019.

Our net current assets and net assets remained relatively stable at approximately S$16.4 million and S$24.8 million respectively as at 31 August 2019 and approximately S$15.6 million and S$24.3 million respectively as at 31 August 2020, primarily due to (i) the increase in bank balances and cash from approximately S$11.2 million as at 31 December 2019 to approximately S$11.7 million as at 31 August 2020 which was primarily driven by cash generated from our operations; but partially offset by (ii) increase in deferred income from nil as at 31 December 2019 to approximately S$0.3 million as at 31 August 2020 mainly related to Jobs Support Scheme (JSS) subsidy from the Singapore government in response to the outbreak of COVID-19; and (iii) increase in income tax payable from approximately S$1.4 million as at 31 December 2019 to approximately S$1.9 million as at 31 August 2020. Net assets decreased slightly from approximately S$24.8 million as at 31 December 2019 to approximately S$24.3 million as at 31 August 2020 mainly due to dividend paid of approximately S$4.0 million but partially offset by net profit for the period of approximately S$3.4 million.

Summary of the combined statements of cash flows

	Year ended 31 December			Eight months ended 31 August
	2017	**2018**	**2019**	**2020**
	S$	*S$*	*S$*	*S$*
Operating cash flow before movement in working capital	8,178,495	6,312,777	10,056,325	5,968,258
Movements in working capital	(1,953,741)	1,835,002	(1,121,175)	684,229
Net interest and taxes paid	(688,636)	(988,484)	(1,371,308)	(508,154)
Net cash from operating activities	5,536,118	7,159,295	7,563,842	6,144,333
Net cash (used in) from investing activities	(2,171,798)	(1,915,524)	764,293	(89,682)
Net cash used in financing activities	(1,837,814)	(5,879,188)	(1,581,730)	(5,467,320)
Net increase (decrease) in cash and cash equivalents	1,526,506	(635,417)	6,746,405	587,331
Cash and cash equivalents at beginning of the year/period	3,515,119	5,041,625	4,406,208	11,152,613
Cash and cash equivalents at end of the year/period	5,041,625	4,406,208	11,152,613	11,739,944

Net cash from operating activities amounted to approximately S$5.5 million for the year ended 31 December 2017 primarily as a result of the combined effects of (i) approximately S$8.2 million of operating cash flow before movement in working capital after adjusting for non-cash items which mainly include depreciation and amortisation; (ii) increase in trade receivables of approximately S$1.8 million in line with the increase in revenue amounting to approximately S$1.6 million from our freight forwarding services; and (iii) income taxes paid of approximately S$0.6 million.

Net cash from operating activities remained relatively stable at approximately S$7.2 million and S$7.6 million for the years ended 31 December 2018 and 2019 respectively.

Net cash from operating activities amounted to approximately S$6.1 million for the eight months ended 31 August 2020 primarily as a result of the combined effect of (i) approximately S$6.0 million of operating cash flow before movement in working capital after adjusting for non-cash items which mainly include depreciation and amortisation; (ii) decrease in trade receivables of approximately S$0.7 million which was in line with the overall decrease in revenue; (iii) increase in other receivables, deposits and prepayments of approximately S$0.6 million; (iv) increase in deferred income of approximately S$0.3 million; and (v) income taxes paid of approximately S$0.4 million. The increase in other receivables, deposits and prepayments and deferred income was mainly due to the Jobs Support Scheme (JSS) subsidy received from the Singapore government in response to the outbreak of COVID-19.

For more details, please refer to the section headed "Financial Information — Liquidity and capital resources" in this prospectus.

Key financial ratios

	Year ended 31 December or as at 31 December			Eight months ended 31 August or as at 31 August
	2017	2018	2019	2020
Gross profit margin[(1)]	36.7%	35.4%	39.0%	34.9%
Net profit margin[(2)]	16.2%	8.9%	13.9%	12.9%
Return on assets[(3)]	22.1%	14.1%	16.6%	9.2%
Return on equity[(4)]	32.7%	19.3%	24.4%	14.2%
Interest coverage ratio[(5)]	116.2	112.3	54.8	27.7
Current ratio[(6)]	2.7	2.9	3.4	3.0
Gearing ratio[(7)]	10.5%	8.7%	24.3%	27.3%
Debt to equity ratio[(8)]	N/A	N/A	N/A	N/A

Notes:

1. Gross profit margin is calculated by dividing the gross profit for the year/period by total revenue for the year/period and multiplied by 100%. See "Period to Period Comparison of Results of Operations" in the section headed "Financial Information" in this prospectus for more details on our gross profit margin.
2. Net profit margin is calculated by dividing the net profit for the year/period by total revenue for the year/period and multiplied by 100%. See "Period to Period Comparison of Results of Operations" in the section headed "Financial Information" in this prospectus for more details on our net profit margin.
3. Return on assets equals to net profit for the year/period divided by total assets at the end of the year/period and multiplied by 100%.
4. Return on equity equals to net profit for the year/period divided by total equity at the end of the year/period and multiplied by 100%.
5. Interest coverage ratio equals to the net profit before interest and tax for the year/period divided by the net interest expenses for the year/period.
6. Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year/period.
7. Gearing ratio is calculated by dividing the sum of bank borrowings, obligations under finance lease and lease liabilities by the total equity at the end of each year/period and multiplied by 100%.
8. Debt to equity ratio is calculated by dividing net debt (the sum of bank borrowings, obligations under finance lease and lease liabilities less cash and cash equivalents) by the total equity at the end of each year/period and multiplied by 100%.

Our net profit margin decreased from approximately 16.2% for the year ended 31 December 2017 to approximately 8.9% for the year ended 31 December 2018, which was primarily attributable to (i) the decrease in our gross profit margin from approximately 36.7% for the year ended 31 December 2017 to approximately 35.4% for the year ended 31 December 2018 as discussed in "Key financial information — Gross profit and gross profit margin" in this section; and (ii) the increase in our listing expenses from nil to approximately S$2.5 million for the year ended 31 December 2018. Our net profit margin increased to approximately 13.9% for the year ended 31 December 2019 mainly due to the increase in gross profit margin from value added transport services as discussed in "Key financial information — Gross profit and gross profit margin" in this section. Net profit margin remained relatively stable at approximately 12.9% for the eight months ended 31 August 2020.

Our return on assets decreased from approximately 22.1 % for the year ended 31 December 2017 to approximately 14.1 % for the year ended 31 December 2018 which was primarily attributable to the decrease in net profit mainly due to listing expenses incurred during the year ended 31 December 2018. Our return on assets increased to approximately 16.6% for the year ended 31 December 2019 which was primarily attributable to the increase in net profit in line with our business growth.

Our return on equity decreased from approximately 32.7% for the year ended 31 December 2017 to approximately 19.3% for the year ended 31 December 2018 mainly due to the decrease in net profit as described above. Our return on equity increased to approximately 24.4% for the year ended 31 December 2019 mainly due to the increase in net profit as described above.

Our interest coverage ratio remained relatively stable at approximately 116.2 times and 112.3 times for the years ended 31 December 2017 and 2018 respectively. Our interest coverage ratio decreased to approximately 54.8 times for the year ended 31 December 2019 which was primarily attributable to the increase in finance costs due to the recognition of lease liabilities from the application of IFRS 16 from 1 January 2019. Our interest coverage ratio decreased from approximately 84.7 times for the eight months ended 31 August 2019 to approximately 27.7 times for the eight months ended 31 August 2020 mainly due to the decrease in profit before interest and tax in line with the decrease in revenue and gross profit as described above.

Our gearing ratio increased from approximately 8.7% as at 31 December 2018 to approximately 24.3% as at 31 December 2019, which was primarily attributable to recognition of lease liabilities from the application of IFRS 16 from 1 January 2019.

For more details, please refer to the section headed "Financial Information" in this prospectus.

IMPACT OF LISTING EXPENSES

Assuming an Offer Price of HK$0.46 per Share, being the mid-point of the indicative Offer Price range of HK$0.40 to HK$0.52 per Share, the total estimated listing expenses in connection with the Share Offer is approximately HK$54.9 million, of which approximately HK$48.7 million is expected to be borne by our Group and approximately HK$6.2 million is expected to be borne by the Selling Shareholder. The aforesaid HK$48.7 million is approximately 45.1% of our Group's gross proceeds from the Share Offer, calculated based on the mid-point of the Offer Price range and assuming the Over-allotment Option is not exercised.

Of the listing expenses of approximately HK$48.7 million expected to be borne by our Group, approximately HK$18.4 million will be capitalised upon the Listing under the relevant accounting standards. The remaining amount of approximately HK$30.3 million is expected to be charged to our profit and loss accounts, of which approximately HK$14.4 million was charged for the year ended 31 December 2018, approximately HK$6.0 million was charged for the year ended 31 December 2019 and approximately HK$4.0 million was charged for the eight months ended 31 August 2020, respectively, the remaining approximately HK$5.9 million is expected to be charged during the year ending 31 December 2020.

FUTURE PLANS AND USE OF PROCEEDS

Based on an Offer Price of HK$0.46 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), the net proceeds from the issue of New Shares under the Share Offer are expected to be approximately HK$59.2 million after deducting the underwriting fees and commissions and estimated total listing expenses and assuming that the Over-allotment Option is not exercised. Our Directors currently intend to apply such net proceeds in the following manner:

- approximately HK$25.2 million or 42.6% of the total net proceeds from the issue of New Shares under the Share Offer will be used for the Strategic Acquisition;
- approximately HK$23.5 million or 39.7% of the total net proceeds from the issue of New Shares under the Share Offer, will be used for the expansion of our fleet in relation to our trucking services segment and the related labour resources;
- approximately HK$3.6 million or 6.1% of the total net proceeds from the issue of New Shares under the Share Offer will be used to increase and strengthen our freight forwarding services segment which includes the rental of additional office space and the related increase in labour resources;
- approximately HK$6.6 million or 11.1% of the total net proceeds from the issue of New Shares under the Share Offer, will be used for the purchase of an accounting and operations system and the related increase in labour resources; and
- the remaining amount of approximately HK$0.3 million or 0.5% of the total net proceeds from the issue of New Shares under the Share Offer, will be used for our working capital and other general corporate purposes.

For details, please refer to the section headed "Future Plans and Use of Proceeds" in this prospectus.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2020

Forecast combined profit attributable to owners of our Company for the year ending 31 December 2020(1)	not less than S$3.8 million (approximately HK$22.0 million) (3)
Unaudited pro forma forecast earnings per Share(2)	not less than S$0.3 cents (approximately HK$1.7 cents) (3)

Notes:

1. The forecast combined profit attributable to owners of our Company for the year ending 31 December 2020 is extracted from "Financial Information — Profit forecast for the year ending 31 December 2020" in this prospectus. The bases and assumptions on which the above profit forecast for the year ending 31 December 2020 has been prepared are summarised in part A of Appendix III to this prospectus. Our Directors have prepared the forecast combined profit attributable to owners of our Company for the year ending 31 December 2020 based on the audited combined results of our Group for the eight months ended 31 August 2020, the unaudited combined results of our Group for the two months ended 31 October 2020 and a forecast of the combined results of our Group for the remaining two months ending 31 December 2020. The forecast has been prepared on a basis consistent in all material respects with the accounting policies presently adopted by our Group as set out in Note 4 of the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

2. The calculation of the unaudited pro forma forecast earnings per Share for the year ending 31 December 2020 is based on the forecast combined profit attributable to owners of our Company for the year ending 31 December 2020, assuming 1,250,000,000 shares are in issue throughout the year ending 31 December 2020 (including shares in issue as at the date of this prospectus and those shares expected to be issued pursuant to the Share Offer and the Capitalisation Issue but not taking into account of any shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Over-allotment Option or the grant of Shares under the Share Award Scheme).

3. The forecast combined profit attributable to owners of our Company for the year ending 31 December 2020 and unaudited pro forma forecast earnings per Share is converted from Singapore dollars into Hong Kong dollars at the rate of S$1.00 to HK$5.80. No representation is made that the Singapore dollars amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

DIVIDENDS

For the year ended 31 December 2017 and year ended 31 December 2018, dividends of approximately S$4.8 million and S$3.1 million were declared respectively. Such dividends declared had been fully settled as at the Latest Practicable Date via (i) offset of amounts owing from certain shareholders; and (ii) remaining amounts paid out during the respective years. For further details, please refer to Note 13 in the Accountants' Report in Appendix I to this prospectus. Dividends declared and paid in the past should not be regarded as an indication of the dividend policy to be adopted by our Company following the Listing. The payment and the amount of any dividends will be at the discretion of our Directors and will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions (if any) and other factors which our Directors deem relevant. We do not have any dividend policy nor a pre-determined dividend payout ratio.

During the eight months ended 31 August 2020, Clear Bliss declared a dividend of S$4,000,000 in respect of the financial year ended 31 December 2019. Such dividend declared had been fully settled as at the Latest Practicable Date.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the grant of Shares under the Share Award Scheme), Mirana Holdings will be beneficially interested in approximately 75% of the issued Shares. Mirana Holdings is wholly-owned by Mr. Ng. As (i) Mirana Holdings is entitled to exercise 30% or more of the voting power at general meetings of our Company; and (ii) Mr. Ng is entitled to, through Mirana Holdings, control the exercise of 30% or more of the voting power at general meeting of our Company; each of Mirana Holdings and Mr. Ng is regarded as our Controlling Shareholders for the purpose of the Listing Rules. For the background of Mirana Holdings and Mr. Ng, please refer to the sections headed "History, Corporate Development and Reorganisation", "Directors and Senior Management" and "Relationship with Controlling Shareholders" in this prospectus.

JH Tyres & Batteries Pte. Ltd. and R&S Engineering Works Pte. Ltd. are two of our five largest suppliers during the Track Record Period and are respectively owned as to 70% and 60% by Mr. Ng. We expect to have further transactions with both JH Tyres & Batteries Pte. Ltd. and R&S Engineering Works Pte. Ltd. after the Listing. For details of the relevant connected transactions, please refer to the section headed "Connected Transactions — Non-exempt continuing connected transactions" in this prospectus.

SHARE OFFER STATISTICS

	Based on the minimum Offer Price of HK$0.40 per Offer Share	Based on the maximum Offer Price of HK$0.52 per Offer Share
Market capitalisation at the Listing *(Note 1)*	HK$500.0 million	HK$650 million
Number of Shares in issue after completion of the Share Offer and the Capitalisation Issue	1,250,000,000	1,250,000,000
Unaudited pro forma adjusted combined net tangible assets *(Note 2)*	HK$0.17 per Offer Share	HK$0.19 per Offer Share
Board lot	5,000	5,000

Notes:

(1) The calculation of the market capitalisation of our Shares is based on 1,250,000,000 Shares in issue immediately after completion of the Share Offer but does not take into account any Shares which may be allotted and issued upon the exercise of the Over-allotment Option, any Shares which may be issued pursuant to the grant of Shares under the Share Award Scheme or any Shares which may be allotted or repurchased by our Company pursuant to the issue mandate and the repurchase mandate.

(2) The unaudited pro forma adjusted combined net tangible assets of our Group per share has been prepared with reference to certain estimation and adjustment. Please see the section headed "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus for further details.

LITIGATION AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, there are four (4) outstanding cases filed on 23 August 2019, 20 February 2020, 12 August 2020 and 27 November 2020 against the Group and employees of the Group for motor accident negligence of the motorist as liquidated claims for a sum of S$69,276.79 and unliquidated claims for a sum of S$4,430.91 with cost and damages to be assessed (the "**Claim**"). As advised and confirmed by our Singapore Legal Advisers, the Claim falls within the coverage of insurance policies maintained by Rejoice at the time of the incident and barring any unforeseen circumstances, Rejoice will not be liable in respect of the Claim.

Save as above, during the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation, claim, administrative action or arbitration or pending or threatened litigation, claim, administrative action or arbitration which had or would have a material adverse effect on our operations or financial condition.

As advised by the Singapore Legal Advisers, our Directors confirm that we were in compliance with all material applicable laws and regulations which are relevant to our business during the Track Record Period and up to the Latest Practicable Date.

Please refer to the section headed "Business — Litigation and compliance" in this prospectus for further details.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGE

Outbreak of COVID-19

According to the Converging Knowledge Report, the COVID-19 outbreak has brought forth disruptions in the daily lives of individuals, the normal course of certain businesses and supply chains in Singapore. The added pressure from the virus presents challenges in 2020 for the country, following an earlier confrontation with the US-China trade war in 2019. In addition, Singapore's close economic ties with the PRC have further increased the former's economic vulnerability. Anti-virus controls enforced by the PRC have disrupted industrial production and logistic networks, threatening supply chains and revenue streams in Singapore. In view of these uncertainties, the Singapore Ministry of Trade and Industry has downgraded its GDP growth forecast to -7.0% to -4.0% for 2020, which was subsequently narrowed to -6.5% to -6.0% on 23 November 2020. Despite that, Singapore has been lauded for its efforts and forceful posture in containing the virus spread. To date, a sum of close to S$100 billion has been allocated by the Singapore government to contain the disruptions. These have helped to cushion some of the negative impacts of the viral threat. A sum of S$800 million, announced in budget 2020 in February 2020, is set to mitigate the viral ramifications. The Singapore government has further unveiled a S$5.6 billion package as part of its comprehensive budget to help companies, people and hardest-hit sectors to tide over this challenging period. Of this, the S$4 billion Stabilisation and Support Package is targeted at helping companies retain workers, defray wage costs and access funds, through measures such as providing job support, higher working capital loans and a corporate income tax rebate of 25%. On 26 February 2020, a supplementary budget (Resilience Budget) with measures worth S$48.0 billion was introduced to support Singaporeans and businesses. A third stimulus package — the Solidarity Budget — of S$5.1 billion was announced in April 2020, targeted at cushioning the impact of the circuit breaker on the local workforce and their livelihoods. In May 2020, a fourth stimulus package (the Fortitude Budget) worth S$33.0 billion was announced. This package was introduced alongside the progressive lifting of the circuit breaker in the country, and is aimed at (i) creating jobs and building skills for workers; (ii) boosting enterprise transformation; and (iii) strengthening the resilience of the community. A further expenditure of S$8 billion has since been set aside to fight against COVID-19 and buoy economic uncertainties.

According to the Converging Knowledge Report, the Singapore government has adopted a stricter surveillance and quarantine regime, amongst which include/included: (i) not allowing short-term visitors to Singapore to enter or transit through the country; (ii) making it mandatory for employers to implement telecommuting measures, where the nature of the jobs permit; (iii) ordering the temporary closure of all bars and entertainment venues; (iv) implementing mandatory conditions of providing an environment that allows at least one meter spacing between patrons in other public venues; (v) suspending of all religious services and congregations as well as centre-based tuition and enrichment classes; (vi) deferring or cancelling all events and mass gatherings, regardless of size; and (vii) incorporating one day home-based e-learning for primary, secondary schools and junior colleges. These measures indicate the nation's aggressive stance and firm commitment to quickly contain community transmission as quickly as possible. The PRC has reportedly contained locally-transmission cases within in its three-months fight against the virus, which is a positive cue for Singapore considering the expanse of the former, in terms of size and population. With the easing of restrictions, over 95% of large enterprises in the PRC have reportedly resumed production. This implies that supply chains will see rebounds in recovery, and given the Singapore government's proactive viral containment and budgetary packages, Singapore's economy will likely regain momentum in the second half of 2020. The Circuit Breaker Measures (defined below) in Singapore has been and will be lifted progressively, with Phase One of the reopening on 2 June 2020, lasting approximately just three weeks, before entering into Phase Two on 19 June 2020, which allows for more resumption of activities. Since the reopening, both cargo and container throughput saw improvements. Cargo throughput reached the 48-million-tonne range in June (a month-on-month increase of 7.9%) and July (a month-on-month increase of 1.2%), and surged to 50.4 million tonnes (a month-on-month increase of 3.4%) in August 2020. After experiencing a slight dip of 2.9% in September 2020, cargo throughput saw recovery in October 2020, with a month-on-month increase of 1.4% and reaching 49.9 million tonnes. Container throughput also saw recovery, reaching 2.9 million TEUs and 3.0 million TEUs in June (a month-on-month increase of 3.6%) and July (a month-on-month increase of 3.7%), respectively. In August, September and October 2020, container throughput increased by 5.3%, 1.0% and 1.0% month-on-month respectively, reaching approximately and over 3.2 million TEUs, which were higher than 3.1 million TEUs recorded in the same months in 2019. It was announced on 14 December 2020 that Singapore will enter into Phase Three on 28 December 2020. In Phase Three, some notable easing of measures include allowing social gatherings to comprise up to eight persons, an increase from five persons presently as well as increasing the capacity limits of premises. Depending on the local COVID-19 situation and the Singapore government's risk assessment, the Multi-Ministry Taskforce will consider allowing further resumption of activities, over the course of Phase Three. Singapore has since progressively relaxed travel restrictions with some countries, unilaterally opening its borders to travellers from countries with comprehensive public health surveillance systems and have successfully controlled the spread of COVID-19, and negotiated air travel bubbles with safe countries or regions.

Current impact of COVID-19 on our business and operations

Singapore Control Order Regulations

On 3 April 2020, the Singapore government announced that the Multi-Ministry Taskforce has implemented an elevated set of safe distancing measures as a circuit breaker to pre-empt the trend of increasing local transmission of COVID-19 (the "**Circuit Breaker Measures**"). On 7 April 2020, the Singapore parliament passed the COVID-19 (Temporary Measures) Act 2020 (the "**COVID-19 Act**") which provided the Singapore government the legal basis to enforce the Circuit Breaker Measures, and the COVID-19 (Temporary Measures) (Control Order) Regulations 2020 (the "**Control Order Regulations**") were issued under the COVID-19 Act to implement the Circuit Breaker Measures. The Control Order Regulations were in force from 7 April 2020 to 4 May 2020 (inclusive) and imposed restrictions on (i) premises and businesses in relation to the closure of premises and respective controls on essential and non-essential service providers; and (ii) the movement of people, both in public places and in places of residence. The Control Order Regulations required the closing of most physical workplace premises and suspending all business, social and other activities that cannot be conducted through telecommuting from home, save for those providing essential services and in selected economic sectors which are critical for our local and the global supply chains ("**Essential Services**"). A list of such Essential Services were listed on the prescribed website operated by the Singapore government. The Control Order Regulations were subsequently amended several times by the Minister of Health to introduce additional obligations which include but are not limited to, extending the Control Order Regulations to be in force until 1 June 2020, implementing a baseline restriction that masks must be worn when outside and implementing certain requirements in relation to essential service providers and essential service workers. Entities providing Essential Services will need to operate with the minimum staff needed on their premises to ensure the continued running of those services, and implement strict safe distancing measures at their premises, and where reasonably practicable, direct their workers to work from their place of residence. Please refer to the section headed "Regulatory Overview — COVID-19 (Temporary Measures) Act 2020 ("**COVID-19 Act**")" in this prospectus for more information on the COVID-19 Act and the Control Order Regulations.

Entities which carry out Essential Services were permitted to continue to operate from their premises and were required to submit details of their plans to operate with enhanced safe distancing measures in place (the "**Continued Operation Plans**") to the Ministry of Trade and Industry to obtain necessary permission by end of 13 April 2020. These entities may continue to perform their Essential Services while waiting for the response from the Singapore government. Our Group's business operations fell within the categories of Essential Services, and as such, our business operations have continued. We submitted our Continued Operation Plans on 6 April 2020 and on 15 April 2020, the Singapore Ministry of Trade and Industry granted us permission to continue with operations from 7 April 2020 to 1 June 2020. Our Directors confirm that COVID-19 did not have material adverse impact to our Group's business operations up to the Latest Practicable Date.

On 2 May 2020, the Multi-Ministry Taskforce announced that it will ease some of the tighter Circuit Breaker Measures progressively as it prepares for the safe and gradual resumption of economic and community activities after the end of the circuit breaker period on 1 June 2020. The Circuit Breaker Measures has ended on 2 June 2020.

In light of the Circuit Breaker Measures ending on 2 June 2020, the Singapore Minister of Health further amended the Control Order Regulations to revise the restrictions on individuals and requirements for safe management measures at workplaces permitted to resume operations. These amendments came into operation on 2 June 2020, 19 June 2020, 4 July 2020, 3 August 2020, 19 August 2020, 29 August 2020, 14 September 2020, 28 September 2020, 3 October 2020, 22 October 2020, 1 November 2020 and 4 December 2020.

The Multi-Ministry Taskforce have decided to embark on a three-phased approach to resume activities safely in Singapore. Phase One was implemented from 2 June 2020, and besides Essential Services that are already operating, businesses that operate in settings with lower transmission risks may resume activities. All businesses must put in place safe management measures before resuming workplace activities. Telecommuting should be the default arrangement for employees and should be adopted to the maximum extent. Employees should only come into the office when demonstrably needed. For job roles or functions where employees cannot work from home, employers must ensure that they implement stagger work and break hours, shift or split team arrangements and minimise socialising or congregating in groups at the workplace.

The Multi-Ministry Taskforce announced on 15 June 2020 that Singapore will move into Phase Two from 19 June 2020. In Phase Two, more business activities may resume, and the same safe distancing and safe management measures must be put in place before resuming operations and/or activities.

As mentioned above, it was announced on 14 December 2020 that Singapore will enter into Phase Three on 28 December 2020. In Phase Three, some notable easing of measures include allowing social gatherings to comprise up to eight persons, an increase from five persons presently as well as increasing the capacity limits of premises. Depending on the local COVID-19 situation and the Singapore government's risk assessment, the Multi-Ministry Taskforce will consider allowing further resumption of activities, over the course of Phase Three.

Impact on our customers

Since our largest customers during the Track Record Period provide Essential Services, they were allowed to continue their business operations; as such and to the best knowledge of our Directors, any adverse impact on their business operations have not been material.

According to our unaudited financial information, revenue from our trucking services segment decreased by approximately 2.0% in the ten months ended 31 October 2020 as compared to the ten months ended 31 October 2019 which was mainly due to a dip in February 2020. Following a drop by approximately 20.1% in monthly revenue from trucking services between January 2020 and February 2020 as a result of the impact of COVID-19, it has subsequently increased by approximately 35.0% in October 2020 as compared to February 2020. Although trucking revenue from some largest customers decreased including (i) Customer J by approximately 69.1%, (ii) Customer H by approximately 27.7% and (iii) Customer I by approximately 74.2%, for the ten months ended 31 October 2020 as compared to the ten months ended 31 October 2019, it was partially off-set by the increase in trucking revenue from other major customers including (i) Customer G by approximately 18.4% and (ii) Customer AY by approximately 17.7% during the same period and substantial increase in trucking revenue from customers including (i) Customer BP by approximately 869.1% and (ii) Customer BQ by approximately 1,028.1% which were two of our largest customers for the eight months ended 31 August 2020, while trucking revenue from some largest customers including Customer E and Customer A remained relatively stable for the ten months ended 31 October 2020 as compared to the ten months ended 31 October 2019. Our total number of trips for the ten months ended 31 October 2020 was 100,880, a decrease of approximately 5.0% as compared to the same period in 2019. We have received new orders from 46 new customers in the ten months ended 31 October 2020.

According to our unaudited financial information, revenue from our freight forwarding services segment decreased by approximately 13.1% in the ten months ended 31 October 2020 as compared to the ten months ended 31 October 2019. Following a drop by approximately 24.0% in monthly revenue from freight forwarding services between January and February 2020 as a result of the impact of COVID-19, it has subsequently increased by approximately 19.6% in October 2020 as compared to February 2020. Some of our largest customers in the freight forwarding services segment experienced an increase in engagements like Customer BD which engages in the manufacturing and distribution of process and pollution control equipment, Customer AM which engages in the storage, processing and distribution of chilled and frozen meat in Singapore, Customer AP which engages in the provision of mission critical products and services to customers in the biopharma, healthcare, education & government, and advanced technologies and applied materials industries and Customer BG which engages in the provision of packaging solutions for food, e-commerce, electronics and industrial market. The total shipment volume of our sea freight forwarding services for the ten months ended 31 October 2020 was approximately 10,916 TEUs, an increase of approximately 22.4% as compared to the same period in 2019, while the total shipment volume of our air freight forwarding services during the same period was approximately 319,766 kg, a decrease of approximately 37.4% as compared to the same period in 2019. According to the Converging Knowledge Report, warehousing and logistics industry may find opportunities in serving sectors such as healthcare, food and beverage, chemicals and pharmaceutical, which are expected to be boosted by COVID-19.

According to our unaudited financial information, revenue from our value added transport services segment decreased by approximately 12.6% in the ten months ended 31 October 2020 as compared to the ten months ended 31 October 2019. Following a drop by approximately 18.2% in monthly revenue from value-added transport services between January 2020 and February 2020 as a result of the impact of COVID-19, it has subsequently increased by approximately 125.7% in October 2020 as compared to February 2020 mainly because of the increase in ad-hoc storage services and the commencement of operations at our new logistics yard, 15C Pioneer Crescent, on 1 August 2020. Our Directors expect that demand for our value-added transport services will increase as Singapore has entered into Phase Two of the resumption of activities and will enter into Phase Three on 28 December 2020, and according to the Converging Knowledge Report, Singapore's total container throughput has shown signs of improvement from June to October 2020, with monthly increments of 3.6% in June 2020, 3.7% in July 2020, 5.3% in August 2020, 1.0% in September 2020 and 1.0% in October 2020. In the same period, the country's total cargo throughput rose by approximately 7.9%, 1.2% and 3.4% month-on-month in June, July and August 2020, albeit experiencing a slight dip of approximately 2.9% in September 2020. However, cargo throughput saw recovery in October 2020, with a month-on-month increase of 1.4% and reaching 49.9 million tonnes.

According to our unaudited financial information, our total revenue from trucking services, freight forwarding services and value added transport services decreased by approximately 7.5% in the ten months ended 31 October 2020 as compared to our total revenue in the ten months ended 31 October 2019.

Impact on our suppliers

To the best knowledge of our Directors, none of our largest suppliers during the Track Record Period were affected by the Control Order Regulations between 7 April 2020 and 2 June 2020 and were required to suspend their business operations. Our Directors confirm that there were no material adverse impact on the provision of supplies and services to our Group during the aforementioned period and thereafter, given that our suppliers mainly include service providers of port operation, logistics yards, vehicle repair and maintenance, tyres and diesel, all of which are categorised as Essential Services. Furthermore, with the end of the Circuit Breaker Measures on 1 June 2020, where Singapore entered into Phases One and Two on 2 June 2020 and 19 June 2020 respectively and will enter into Phase Three on 28 December 2020, more businesses are permitted to resume operations. Our Directors confirm we have not encountered and do not expect to encounter any supply chain disruptions due to the outbreak of COVID-19 in Singapore. The overall cost of services from our five largest suppliers for the eight months ended 31 August 2019 remained relatively stable for the eight months ended 31 August 2020. Our Directors also confirm that as at the Latest Practicable Date, we have not received any notification from any of our suppliers that there would be delays and/or cancellations with their provision of supplies or services to us as a result of the COVID-19 outbreak.

Impact on our workforce

According to our Singapore Legal Advisers, as at the Latest Practicable Date, there were 52 foreign worker dormitories licensed in accordance with the Foreign Employee Dormitories Act in Singapore. On 5 April 2020, the Singapore Ministry of Health issued an advisory on additional measures to minimise further spread of COVID-19 within foreign worker dormitories, pursuant to which 25 of the foreign worker dormitories had been declared as isolation areas. As at the Latest Practicable Date, these 25 foreign worker dormitories were no longer deemed as isolation areas and the relevant notifications have been revoked accordingly. Our Directors confirm that none of our employees were housed in the dormitories which were declared as isolation areas and none of our employees have been issued Quarantine and/or Stay-Home Orders as at the Latest Practicable Date. As soon as the first COVID-19 case was confirmed at a foreign worker dormitory, we have relocated our foreign workers to hotels as a precautionary measure and have since maintained such alternative lodging measures up to the Latest Practicable Date. Our Directors confirm that we have not experienced any material impact on the workforce of our Group as a result of the outbreak of COVID-19 as at the Latest Practicable Date.

Business contingency plans and control measures

Our Group has implemented the following business contingency plan to help us manage the outbreak of COVID-19:

- in the event we anticipate or experience any delays in provision of services to our customers, we will notify our customers immediately. We also have an internal list of approved suppliers which includes subcontractors to whom we have subcontracted some of our trucking services during the Track Record Period. In the event of any disruption in our trucking services, we will engage our subcontractors to fulfil the trucking orders to minimise any disruptions; and
- our suppliers are generally selected from our internal list of approved suppliers and we are not reliant on any single supplier. As such, we do not expect to encounter any supply chain disruptions as a result of the COVID-19 outbreak. In the event we face a shortage or delay in supply from any one of our suppliers, we will look to our internal list of approved suppliers to make up for any shortfall in supply of goods and/or services.

We will continue to closely monitor the development of the COVID-19 outbreak and its effect on our existing contracts with our customers, suppliers and subcontractors, and we will tailor our business contingency plans to suit the needs of our customers, suppliers, subcontractors and employees as and when necessary. Our Group has also adopted control measures to protect our employees, workers and customers from outbreaks of infectious diseases, which is in line with the advisories issued by the MOM on best practices to be adopted by workplaces in Singapore. Please refer to the section headed "Business — Environmental protection, health and work safety" in this prospectus for more information.

Subsidies received from the Singapore government

The Singapore government has introduced a number of measures to support domestic businesses, including:

- Automatic Deferment of Corporate Income Tax Payments: All companies will receive a corporate income tax rebate of 25%, capped at S$15,000 for the year of assessment 2020. All companies with corporate income tax payments due in the months of April, May and June, 2020 will also be granted an automatic three-month deferment of these payments. Such payments that are deferred from April, May and June, 2020 will be collected in July, August and September, 2020 respectively.
- Property Tax Measures: Non-residential properties will be granted property tax rebate for the period 1 January, 2020 to 31 December, 2020. Non-residential properties such as offices will get a 30% rebate on their property tax payable. As required under the COVID-19 Act, if the properties are being rented out, the property tax rebate must be unconditionally and fully passed on to tenants by either reducing rentals or through a payment to tenants within a prescribed timeframe. If the owner, without reasonable excuse, fails to pass the benefit to the tenant, the owner shall be guilty of an offence and shall be liable on conviction to a fine not exceeding $5,000. The total amount received during the Track Record Period was S$8,694.0. We did not receive any subsidies during the period following the Track Record Period and up to the Latest Practicable Date and our Directors do not expect to receive any subsidies following the Latest Practicable Date.
- Enhanced Jobs Support Scheme: The Jobs Support Scheme (JSS) was launched to help businesses retain their local employees during this period of uncertainty. Under the JSS, the Singapore government co-funds between 25% to 75% of the first S$4,600 of gross monthly wages paid to each local employee (Singapore Citizens and Permanent Residents) in a 10 month-period (up to August 2020). Following the extension of the JSS announced on 17 August 2020, the Singapore government co-funds 10% to 50% of the same (as mentioned above) in the subsequent seven-month period (September 2020 to March 2021.) The cash grants under the JSS will be paid out in April 2020, May 2020, July 2020, October 2020, March 2021 and June 2021. The total amount received in cash during the Track Record Period was approximately S$0.7 million, while the total amount received during the period following the Track Record Period and up to the Latest Practicable Date was approximately S$0.2 million. According to our Directors, we do not expect to receive any further subsidies for the period following the Latest Practicable Date and up to 31 December 2020, while we expect to receive approximately S$0.2 million for the year ending 31 December 2021. Our Directors do not expect to receive any subsidies thereafter.
- Enhanced Rental Waivers: Tenants and lessees of properties managed by government agencies in Singapore can approach the relevant agencies to discuss options for more flexible rental payments such as instalment plans, which will be assessed according to the firm's individual circumstances. As announced in the Fortitude Budget on 26 May 2020, tenants who are eligible small-medium enterprises may offset another 2 months' rental of commercial properties, or 1 month rental of industrial and office properties. Eligible commercial tenants in government-owned or managed facilities would be given a total of four months' rental waiver, up from two months. The rental waiver for industrial, office and agricultural tenants of government agencies will be increased to two months (from one month). The additional rental relief for eligible small-medium enterprises will be borne by landlords, provided they meet the relevant eligibility criteria, such as a substantial drop in average monthly revenue. Landlords may apply to have an assessor determine whether such tenants satisfy the eligibility criteria. Landlords may also seek an assessment on the grounds of financial hardship if they are unable to provide the additional rental waiver. This will take into consideration the rental the landlord receives and the landlord's dependence on the rental income for livelihood. If the landlord meets the grounds of financial hardship, the assessor may halve the amount of additional rental relief to be provided by the landlord. The total amount received during the Track Record Period was S$15,456.0. We did not receive any subsidies during the period following the Track Record Period and up to the Latest Practicable Date and our Directors do not expect to receive any subsidies following the Latest Practicable Date.

- Foreign Worker Levy: The Singapore government announced on 6 April, 2020 a waiver of the foreign worker levy ("**FWL**") due in April 2020 to help firms cut costs and improve their cash flow. Employers will also receive a one-off FWL rebate of S$750 for each work permit or S Pass holder, based on previous levies paid in 2020. This is to enable employers to preserve their manpower in order to quickly resume operations after the elevated set of safe distancing measures have been lifted. On 21 April 2020, it was announced that the FWL due in May 2020 will similarly be waived, and another S$750 rebate will be given to employers for each work permit or S-Pass holder employed as of 1 May 2020. As announced on 26 May 2020, FWL and rebate will be extended for 2 months for businesses that are not allowed to resume on-site operations after the Circuit Breaker Measures. There will be 100% waiver and S$750 rebate in June 2020, and a 50% waiver and S$375 rebate in July 2020. Announced on 1 August 2020, the Singapore government extended levy rebates and full levy waivers for businesses in construction, marine shipyard and process sectors (July, August and September 2020). It will be further tapered down to 75% levy waiver due in October 2020, 50% levy waiver due in November 2020 and 25% levy waiver due in December 2020. Firms in the construction, marine shipyard and process sectors will continue to receive a S$90 FWL rebate monthly for October 2020 until December 2021. The total amount received during each of the Track Record Period and the period following the Track Record Period and up to the Latest Practicable Date was approximately S$0.1 million. Our Directors do not expect to receive any subsidies for the period following the Latest Practicable Date and up to 31 December 2020 and thereafter.

Our Group will be entitled to benefit from such wage support in respect of our local and foreign staff members.

Expected impact of COVID-19 on our industry

Notwithstanding the uncertainty over the intensity and duration of COVID-19, our Directors take the view that any impact on our operations and financial position would not be material or adverse since the Singapore government's previous order for suspension of most workplaces expressly exempted Essential Services, which included, among others, air transport services, port and terminal operations, third party logistics providers, freight forwarders, trucking and all warehouses and storage services to support essential services. Moreover, with the end of the Circuit Breaker Measures on 1 June 2020 where Singapore entered into Phases One and Two of resumption of activities on 2 June 2020 and 19 June 2020 respectively and will enter into Phase Three on 28 December 2020, more businesses are permitted to resume operations. Our Directors currently expect that the COVID-19 would not have a material adverse impact to the sustainability of our business in the foreseeable future given that:

(i) according to our unaudited financial information, revenue for the ten months ended 31 October 2020 decreased by approximately 7.5% as compared to the same period in 2019. The decreases were mainly because of a significant decrease in business activities in February 2020 as a result of the outbreak of COVID-19, while our revenue has been recovering and increased by approximately 35.8% in October 2020 as compared to February 2020. Our Directors take the view that the abovementioned decreases and fluctuations for the ten months ended 31 October 2020 as compared to the same period in 2019 are immaterial when this is considered in the context of the unprecedented shock caused by the outbreak of COVID-19. Moreover, our revenue has been recovering and increased in October 2020 as compared to February 2020;

(ii) as at the Latest Practicable Date, we have not experienced major disruption in our business operations and services being provided;

(iii) as explained above, the Singapore government's order for suspension of most workplaces expressly exempts Essential Services which includes, among others, air transport services, port and terminal operations, third party logistics providers, freight forwarders, trucking and all warehouses and storage services to support essential services;

(iv) as the Latest Practicable Date, we have not encountered any material disruption of goods and services provided by our suppliers;

(v) the travel ban imposed by countries generally focus on restrictions on passenger travels across countries as opposed to cargo transportation;

(vi) the Circuit Breaker Measures has ended on 2 June 2020 and Singapore entered into Phases One and Two of resumption of activities on 2 June 2020 and 19 June 2020, and will enter into Phase Three on 28 December 2020;

(vii) according to the Converging Knowledge Report and as mentioned above, Singapore's container throughput has shown signs of improvement from June to October 2020, with monthly incremental increase of approximately 3.6% (June), 3.7% (July), 5.3% (August), 1.0% (September) and 1.0% (October). In the same period, the country's total cargo throughput rose by approximately 7.9%, 1.2% and 3.4% month-on-month in June, July and August 2020. After experiencing a slight dip of 2.9% in September 2020, cargo throughput saw recovery in October 2020, with a month-on-month increase of 1.4% and reaching 49.9 million tonnes. Singapore's non-oil domestic exports rose from June 2020 to September 2020, at 16.1% (June), 5.9% (July), 7.7% (August) and 5.9% (September) YoY, but recorded a 3.1% contraction in October 2020 as compared to the same period last year; and

(viii) on 15 September 2020, we signed a trucking and transportation service agreement with a subsidiary of the world's largest package delivery company, headquartered in Georgia, U.S. and listed on the New York Stock Exchange, for the provision of trucking and ocean transportation services within Singapore for a term of three years.

Sensitivity Analysis

Assuming the outbreak of COVID-19 continues and if our operations were to suspend temporarily from the day of Listing, the average monthly net decrease in cash and cash equivalents by our Group is expected to be approximately S$1.0 million per month while the bank balances and cash as at 31 October 2020 was approximately S$13.5 million and the trade receivables as at 31 October 2020 was approximately S$8.9 million, which in aggregate accounted for approximately S$22.4 million. For details of the subsidies received from the Singapore government, please refer to the paragraph headed "Subsidies received from the Singapore government" in this section and the sections headed "Financial Information — Period to period comparison of results of operations — Eight months ended 31 August 2020 compared to eight months ended 31 August 2019 — Other income", "Financial Information — Liquidity and capital resources — Net cash from operating activities" and "Financial Information — Net current assets". Accordingly, our Directors take the view that the aggregated amount should be sufficient to satisfy our operational expenses for approximately 20 months from November 2020. Our key assumptions include:

(i) no revenue will be generated;

(ii) no operational related direct costs including port and depot charges, diesel cost, freight forwarding cost, repair and maintenance expenses in vehicle cost and operational related miscellaneous cost will be incurred;

(iii) there will be a reduction in staff cost because: (a) transportation (drivers) will be paid at the basic salary due to the absence of trip incentives; and (b) the salaries of yard operators will be reduced;

(iv) there will be a reduction in administrative staff cost by approximately 75% where a number of finance and administration, operations, customer service, sales and business development staff will be laid off while others will either be asked to take sabbatical leave or their salaries will be reduced;

(v) no dividend will be declared and paid;

(vi) the net proceeds from the issue of New Shares under the Share Offer related to general working capital purpose would be available;

(vii) only the immediate cash available will be used;

(viii) our trade receivables as at 31 October 2020 will be settled within the range of our average trade receivables turnover days during the Track Record Period;

(ix) our trade payables as at 31 October 2020 will be settled within the range of our average trade payables turnover days during the Track Record Period; and

(x) no unutilised banking facilities will be used and there will be no internal or external financing from Shareholders or financial institutions.

Our Directors confirm that, save for the expenses in connection to the Listing and the expected disruptions of COVID-19 which has led to a decrease in our total revenue for the ten months ended

31 October 2020 as compared to our total revenue for the ten months ended 31 October 2019 as mentioned above, which accordingly lead to our Directors' expectation that our net profit (net of 1isting expenses) for the year ending 31 December 2020 may be lower than our net profit (net of listing expenses) for the year ended 31 December 2019. Up to the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 31 August 2020 and there has been no event since 31 August 2020 which would materially affect the information shown in our financial statements included in the Accountants' Report set out in Appendix I to this prospectus.

RISK FACTORS

You should read the section headed "Risk Factors" in this prospectus carefully before you decide to invest in our Shares. The material risks relating to our businesses include the following:

- Adverse development in our customers' business performance or strategies in Singapore could affect our operations and financial results
- Any decrease in business secured from any one of our customers could affect our operation and financial results
- The outbreak of any severe communicable disease, in particular the COVID-19, if uncontrolled, could adversely affect our results of operations and financial position
- Significant increases in our labour cost could adversely affect our operational and financial performance
- A shortage of drivers may affect our profitability
- We operate in a highly competitive industry and we cannot assure you that we will be able to compete successfully
- Our results of operations are affected by international trading volumes, global and regional economic conditions

BUSINESS ACTIVITIES IN COUNTRIES SUBJECT TO INTERNATIONAL SANCTIONS

During the Track Record Period, we provided certain services in relation to shipments of goods on behalf of our customers to or from Countries subject to International Sanctions, including Iran and Syria, which are subject to comprehensive sanctions, and Sudan, which was comprehensively sanctioned until 12 October 2017. In addition, we provided these services on behalf of our customers to or from Russia and Ukraine, which include the region of Crimea that is a region subject to comprehensive sanctions (the rest of Russia and Ukraine are not subject to such sanctions). During the Track Record Period, however, we did not provide any services which related to the region of Crimea. During the Track Record Period, revenue generated from services relating to the Countries subject to International Sanctions amounted to approximately S$0.2 million, S$0.3 million, S$0.2 million and S$0.1 million for each of the three years ended 31 December 2019 and eight months ended 31 August 2020, representing approximately 0.5%, 0.6%, 0.6% and 0.4% of our total revenue during the same periods. As advised by our International Sanctions Legal Advisers after performing the procedures, our activities during the Track Record Period do not implicate restrictions under International Sanctions. Please refer to the section headed "Business — Business activities in Countries subject to International Sanctions" in this prospectus for more information.

PROPERTY VALUATION REPORT

In connection with its valuation, Ravia Global Appraisal Advisory Limited applied a direct comparison approach assuming sale of the appraised properties by making reference to comparable sale transactions as available in the relevant market. In conducting its valuation, Ravia Global Appraisal Advisory Limited assumed, among other things, the owner sells the appraised properties in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties. However, investors are advised that the appraised value of our property interests shall not be taken as their actual realisable value or a forecast of their realisable value. Please see the section headed "Risk Factors - Risk relating to our business - The appraised value of our properties may be different from their actual realisable value and are subject to change" in this prospectus. Please also see "Appendix IV - Property Valuation Report" to this prospectus for more details of valuation of our properties.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set forth below.

"Accountants' Report"	the accountants' report included in Appendix I to this prospectus
"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, relating to the Public Offer
"Articles" or "Articles of Association"	the amended and restated articles of association of our Company adopted on 18 December 2020 and effective on 13 January 2021, as amended, supplemented or otherwise modified from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board" or "Board of Directors"	our board of Directors
"Business Advisory Consultant"	NSK Consulting Pte Ltd., an independent business intermediary firm
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for normal banking business
"BVI"	the British Virgin Islands
"CAGR"	compound annual growth rate
"Capitalisation Issue"	the allotment and issue of 937,500,000 Shares to be made upon the capitalisation of certain sums standing to the credit of the share premium account of our Company as referred to in the section headed "Statutory and General Information — A. Further information about our Company — 3. Written resolutions of our Sole Shareholder passed on 18 December 2020" in Appendix VI to this prospectus
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct participant or a general clearing participant
"CCASS Custodian Participant"	a person admitted 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 Operational Procedures"	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to the operations and functions of CCASS, as from time to time in force
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"China", "PRC" or the "People's Republic of China"	the People's Republic of China, which for the purpose of this prospectus excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Clear Bliss"	Clear Bliss Holdings Limited, a company incorporated in the BVI with limited liability on 1 November 2017, and is a direct wholly-owned subsidiary of our Company
"close associate(s)"	has the meaning ascribed thereto under the Listing Rules
"COE "	Certificate of Entitlement which represents a right to vehicle ownership and use of the limited road space for 10 years
"Companies Law" or "Cayman Companies Law"	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified 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, supplemented or otherwise modified from time to time
"Company" or "our Company"	Legion Consortium Limited, a company incorporated on 20 June 2018 under the laws of the Cayman Islands as an exempted company with limited liability
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and refers to the controlling shareholders of our Company immediately upon completion of the Share Offer and the Capitalisation Issue, being Mirana Holdings and Mr. Ng, or any of them

"Converging Knowledge"	Converging Knowledge Pte Ltd, an independent market research consultant
"Converging Knowledge Report"	an independent market research report commissioned by us and prepared by Converging Knowledge, contents of which are summarised in the section headed "Industry Overview" in this prospectus
"Countries subject to International Sanctions"	are countries regarding which governments such as the U.S. or Australia, or governmental organisations, such as the European Union or the United Nations, have, through executive order, passing of legislation or other governmental means, implemented measures that impose economic sanctions against such countries or against targeted industry sectors, groups of companies or persons, and/or organisations within such countries
"COVID-19"	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness
"Deed of Indemnity"	the deed of indemnity dated 18 December 2020 executed by our Controlling Shareholders in favour of our Company (for itself and as trustee for its subsidiaries) to provide certain indemnities, particulars of which are set out in the section headed "Statutory and General Information — E. Other information — 1. Tax and other indemnities" in Appendix VI to this prospectus
"Director(s)"	the director(s) of our Company
"Extreme Conditions"	extreme conditions caused by a super typhoon as announced by the government of Hong Kong
"FWL"	Foreign Worker Levy, which is a pricing mechanism to regulate the number of foreign workers (including foreign domestic workers) in Singapore
"General Rules of CCASS"	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
"Goods and Services Tax" or "GST"	The Goods and Services Tax in Singapore is a consumption tax that is levied on import of goods into Singapore, as well as nearly all supplies of goods and services in Singapore at a prevailing rate of 7.0%

"**GREEN** Application Form(s)"	the application form(s) to be completed by the **HK eIPO White Form** Service Provider designated by our Company
"Group", "our Group", "we", "our" or "us"	our Company and our subsidiaries or, where the context so requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time
"**HK eIPO White Form**"	the application for the Public Offer Shares to be issued in the applicant's own name by submitting application online at the designated website at **www.hkeipo.hk** or in the **IPO App**
"**HK eIPO White Form** Service Provider"	the **HK eIPO White Form** Service Provider designated by our Company, as specified on the designated website at **www.hkeipo.hk** or in the **IPO App**
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRSs"	Hong Kong Financial Reporting Standards
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Branch Share Registrar"	Tricor Investor Services Limited, the branch share registrar and transfer office of our Company in Hong Kong
"IAS"	International Accounting Standards
"IFRSs"	International Financial Reporting Standards
"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)
"International Sanctions"	all applicable laws and regulations related to economic sanctions, export controls, trade embargoes and wider prohibitions and restrictions on international trade and investment related activities, including those adopted, administered and enforced by the U.S. government, the European Union and its member states, United Nations or the government of Australia
"International Sanctions Legal Advisers"	Hogan Lovells, our legal advisers as to International Sanctions laws in connection with the Listing

"**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**
"IRO"	the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Joint Bookrunners" and "Joint Lead Managers"	Alpha Financial Group Limited, Elstone Securities Limited, AFG Securities Limited, Ample Capital Limited, BOCOM International Securities Limited, CIS Securities Asset Management Limited, CMBC Securities Company Limited, First Fidelity Capital (International) Limited, Get Nice Securities Limited, Head & Shoulders Securities Limited, Plutus Securities Limited, Seazen Resources Securities Limited, Sinomax Securities Limited and Yuzhou Financial Holdings Limited
"Latest Practicable Date"	21 December 2020, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information in this prospectus
"Listing"	the listing of our Shares on the Main Board
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date on which dealings in our Shares first commence
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or other modified from time to time
"Main Board"	the stock exchange (excluding the option markets) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the amended and restated memorandum of association of our Company adopted on 18 December 2020 and effective on 13 January 2021, as amended, supplemented or otherwise modified from time to time
"Mirana Holdings"	Mirana Holdings Limited, a company incorporated in the BVI with limited liability on 19 June 2018, and is wholly owned by Mr. Ng and one of our Controlling Shareholders
"MOM"	Ministry of Manpower of Singapore
"Mr. Gilbert Ho"	Mr. Gilbert Ho Chee Wee, a director of Radiant

"Mr. KH Ng"	Mr. Ng Kong Hock, an executive Director and the son of Mr. Ng
"Mr. Ng"	Mr. Ng Choon Eng, the founder of our Group, an executive Director, Chairman, Chief Executive Officer, one of our Controlling Shareholders and the father of Mr. KH Ng
"Mr. Stephen Yeo"	Mr. Stephen Yeo Teck Nan, our Chief Marketing Officer and a director of Richwell
"New Shares"	the new Shares to be offered for subscription pursuant to the Share Offer
"OFAC"	U.S. Department of Treasury's Office of Foreign Asset Control
"Offer Price"	the final offer price per Offer Share in Hong Kong dollars (exclusive of the brokerage fee of 1%, the SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005%), such price to be determined on or before the Price Determination Date
"Offer Share(s)"	the Public Offer Share(s) and the Placing Share(s), together where relevant, with any additional share(s) issued pursuant to the Over-allotment Option
"Over-allotment Option"	the option granted by our Company to the Placing Underwriters, exercisable by the Sole Global Coordinator (for itself and on behalf of the Placing Underwriters), at its sole and absolute discretion, whereby our Company may be required to allot and issue up to 46,875,000 additional Placing Shares, representing up to 15% of the Offer Shares initially available under the Share Offer, at the Offer Price to cover over-allocations in the Placing as described in the section headed "Structure and Conditions of the Share Offer" in this prospectus
"Placing"	the conditional placing of the Placing Shares at the Offer Price to selected professional, institutional and other investors as set forth in the section headed "Structure and Conditions of the Share Offer" in this prospectus
"Placing Shares"	the 281,250,000 Shares, comprising 203,125,000 New Shares initially offered by us for subscription and 78,125,000 Sale Shares initially offered by the Selling Shareholder for subscription under the Placing, subject to reallocation and the Over-allotment Option as described in the section headed "Structure and Conditions of the Share Offer" in this prospectus

"Placing Underwriter(s)"	the underwriter(s) of the Placing, who are expected to enter into the Placing Underwriting Agreement to underwrite the Placing Shares
"Placing Underwriting Agreement"	the placing underwriting agreement relating to the Placing expected to be entered into on or about the Price Determination Date by, among others, our Company, the Selling Shareholder, the Sponsor and the Placing Underwriters, particulars of which are summarised in the section headed "Underwriting" in this prospectus
"Price Determination Agreement"	the agreement to be entered into between our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters) on or before the Price Determination Date to record the agreement on the final Offer Price
"Price Determination Date"	the date, expected to be on or around Wednesday, 6 January 2021 or such later date as may be agreed by our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters) but no later than Monday, 11 January 2021, on which the final Offer Price is to be fixed for the purpose of the Share Offer
"PSA"	the Port of Singapore Authority
"Public Offer"	the offer for subscription of the Public Offer Shares to the public in Hong Kong at the Offer Price (plus the brokerage fee of 1%, the SFC transaction levy of 0.0027% and the 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 31,250,000 New Shares being initially offered by our Company for subscription pursuant to the Public Offer, subject to reallocation as described in the section headed "Structure and Conditions of the Share Offer" in this prospectus
"Public Offer Underwriter(s)"	the underwriter(s) of the Public Offer whose names are set forth in the section headed "Underwriting — Public Offer Underwriters" in this prospectus

"Public Offer Underwriting Agreement"	the public offer underwriting agreement dated 29 December 2020 relating to the Public Offer entered into by, among others, our Company, the Selling Shareholder, the Sponsor and the Public Offer Underwriters, particulars of which are summarised in the section headed "Underwriting — Underwriting Arrangements and Expenses — Public Offer" in this prospectus
"Radiant"	Radiant Overseas Pte Ltd, a company limited by shares incorporated in Singapore on 17 May 2001, and is an indirect wholly-owned subsidiary of our Company
"Real Time Forwarding"	Real Time Forwarding Pte. Ltd., a company limited by shares incorporated in Singapore on 30 September 2015, and is an indirect wholly-owned subsidiary of our Company
"Rejoice"	Rejoice Container Services (Pte) Ltd, a company limited by shares incorporated in Singapore on 1 March 1995, and is an indirect wholly-owned subsidiary of our Company
"Regulation S"	Regulation S under the U.S. Securities Act
"Reorganisation"	the reorganisation of our Group in preparation for the Listing, details of which are set out in the sections headed "History, Corporate Development and Reorganisation" and Appendix VI to this prospectus
"Reorganisation Agreement"	a reorganisation agreement dated 29 March 2018 and entered into among Mr. Ng, Clear Bliss, Mr. KH Ng, Mr. Stephen Yeo, Ms. Khoo Zi Qi, Evelyn, and Mr. Gilbert Ho
"Richwell"	Richwell Global Forwarding Pte. Ltd., a company limited by shares incorporated in Singapore on 6 December 2011 and is an indirect wholly-owned subsidiary of our Company
"Sale Shares"	the 78,125,000 Shares initially being offered by the Selling Shareholder for sale under the Share Offer
"Sanctioned Person(s)"	certain person(s) and identity(ies) listed on OFAC's SDN List or other restricted parties lists maintained by the U.S., European Union, United Nations or Australia
"SDN List"	the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, which sets forth individuals and entities that are subject to its sanctions and restricted from dealing with U.S. persons

"Selling Shareholder"	Mirana Holdings, one of our Controlling Shareholders, which legally and beneficially owns the Sale Shares, particulars of which are set out in the section headed "Statutory and General Information — E. Other information — 12. Particulars of the Selling Shareholder" in Appendix VI to this prospectus
"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) in the share capital of our Company with par value of HK$0.01 each
"Share Award Scheme"	the share award scheme conditionally adopted by our Company on 18 December 2020, a summary of the principal terms of which is set out in the section headed "Statutory and General Information — D. Adoption of Share Award Scheme" in Appendix VI to this prospectus
"Shareholder(s)"	holder(s) of our share(s)
"Share Offer"	the Public Offer and the Placing
"Singapore"	The Republic of Singapore
"Singapore Legal Advisers"	RHTLaw Asia LLP, our legal adviser as to Singapore law
"Sole Global Coordinator"	Alpha Financial Group Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
"Sponsor"	Ample Capital Limited, a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
"Stabilising Manager"	Alpha Financial Group Limited
"Stock Borrowing Agreement"	the stock borrowing agreement which may be entered into between Mirana Holdings and the Stabilising Manager on or about the Price Determination Date
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed thereto under the Listing Rules
"substantial shareholder(s)"	has the meaning ascribed thereto under the Listing Rules

"S$" or "Singapore dollars"	Singapore dollars, the lawful currency of Singapore
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended or supplemented from time to time
"Track Record Period"	the three financial years ended 31 December 2019 and the eight months ended 31 August 2020
"Underwriters"	the Public Offer Underwriters and the Placing Underwriters
"Underwriting Agreements"	the Public Offer Underwriting Agreement and the Placing Underwriting Agreement
"U.S." or "United States"	the United States of America
"U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Securities Act"	the U.S. Securities Act of 1933, as amended from time to time and the rules and regulations promulgated thereunder
"**WHITE** Application Form(s)"	the application form(s) for use by the public who require(s) such Public Offer Shares to be issued in the applicant's or the applicants' own name(s)
"WICA"	Work Injury Compensation Act (Chapter 354 of Singapore)
"**YELLOW** Application Form(s)"	the application form(s) for use by the public who require(s) such Public Offer Shares to be deposited directly into CCASS
"%"	per cent

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Unless otherwise stated, all the numerical figures are rounded to one decimal place. Any discrepancy in any table between totals and sums of individual amounts listed in any table are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

Unless expressly stated or the context otherwise requires, all data in this prospectus is as at the date of this prospectus.

Words importing the singular include, where applicable, the plural and vice versa. Words importing the masculine gender include, where applicable, the feminine and neuter genders.

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.

"Eastern Singapore"	for the purpose of this prospectus, shall mean district 16: Upper East Coast (including Bayshore, Bedok, Chai Chee); district 17: Far East (including Changi, Loyang, Pasir Ris); and district: 18 Tampines (including Pasir Ris, Simei, Tampines)
"FEU(s)"	forty-foot equivalent, a standard unit of measurement of the volume of a container with a length of 40 feet, height of eight feet and six inches, and width of eight feet and equivalent to two TEUs
"forklifts"	vehicles with a pronged device in front for lifting and carrying heavy loads
"laden containers"	container with filled cargo
"loading"	loading cargo into the hold of a ship or onto a vehicle
"prime mover"	a truck that provides the motive power to haul a trailer
"reach stackers"	mobile hydraulic container vehicles with an extendable spreader capable pf handling containers
"shipper"	person or firm (usually the sellers) named in the shipping documents as the party responsible for initiating a shipment to consignee (usually the buyer) named in the shipping documents
"sq.ft."	square foot
"sq.m."	square metre
"stacker"	a machine designed for manual lifting, lowering, and transporting of loads
"stuffing/unstuffing"	the process in which cargo is loaded into or unloaded from a container
"TEU(s)"	twenty-foot equivalent unit, a standard unit of measurement of the volume of a container with a length of 20 feet, height of eight feet and six inches, and width of eight feet
"trucking"	transportation of (i) containers which may be laden or empty, or (ii) other cargo, via prime movers and trailers

"Western Singapore"	for the purpose of this prospectus, shall mean district 22: Far West (including Boon Lay, Jurong, Tuas); district 23: North West (including Bukit Batok, Choa Chu Kang, Hillview Avenue, Upper Bukit Timah); and district 24: Far North West (including Kranji, Lim Chu Kang, Sungei Gedong, Tengah)

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. In some cases, our Company uses the words "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "going forward", "intend", "may", "ought to", "plan", "potential", "predict", "project", "propose", "seek", "should", "will", "would" and similar expressions or statements to identify forward-looking statements.

These forward-looking 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 other risk factors as described in this prospectus.

You are strongly cautioned that reliance on any forward-looking statement 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 Group's operation and business prospects, including development plans for existing and new businesses;
- future developments, trends and conditions in the industry and markets in which we operate;
- our Group's business objectives, business, strategies and plans to achieve these strategies;
- general economic, political and business conditions in the markets in which our Group operates;
- the regulatory environment and general outlook in the industry and markets in which our Group operates;
- the effects of the global financial markets and economic crisis;
- our Group's financial position;
- our Group's ability to reduce costs;
- our Group's dividend policy;
- the amount and nature of, and potential for, future development of our Group's business;
- various business opportunities that our Group may pursue;
- fluctuation in the prices of the service's cost and our Group's ability to pass-through any increase in price to customers;
- our Group's ability to hire and retain talented employees;

- the actions and developments of our competitors and our Group's ability to compete under these actions and developments;
- change or volatility in interest rates, foreign exchange rates, equity prices, volumes, operations, margins, risk management and overall market trends;
- the other factors that are described in the section headed "Risk Factors" in this prospectus; and
- other factors beyond our Group's control.

We do not intend to update these forward-looking statements in addition to on-going disclosure obligations pursuant to the Listing Rules or other requirements of the Stock Exchange. 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 information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement set out in this section.

In this prospectus, unless otherwise stated, statements of or references to our intentions or those of our Directors are made as of the date of this prospectus. Any such information may change in light of future developments.

Potential investors of the Offer Shares should carefully consider all of the information set out in this prospectus and, in particular, the following risks and special considerations associated with an investment in our Company before making any investment decisions in relation to our Company. If any of the possible events as described below materialises, our Group's business, financial position and prospects could be materially and adversely affected and the market price of the Offer Shares could fall significantly.

This prospectus contains certain forward-looking statements relating to our Group's plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group's actual results may differ materially from those as discussed in this prospectus. Factors that could contribute to such differences are set out below as well as in other parts in this prospectus.

RISK RELATING TO OUR BUSINESS

Adverse development in our customers' business performance or strategies in Singapore could affect our operations and financial results

As a well-established logistics service provider in Singapore, we are primarily engaged in the provision of trucking, freight forwarding and value added transport services to our customers to serve their needs along their respective supply chains. Our five largest customers for each period accounted for approximately 18.9%, 17.5%, 14.3% and 19.6% of our total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. If our customers' sales in Singapore decline, such decline may likely lead to a corresponding decrease in demand for our logistics services. Adverse developments in our customers' business performance or strategies in Singapore could therefore materially and adversely affect our business, financial condition and results of operations. As such, should there be any adverse development related to our customers' business operations or any other reasons resulting in reduction in demand for our services, our business, financial condition and results of operations would be adversely affected.

Any decrease in business secured from any one of our customers could affect our operational and financial results

Save for our value added transport services and the trucking service agreements entered into with Customer A and Customer G in relation to our trucking services, and a trucking and transportation service agreement that we signed on 15 September 2020 with a subsidiary of the world's largest package delivery company, headquartered in Georgia, U.S. and listed on the New York Stock Exchange, for the provision of trucking and ocean transportation services within Singapore for a term of three years, our Group has not entered into agreements with our customers during the Track Record Period. Our customers are free to engage our competitors who provide similar logistics services should they find the terms and quality of service being offered by our competitors more attractive. Therefore, there can be no assurance that these customers will continue to use our services at fees offered by our Group. In the event that our Group is unable to retain these customers or seek replacement customers, our business, results of operations, profitability and liquidity may be adversely affected.

The outbreak of any severe communicable disease, in particular the COVID-19, if uncontrolled, could adversely affect our results of operations and financial position

The outbreak of any severe communicable disease, such as the COVID-19 in Singapore or other parts of the world, if uncontrolled, could have an adverse effect on our Group's operations and the overall business sentiment and environment in Singapore.

Since the outbreak of COVID-19 in Singapore, the Singapore government has announced measures, including travel restrictions and safe distancing measures, in order to reduce the risk of local transmission of COVID-19. On 3 April 2020, the Singapore government announced an elevated set of safe distancing measures, which includes closing most physical workplace premises and suspending all business, social and other activities that cannot be conducted through telecommuting from home from 7 April 2020 to 1 June 2020, save for those providing Essential Services and in selected economic sectors which are critical for local and global supply chains. While the Circuit Breaker Measures have ended from 2 June 2020, in the event of a worsening COVID-19 situation in Singapore, such measures may be implemented again, and our business, financial condition, results of operations and prospects may be materially and adversely affected. According to the Converging Knowledge Report, the COVID-19 outbreak has brought forth disruptions in the daily lives of individuals, the normal course of certain businesses and supply chains in Singapore. The added pressure from the virus presents challenges in 2020 for the country, following an earlier confrontation with the US-China trade war in 2019. In addition, Singapore's close economic ties with the PRC have further increased the former's economic vulnerability. Anti-virus controls enforced by the PRC have disrupted industrial production and logistic networks, threatening supply chains and revenue streams in Singapore. In view of these uncertainties, the Singapore Ministry of Trade and Industry has downgraded its GDP growth forecast to -7.0% to -4.0% for 2020, which was subsequently narrowed to -6.5% to -6.0% on 23 November 2020.

Such economic conditions may cause our customers to reduce spending on the services we provide and thus affect our financial performance. In the event that certain countries impose travel bans on cargo, it would lead to reduction in international flow of goods and affect the business of our customers. As a result, our customer's demand for our services may be reduced and our business, financial conditions and results of operations could be adversely affected.

If any of our employees is contracted with any severe communicable diseases, it could adversely affect or disrupt our operations as we may be required to ground our fleet, close our offices and logistics yards to prevent the spread of the disease and/or to quarantine the facilities of our customers which our employees have visited. We may be required to engage subcontractors to support our operations and take extra hygiene precautions for our operations, which may result in higher costs.

In addition, our revenue and profitability may be materially affected if any health epidemic or virus outbreak affects the overall economic and market conditions in Singapore where the economic slowdown and/or negative business sentiment could potentially have an adverse impact on our business and operations. We are uncertain as to when the outbreak of COVID-19 will be contained, and we also cannot predict if the impact of an outbreak will be short-lived or long-lasting. If the outbreak of COVID-19 is not effectively controlled in a short period of time, our business, financial condition, results of operations and prospects may be materially and adversely affected. For further information regarding the potential effects of COVID-19 on our business and operations, please refer to the section headed "Summary — Recent development and material adverse change" in this prospectus.

Significant increases in our labour cost could adversely affect our operational and financial performance

Staff cost, mainly salaries and wages paid to our employees for the trucking, freight forwarding and value added transport services, accounted for approximately 11.1%, 11.4%, 11.3% and 10.9% of our total cost of services for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. According to the Converging Knowledge Report, the overall unit labour cost in Singapore has risen at a CAGR of 0.9% for the period between 2015 and 2019. There can be no assurances that labour cost will continue to remain stable, or increase at a manageable rate in the future. Should there be significant increases in our labour cost which results in our inability to hire sufficient staff and/or adverse reductions to our margins, our business, financial condition and prospects may be adversely affected.

Approximately 47.9% of our workforce is made up of foreign labour which may be housed in foreign worker dormitories, and the inability to employ foreign labour or if the foreign worker dormitories they are housed in are declared to be isolation areas by the Ministry of Health Singapore as a result of COVID-19, our operations and financial performance could be materially affected

Our business is dependent on skilled, semi-skilled and unskilled foreign workers as the local labour force is limited and more costly. According to the Converging Knowledge Report, there has been a tightening of foreign labour supply in Singapore where the MOM has implemented policies including raising foreign worker levies and standards in qualifying criteria for employment pass applications. Any shortage in the supply of foreign workers or increase in FWL, or any restriction on the number of foreign workers that we can employ, will adversely affect our operations and financial performance. Any changes in the relevant policies of the foreign workers' countries of origin and the relevant policies of Singapore may also affect the supply of foreign labour and cause disruptions to our operations. Any increase in FWL will increase our operating expenses and will affect our financial performance. As at the Latest Practicable Date, approximately 47.9% of our workforce is made up of foreign workers. On this basis, our operations and financial performance may be adversely affected due to any shortage in the supply of foreign workers and any increase in the cost of foreign labour.

Moreover, some of our foreign workers are housed in foreign worker dormitories. According to our Singapore Legal Advisers, as at the Latest Practicable Date, there were 52 foreign worker dormitories licensed in accordance with the Foreign Employee Dormitories Act in Singapore. On 5 April 2020, the Singapore Ministry of Health had issued an advisory on additional measures to minimise further spread of COVID-19 within foreign worker dormitories, pursuant to which 25 of the foreign worker dormitories had been declared as isolation areas. As at the Latest Practicable Date, these 25 foreign worker dormitories were no longer deemed as isolation areas and the relevant notifications have been revoked accordingly. Although our Directors confirm that none of our employees are housed in the dormitories which were declared as isolation areas, any further spread of COVID-19 within foreign worker dormitories that our foreign workers are housed may lead to such dormitories being declared as isolation areas, which will temporarily reduce our supply of foreign workers and ultimately adversely affect our operations and financial performance.

Fluctuation in diesel prices may affect our profitability

As at Latest Practicable Date, we utilise a fleet of 56 prime movers, three flat vans, two reach stackers and forklifts that require diesel to carry out our logistics services and are therefore exposed to the effects of fluctuation in diesel prices. Diesel costs accounted for approximately 4.7%, 5.7%, 6.2% and 4.6% of our total cost of services for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively.

The cost of diesel can fluctuate significantly and is subject to various economic and political factors that are beyond our control, including the political instability in oil-producing regions. According to the Converging Knowledge Report, diesel prices are expected to fluctuate within a CAGR range of between -8.5% and 5.3% in the next three years, in view of the expected fluctuations in global oil supply and demand, partly due to COVID-19's impact on economies worldwide. Any significant increase in global diesel prices will result in a direct increase in our operational costs, thereby adversely affecting our profitability. There can be no assurance that we will be able to pass on the increase in diesel prices to our customers or offset the effects of any future increase in diesel prices.

Loss of our key management and inability to attract and retain management staff will adversely affect our operations and financial performance

We believe that our success, to a large extent, is attributable to, among other things, the contribution of Mr. Ng and Mr. KH Ng, each being our executive Director, and Mr. Koh Char Boh and Mr. Stephen Yeo, each being members of our senior management. Details of their expertise and experience are set out in the section headed "Directors and Senior Management" in this prospectus. We rely on our key management in many important aspects of our business including sales and marketing, the maintenance of customer relationships and management of our operations. We also rely on our experienced management team to ensure the smooth operations of business. Our Group's success and growth therefore depends on our ability to retain key personnel or alternatively to be able to identify, hire and train suitable, skilled and qualified replacements. Should any of our key personnel cease to serve us and we fail to recruit appropriate replacement in a timely manner, our business and operations may be adversely affected.

Unsatisfactory performance by our suppliers or unavailability of our suppliers in relation to our freight forwarding services may adversely affect our business operations and profitability

We engage suppliers to perform certain parts of our freight forwarding services. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, our freight forwarding costs amounted to approximately S$9.3 million, S$11.8 million, S$12.1 million and S$6.9 million, respectively. We evaluate suppliers by taking into account, among others, their credibility and reputation, pricing, quality of services and turnaround time. However, there is no assurance that the service quality of our suppliers can always meet our requirements. We may not be able to monitor the performance of our suppliers as directly or efficiently as with our own staff. In addition, there is no assurance that we will always be able to secure services from suitable suppliers when required, or be able to negotiate acceptable fees and terms of service with suppliers. Any inability to engage suitable suppliers could hinder our ability to complete our freight forwarding services within the prescribed deadline.

Outsourcing exposes us to risks associated with non-performance, delayed performance or substandard performance by our suppliers. Accordingly, we may experience substandard quality or delay in completion of our freight forwarding services.

Our expansion plan may not be implemented successfully which may adversely affect our prospects and it will result in increasing depreciation and labour-related expenses

Our Group intends to apply approximately 87.0% of total net proceeds from the issue of New Shares under the Share Offer to further increase our service capacity through the Strategic Acquisition, the expansion of our fleet and machinery and the expansion of our labour resources. Further details of the expansion plan are set out in the sections headed "Business — Business strategies" and "Future Plans and Use of Proceeds" in this prospectus.

The strategic acquisition of a logistics company which provides warehousing services may involve construction and/or renovation work to be performed on the warehouse, the open-yard and the office premises, where applicable. However, such work may be subject to risks that are beyond our control such as delays, deviation from planned specifications, and failure to control costs within budget, and these may affect our results of operations and financial position.

As part of our expansion plan involves the acquisition of additional primer movers and trailers, we will also be hiring additional staff such as transportation (drivers), operations staff, customer service representatives and finance and administration staff to support this. The Strategic Acquisition and the increase in vehicle fleet size and labour resources will result in higher depreciation and labour-related expenses.

Moreover, the successful implementation of our expansion plan may be affected by a number of factors including the availability of sufficient funds, government policies relevant to our industry, economic conditions, our ability to maintain our existing competitive advantages, our relationships with our customers and the threat of substitutes and new market entrants. There is no assurance that the expansion plan can be implemented in a timely and successful manner. Should there be any material adverse change in our operating environment which results in our failure to implement any part of our expansion plan, the growth in our service capacity will be impacted, resulting in future capacity constraints for our Group which consequently lead to the curtailment in our ability to capture future service orders, resulting in an adverse impact on our prospects. Any material adverse change in our operating environment resulting in our failure to implement any part of our expansion plan may also result in our revenue growth not being able to offset the increase in depreciation and labour-related expenses, our financial condition and prospects may be adversely affected.

As we had not committed to any acquisition of any Potential Target Companies and our Business Advisory Consultant is still identifying and shortlisting suitable target companies as at the Latest Practicable Date, we cannot assure you that we will be able to identify a Potential Target Company. Even if we do manage to identify suitable target companies, we may not be able to complete the Strategic Acquisition on terms favourable or acceptable to us or in a timely manner, or at all. The inability to identify suitable target companies or to complete the Strategic Acquisition may materially and adversely affect our competitiveness and growth prospects.

Accidents may occur during the transportation process due to the nature of our business and we may be held vicariously liable for the act of our drivers

Our Group is a provider of logistics services in Singapore. Our trucking services may also involve the haulage of environmentally hazardous substances, flammable materials and various petroleum products. Due to the nature of our business, we may be subject to the risk of personal injuries or even serious or fatal accidents during the transportation process. If any accidents are to occur, our Group may be exposed to criminal and/or civil action and we may be liable to pay damages as a result. This may, in turn, adversely affect our reputation, financial position and results of operation.

We are subject to credit risk in respect of our trade receivables

Trade receivables represent the balances due from customers which amounted to approximately S$11.0 million, S$9.4 million, S$10.3 million and S$9.7 million as at 31 December 2017, 2018, 2019 and 31 August 2020, respectively. Our customers are typically required to settle our invoices by cash upon delivery while some customers are given 30 to 90 days to settle the invoice. Our trade receivables turnover days were approximately 100.5 days, 91.9 days, 82.5 days and 91.2 days for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. Please refer to the section headed "Financial Information — Analysis of selected combined statements of financial position items — Trade receivables" in this prospectus for more details on our trade receivables.

Should (i) our customers fail to settle relevant receivables in full; or (ii) there be a change in their payment policies resulting in a longer settlement period for the amount due, our business, financial condition, results of operations and profitability could be materially and adversely affected.

There can be no assurance that our credit control policies and measures implemented will be adequate to protect us against material credit risks and enable us to avoid losses. We may make allowances for doubtful debts based on certain assumptions, estimates and assessments about the recoverability of our trade and other receivables, including the creditworthiness and past collection history of our customers. However, such collectability estimates may prove to be inaccurate or there may be a change in the underlying basis of such assumptions, estimates and assessments. In the event that we are required to make future adjustments or our actual losses exceed our allowances, this could result in a material and adverse effect on our results of operations and financial condition.

Fluctuations in amounts of government grants received from the Singapore government may lead to volatility in our profit.

During the Track Record Period, we recognised government grants of approximately S$59,000, S$37,000, S$23,000 and S$737,000, for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. Such government grants mainly comprise of the Wage Credit Scheme, the Productivity Innovation Credit, the Temporary Employment Credit, the Special Employment Credit, the Jobs Support Scheme and the Foreign Worker Levy Rebates. In particular, the Job Support Scheme and the Foreign Worker Levy Rebates are non-recurring in nature. For details, please refer to Note 7 in the Accountants' Report in Appendix I to this prospectus. For details of the Jobs Support Scheme and the Foreign Worker Levy Rebates, please also refer to the section headed "Summary — Recent development and material adverse change — Subsidies received from the Singapore government" in this prospectus.

The government grants fluctuated during the Track Record Period as such grants were subject to the discretion of the relevant Singapore government authorities. There can be no assurance that we will continue to receive significant amounts of government grants, or at all. Accordingly, we may experience additional fluctuations in the government grants that we recognised, which may lead to volatility in our profit.

If we are unable to promptly recover our electronic system and database when they fail to operate properly, our reputation, business and operations could be adversely affected

We rely on information technology to maintain our electronic system and database in the course of our business operations. Our suppliers' and customers' information, truck schedules, cargo shipment schedules and information on our customers' containers and cargo at our logistics yards are electronically recorded in our system. If we are unable to promptly recover our system and database at times of failure, our reputation, business and operations could be adversely affected.

We could be adversely affected as a result of any services we provide in relation to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Nations, Australia and other relevant sanctions authorities

During the Track Record Period, we provided certain services in relation to shipments of goods on behalf of our customers to or from Countries subject to International Sanctions. These included Iran and Syria, which are subject to comprehensive sanctions, and Sudan, which was comprehensively sanctioned until 12 October 2017. In addition, we provided these services on behalf of our customers to or from the Balkans, Belarus, Democratic Republic of Congo, Cote D'Ivoire (Ivory Coast), Egypt, Guinea, Haiti, Iraq, Lebanon, Myanmar, Russia, Ukraine and Zimbabwe, which are subject to more targeted sanctions programs. The region of Crimea, which includes in Russia and Ukraine, is subject to comprehensive sanctions. However, whilst we did provide services related to each of Russia and Ukraine during the Track Record Period, we did not provide any services which related to the region of Crimea. During the Track Record Period, revenue generated from services relating to the Countries subject to International Sanctions amounted to approximately S$0.2 million, S$0.3 million, S$0.2 million and S$0.1 million for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively, representing approximately 0.5%, 0.6%, 0.6% and 0.4% of our total revenue during the same periods. Please refer to the section headed "Business — Business activities in Countries subject to International Sanctions" in this prospectus for further details.

We have undertaken to the Stock Exchange that we will not use the proceeds from the Share Offer, as well as any other funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Countries subject to International Sanctions or any other government, individual or entity sanctioned by the U.S., the European Union, the United Nations or Australia, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions. In addition, we have undertaken not to enter into any future business that would cause us, the Stock Exchange, HKSCC, HKSCC Nominees or our

Shareholders and investors to violate or become a target of sanctions laws by the U.S., the European Union, the United Nations or Australia. We will also disclose on the respective websites of the Stock Exchange and our Group if we believe that the transactions our Group entered into in relation to Countries subject to International Sanctions or with Sanctioned Persons would expose our Group or our Shareholders and investors to risks of being sanctioned, and in our annual reports or interim reports our efforts on monitoring our business exposure to sanctions risk, the status of future business, if any, in Countries subject to International Sanctions and with Sanctioned Persons and our business intention relating to Countries subject to International Sanctions and with Sanctioned Persons. If we were in breach of such undertakings to the Stock Exchange, we would be subject to the risk of possible delisting of our Shares on the Stock Exchange.

While we have implemented internal control measures to minimize our risk exposure to International Sanctions, sanctions laws and regulations are constantly evolving, and new persons and entities are regularly added to the list of Sanctioned Persons. Further, new requirements or restrictions could come into effect which might increase the scrutiny on our business or result in one or more of our business activities being deemed to have violated sanctions. Our business and reputation could be adversely affected if the authorities of U.S., the European Union, the United Nations, Australia or any other jurisdictions were to determine that any of our future activities constitutes a violation of the sanctions they impose or provides a basis for a sanctions designation of our Group. For details of our business operations in the Countries subject to International Sanctions and our undertakings to the Stock Exchange and its related group companies, please refer to the section headed "Business — Business activities in Countries subject to International Sanctions" in this prospectus.

Our operations may subject us to litigation, arbitration, administrative proceedings or other dispute which expose us to significant liability claims

We may from time to time encounter disputes arising from agreements with customers, subcontractors, suppliers or other third parties, which may involve claims against them or us. Claims involving us could result in time-consuming and costly litigations, arbitration, administrative proceedings or other legal procedures. Expenses we incur in legal proceedings or arising from claims brought by or against us could have a material and adverse effect on our business, financial position, results of operations and prospects. Legal proceedings resulting in unfavourable judgment or findings may harm our corporate image and reputation, cause financial losses and damage our prospects of entering into future contracts, thereby materially and adversely affecting our business, financial position, results of operations and prospects.

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

Despite the fact that our Group maintains insurance policies against burglary and fire, foreign worker medical insurance, motor vehicle insurance, haulier's insurance and work injury insurance, such insurance coverage may be insufficient to cover all the risks associated with our business and operations in the future. In 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. Furthermore, the claim records of our Group may affect the premiums which insurance companies will charge us in the future.

These events would divert management and resources from our normal course of business, and the associated losses and liabilities which we may incur or suffer may have a material adverse effect on our financial condition and the results of our operations.

The appraised value of our properties may be different from their actual realisable value and are subject to change.

The appraised value of our properties as contained in the section headed "Appendix IV — Property Valuation Report" are based on multiple assumptions that include elements of subjectivity and uncertainty. The assumptions, on which the appraised value of our properties are based, include:

i. the owner sells the properties in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties; and

ii. no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

As a result, the appraised values of our properties may differ materially from the price we could receive in an actual sale of the properties in the market and should not be taken as their actual realisable value or an estimation of their realisable value. The valuation of our investment properties could stagnate or even decrease if the market for comparable properties experiences a downturn as a result of government measures with respect to the property sector, any deterioration in the macroeconomic environment or for other reasons.

The occurrence of any of the above may materially and adversely impact our business, financial condition, results of operations or growth prospects.

RISKS RELATING TO THE INDUSTRY IN WHICH WE OPERATE

A shortage of drivers may affect our profitability

Our operations are dependent on the availability of drivers. As at the Latest Practicable Date, we have employed a total of 52 transportation (drivers) which accounted for approximately 36.1% of our Group's total workforce. As part of our expansion plan, we will be increasing our logistics services capabilities, in particular, our trucking services and value added transport services and as a result, we will be hiring additional drivers. There can be no assurance that a shortage of drivers will not occur in the future and thus adversely affect our business, financial condition and results of operations. Any substantial shortage of drivers may lead to a disruption to our Group's daily operations.

We operate in a highly competitive industry and we cannot assure you that we will be able to compete successfully

The industry in which we operate is highly fragmented. Please refer to the section headed "Industry Overview — Competitive landscape" in this prospectus for further details. We may be less competitive than some of our competitors in terms of scale of operations. In addition, some competitors may have greater scale, flexibility and other resources than we do. According to the Converging Knowledge Report, seven large-tier industry players (representing approximately 5.8% of the sampled industry players or approximately 58.3% of the sampled industry players in the large-tier segment)[Note] and 15 mid-tier industry players (representing approximately 12.5% of the sampled industry players or approximately 88.2% of the sampled industry players in the mid-tier segment)[Note] in the trucking segment of Singapore's logistics industry have evolved from being pure trucking service providers to one-stop logistics service providers by expanding their service offerings to include freight forwarding and warehousing/storage. We cannot assure you that we will be able to continue to compete successfully in our existing markets. A number of factors, including an increase in operational efficiency, adoption of competitive pricing strategies, expansion of operations or adoption of innovative marketing methods, may have a material adverse effect on our business, results of operations and financial condition.

Our results of operations are affected by international trading volumes, global and regional economic conditions

As our trucking services, freight forwarding services and value added transport services involve cargo and containers which have arrived from or are to be shipped to overseas destinations, our results of operations are therefore affected by global trade volume and export volume. The global trade volume and export volume are affected by changes or developments in global economic, financial and political conditions. We are also affected by economic cycles and changes in our customers' business cycles. Other extraneous factors, such as impositions of trade restrictions, sanctions, boycotts and other measures, trade disputes, currency appreciation, policy shifts of the relevant government, could adversely affect trade volume and export volume and lead to a material decline in the demand for our services and our results of operations may be adversely affected.

Social, political, regulatory, economic and legal developments, as well as any changes in Singapore government policies, could materially and adversely affect our Group's business and operating results

Our Group's primary market is Singapore. Our Directors believe that, as Singapore is expected to remain as our Group's core market and place of operation in the foreseeable future, negative developments in the Singapore economy may have a material adverse effect on business. Our Group's business, prospects, financial condition and results of operations may be adversely affected by social, political, regulatory and economic developments in Singapore. Uncertainties in these areas include the risks of war, regional conflicts, terrorism, extremism, nationalism, nullification of contracts, changes in interest rates, imposition of capital controls, changes in government policies or introduction of new rules or regulations concerning logistics service providers, environmental or transportation regulations and methods of taxation. Although the overall Singapore economic environment (in which our Group predominantly operates) appears to be positive, there can be no assurance that this will continue to prevail in the future.

Note: According to the Converging Knowledge Report, these statistics were compiled based on a sample size of 120 industry players out of a total of 150 to 200 industry players in the trucking segment of Singapore's logistics industry. Out of the sample size of 120 industry players, 12 industry players are in the large-tier segment, 17 industry players are in the mid-tier segment and the remaining 91 industry players are in the small-tier segment.

On the other hand, the logistics industry forms part of the overall transport industry in Singapore. The Singapore government may tighten regulations governing transport industry to reduce accidents or impose new regulations to curb air pollution or to meet the more stringent environmental requirements owing to its international commitments. It may expand the scope of existing regulations, tighten rules governing license renewal process or even impose requirements to install certain equipment. These new measures may limit our Group's flexibility to operate and may increase our Group's costs of doing business. Our Group's failure to comply with such laws and regulations may also result in reprimand, penalties, compounds, fines and lawsuits against us.

Our business may be affected by outbreaks and recurrence of epidemics, natural disasters, acts of war, terrorist acts, political unrest and other events which are beyond our control

Certain countries have experienced or are experiencing epidemics such as COVID-19, severe acute respiratory syndrome, avian influenza and natural disasters such as fire, floods, droughts, blizzards and earthquakes, which have had an adverse impact on the economies of the affected countries.

Since we conduct our business operations primarily in Singapore, the outbreak or recurrence of epidemics or natural disasters in any country, acts of war, terrorist acts, political unrest and other events in Singapore, being beyond our control, may result in disruption to our business or that of our customers, which could in turn adversely affect our operations and financial results.

RISKS RELATING TO THE SHARE OFFER

There has been no prior public market for our Shares and an active trading market for our Shares may not develop

Prior to the Listing, no public market for our Shares existed. Following completion of the Share Offer, the Stock Exchange will be the only market on which the Shares are publicly traded. We cannot assure you that an active trading market for our Shares will develop or be sustained after the Share Offer. In addition, we cannot assure you that our Shares will trade in the public market subsequent to the Share Offer at or above the Offer Price. The Offer Price for the Shares is expected to be fixed by agreement between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and us, and may not be indicative of the market price of the Shares following the completion of the Share Offer. If an active market for our Shares does not develop or is not sustained after the Share Offer, the market price and liquidity of Shares could be materially and adversely affected.

The liquidity, trading volume and trading price of our Shares may be volatile, which could result in substantial losses for our Shareholders

The price at which the Shares will trade after the Share Offer will be determined by the market, which may be influenced by many factors, some of which are beyond our control, including:

- our financial results;

- changes in securities analysts' estimates, if any, of our financial performance;

- the history of, and the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenue and cost structures such as the views of independent research analysts, if any;
- the present status of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

In addition, the Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of companies quoted on the Stock Exchange. As a result, investors in our Shares may experience volatility in the market price of their Shares and a decrease in the value of Shares regardless of our operating performance or prospects.

Investors may experience difficulties in enforcing their shareholders' rights as the laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located

Our Company is incorporated in the Cayman Islands and our affairs are governed by the Articles, the Companies Law and common law applicable in the Cayman Islands. The laws of Cayman Islands may differ from those of Hong Kong or other jurisdictions where investors may be located. As a result, minority Shareholders may not enjoy the same rights as pursuant to the laws of Hong Kong or such other jurisdictions.

Our Controlling Shareholders have substantial control over our corporate actions and can exert significant influence over important corporate matters, which may reduce the price of our Shares and deprive you of an opportunity to receive a premium for your Shares

After the Capitalisation Issue and the Share Offer, our Controlling Shareholders will beneficially own 75% of our issued share capital. Therefore, our Controlling Shareholders could exert substantial influence over matters such as electing Directors and approving material mergers, acquisitions or other business combination transactions. This concentration of ownership may also discourage, delay or prevent a change in control of our Company, which could have the dual effect of depriving our Shareholders of an opportunity to receive a premium for their Shares as part of a sale of our Company and reducing the price of our Shares. Moreover, our Controlling Shareholders' interest may not be aligned with our Company and thus actions taken by our Controlling Shareholders may not be aligned with the interests of the minority Shareholders. These actions may be taken even if they are opposed by our other Shareholders.

There is no guarantee that we will declare dividends in the future

There is no assurance that dividends will be declared or paid in the future. The amount of any dividends to be declared in the future will be subject to, among other factors, our future operations and earnings, capital requirements and surplus, general financial condition and other factors which our Directors may deem relevant at their discretion. Further, our Group does not have a dividend policy or a pre-determined payout ratio.

In any event, there is no assurance that our Company will receive sufficient distribution from our subsidiaries to support any future profit distribution to our Shareholders, or that the amounts of any dividends declared by our Company in the future, if any, will be of a level comparable to dividends declared and paid, or by other listed companies in the same industry as our Group.

Since there will be a gap of several days between pricing and trading of our Shares, holders of our Shares are subject to the risk that the price of the Shares could fall during the period before trading of the Shares begins

The Offer Price of our Shares is expected to be determined on the Price Determination Date. However, our Shares will not commence trading on the Stock Exchange until they are delivered, which is expected to be several days after Price Determination Date. As a result, investors may not be able to sell or otherwise deal in our Shares during that period. Accordingly, holders of our Shares are subject to the risk that the price of our Shares could fall before trading begins as a result of adverse market conditions or other adverse developments that could occur between the time of sale and the time trading begins.

Any disposal by our Controlling Shareholders of a substantial number of Shares in the public market could materially and adversely affect the market price of our Shares

There is no guarantee that our Controlling Shareholders will not dispose of their Shares following the expiration of their respective lock-up periods after the Listing. Our Group cannot predict the effect, if any, that any future sales of our Shares by any of our Controlling Shareholders may have on the market price of our Shares. Sales of a substantial number of Shares by any of our Controlling Shareholders or the market perception that such sales may occur could materially and adversely affect the prevailing price of our Shares.

We may grant share-based awards in the future pursuant to the Share Award Scheme, which may result in increased share-based compensation expenses and dilution to the shareholding of existing shareholders

We have conditionally adopted the Share Award Scheme and may grant share-based awards under the Share Award Scheme. Any grant of share-based awards, including share awards under the Share Award Scheme by us, will increase our share-based compensation expenses, and dilute the existing shareholders' shareholding. For a summary of the principal terms of the Share Award Scheme, please refer to the section headed "Statutory and General Information — D. Adoption of Share Award Scheme" in Appendix VI to this prospectus.

RISKS RELATING TO INFORMATION CONTAINED IN THIS PROSPECTUS

Investors should not place undue reliance on facts, statistics and data contained in this prospectus with respect to the economies and our industry

Certain facts, statistics and data in this prospectus are derived from various sources including various official government sources 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 reasonable care in extracting and reproducing the information, they have not been prepared or independently verified by us, the Selling Shareholder, the Sponsor, the Sole Global Coordinator, the Underwriters or any of their respective directors, affiliates or advisers. Therefore, none of them makes any representation as to the accuracy or completeness of such facts, statistics and data. Due to possibly flawed or ineffective collection methods or discrepancies between published information, market practice and other problems, the statistics in this prospectus may be inaccurate or may not be comparable to statistics produced for other publications or purposes and you should not place undue reliance on them. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented 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 and we strongly caution you not to place any reliance on any information contained in press articles or media regarding us or the Share Offer

There may be press and media coverage regarding us or the Share Offer, which may include certain events, financial information, financial projections and other information about us that do not appear in this prospectus. We have not authorised the disclosure of any other information not contained in this prospectus. We do not accept any responsibility for any such press or media coverage and make no representation as to the accuracy or completeness or reliability of any such information or publication. To the extent that any such information appearing in publications other than this prospectus is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors should not rely on any such information. In making your decision as to whether to subscribe for and/or purchase our Shares, you should rely only on the financial, operational and other information included in this prospectus.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties

This prospectus contains certain statements and information that are “forward-looking” and uses forward-looking terminology such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “may”, “ought to”, “should” or “will” or similar terms. Those statements include, among other things, the discussion of our Group’s growth strategy and expectations concerning our future operations, liquidity and capital resources. Investors of our Shares are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect.

The uncertainties in this regard include, but are not limited to, those identified in this section, many of which are not within our Group’s control. In light of these and other uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations by our Company that our plans or objectives will be achieved and investors should not place undue reliance on such forward-looking statements. Our Company does not undertake any obligation to update publicly or release any revisions of any forward-looking statements, whether as a result of new information, future events or otherwise. Please refer to the section headed “Forward-looking statements” in this prospectus for further details.

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH RULE 8.12 OF THE LISTING RULES

Pursuant to Rule 8.12 of the Listing Rules, our Company 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. Given that our head office, business and operation are primarily located, managed and conducted in Singapore and, none of our executive Directors are ordinarily resident in Hong Kong, our Company does not and will not, in the foreseeable future, have two executive Directors residing in Hong Kong.

Accordingly, we have applied to the Stock Exchange for a waiver from compliance with the requirements under Rule 8.12 of the Listing Rules. The Stock Exchange has granted the requested waiver to our Company from strict compliance with the requirements under Rule 8.12 of the Listing Rules on condition that our Company would adopt the following arrangements to maintain regular communication with the Stock Exchange:

(a) our Company has appointed 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. The two authorised representatives appointed are Mr. KH Ng, our executive Director and Mr. Man Yun Wah, our company secretary who is an ordinary resident in Hong Kong. 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 telephone, facsimile or email. Each of the two authorised representatives is authorised to communicate on behalf of our Company with the Stock Exchange;

(b) both authorised representatives have means to contact all members of the Board (including our independent non-executive Directors) and of the senior management team promptly at all times as and when the Stock Exchange wishes to contact them or any of them for any matters;

(c) to enhance the communication between the Stock Exchange, the authorised representatives and our Directors, our Company will implement a number of policies whereby (i) each executive Director and independent non-executive Director shall provide his mobile phone numbers, residential phone numbers, office phone numbers, fax numbers (if available) and email addresses to the authorised representatives; (ii) in the event that an executive Director or independent non-executive Director expects to travel and be out of office, he shall provide the phone number of the place of his accommodation to the authorised representatives; and (iii) all our Directors and authorised representatives will provide their respective mobile phone numbers, office phone numbers, fax numbers (if available) and email addresses to the Stock Exchange;

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

(e) Ample Capital Limited has been appointed as the compliance adviser of our Company pursuant to Rule 3A.19 of the Listing Rules to provide our Company with professional advice on continuing obligations under the Listing Rules, and to act at all times, in addition to the two authorised representatives of our Company, as our Company's principal channel of communication with the Stock Exchange for the period commencing on the Listing Date and ending on the date on which our Company publishes its annual report in respect of its first full financial year commencing after the Listing Date;

(f) meetings between the Stock Exchange and our Directors can be arranged through the authorised representatives or the compliance adviser, or directly with our Directors within a reasonable time frame. Our Company will inform the Stock Exchange promptly of any change in the authorised representatives or the compliance adviser; and

(g) all our Directors have confirmed that they possess or can apply for valid travel documents to travel to Hong Kong when so required and would be able to come to Hong Kong and meet with the relevant members of the Stock Exchange within a reasonable period of time, when required.

NON-EXEMPTED CONTINUING CONNECTED TRANSACTIONS

We have entered into, and we expect to continue, certain transactions which would constitute non-exempted continuing connected transactions of our Company under the Listing Rules. Our Company has applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with the requirements as set out in Chapter 14A of the Listing Rules in respect of the non-exempted continuing connected transactions.

For details of such non-exempted continuing connected transactions and waiver, please refer to the section headed "Connected Transactions" in this prospectus.

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 Companies (Winding Up and Miscellaneous Provisions) 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 to the public with regard to us. Our Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

UNDERWRITING

This prospectus is published solely in connection with the Public Offer which forms part of the Share Offer. For applicants under the Public Offer, this prospectus and the Application Forms set out the terms and conditions of the Public Offer.

The Listing is sponsored by the Sponsor. The Public Offer will be fully underwritten by the Public Offer Underwriters under the terms and conditions of the Public Offer Underwriting Agreement and is subject to the agreement to the Offer Price between our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters). The Share Offer is managed by the Sole Global Coordinator. The Placing will be fully underwritten by the Placing Underwriters under the terms and conditions of the Placing Underwriting Agreement. For further information about the Underwriters and the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

DETERMINATION OF THE OFFER PRICE

The Offer Shares are being offered at the Offer Price which will be determined by the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) on or around Wednesday, 6 January 2021 (Hong Kong time) or such later time as may be agreed between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder), but in any event no later than Monday, 11 January 2021 (Hong Kong time). If, for any reason, the Offer Price is not agreed between our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters), the Share Offer (including the Public Offer) will not proceed.

RESTRICTIONS ON OFFER AND SALE OF OFFER SHARES

No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus and/or the related Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation, nor is it calculated to invite or solicit offers in any jurisdiction or in any circumstances in which such an 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 and the offering of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the securities laws of such jurisdiction pursuant to registration with or an 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 United States, except in compliance with the relevant laws and regulations of such jurisdiction.

INFORMATION ON THE SHARE OFFER

The Offer Shares are offered to the public in Hong Kong for subscription solely on the basis of the information contained and the representations made in this prospectus and the related Application Forms. No person is authorised in connection with the Share Offer to give any information or to make any representation not contained in this prospectus, and any information or representation not contained in this prospectus must not be relied upon as having been authorised by our Company, the Selling Shareholder, the Sponsor, the Sole Global Coordinator, the Underwriters, any of their respective directors, agents, employees or advisers, or any other person involved in the Share Offer.

Each person acquiring the Offer Shares will be required, and is deemed by his acquisition of the Offer Shares, to confirm that he is aware of the restrictions on offers of the Offer Shares described in this prospectus and that he is not acquiring, and has not been offered any Offer Shares in circumstances that contravene any such restrictions.

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

SELLING SHAREHOLDER

One of our Controlling Shareholders, Mirana Holdings, is expected to sell 78,125,000 Sale Shares under the Placing. We estimate the net proceeds to the Selling Shareholder from the sale of Sale Shares pursuant to the Share Offer to be approximately HK$29.7 million (assuming an Offer Price of HK$0.46 per Share, being the mid-point of the Offer Price range stated in this prospectus). We will not receive net proceeds from the sale of Sale Shares pursuant to the Share Offer.

APPLICATION FOR LISTING OF OUR SHARES ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Share Offer (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option and any Shares which may be issued pursuant to the grant of Shares under the Share Award Scheme).

No part of our Shares is listed on or dealt with on any other stock exchange and no such listing or permission to list is being or currently proposed to be sought in the near future.

HONG KONG BRANCH REGISTER OF MEMBERS AND STAMP DUTY

All Shares issued by us pursuant to applications made in the Share Offer will be registered on our branch register of members to be maintained in Hong Kong by Tricor Investor Services Limited, our Hong Kong Branch Share Registrar. Our principal register of members will be maintained in the Cayman Islands by our Company's principal share registrar, Ocorian Trust (Cayman) Limited.

Dealings in Shares registered in our Hong Kong Branch Share Registrar will be subject to Hong Kong stamp duty. Only Shares registered on our Hong Kong branch register of members may be traded on the Stock Exchange.

PROFESSIONAL TAX ADVICE RECOMMENDED

If you are unsure about the taxation implications of subscribing for or purchasing, holding or disposing of or dealing in the Offer Shares, you should consult your professional advisers. None of our Company, the Selling Shareholder, the Sponsor, the Sole Global Coordinator, the Underwriters, their respective directors, agents, employees or advisers and any other person involved in the Share Offer accepts responsibility for any tax effects on, or liability of, any person or holders of Shares resulting from subscribing for, purchasing, holding or disposing of or dealing in the Offer Shares.

OVER-ALLOTMENT OPTION AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and stabilisation are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus.

PROCEDURE FOR APPLICATION FOR THE PUBLIC OFFER SHARES

The procedure for application for the Public Offer Shares is set out in the section headed "How to Apply for Public Offer Shares" in this prospectus and on the relevant Application Forms.

STRUCTURE OF THE SHARE OFFER

Details of the structure of the Share Offer, including conditions of the Share Offer, are set out in the section headed "Structure and Conditions of the Share Offer" in this prospectus.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, our 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 our Shares on the Stock Exchange or such other date HKSCC chooses. Investors should seek the advice of their stockbrokers or other professional advisers for details of those settlement arrangements as such arrangements will affect their rights, interests and liabilities.

Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after a trading transaction.

All necessary arrangements have been made for our Shares to be admitted to CCASS.

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

COMMENCEMENT OF DEALINGS IN OUR SHARES

Dealings in our Shares on the Stock Exchange are expected to commence at 9:00 a.m. on Wednesday,13 January 2021.

Our Shares will be traded in board lots of 5,000 Shares each.

ROUNDING

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

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. Translated English names of Chinese regulations, governmental authorities, departments, entities, institutions, natural persons, facilities, certificates, titles and the like included in this prospectus are unofficial translations for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

EXCHANGE RATE CONVERSION

Unless otherwise specified, amounts denominated in S$ have been translated, for the purpose of illustration only, into HK$ (or *vice versa*) in this prospectus at the following exchange rate:

S$1.00 : HK$5.80

No representation is made that any S$ amounts were or could have been or could be converted into HK$, at such rate or any other rate on any date.

DIRECTORS

Name	Residential Address	Nationality
Executive Directors		
Ng Choon Eng (黃春興)	House 6B, Hougang Street 11 #15-18 The Minton Singapore 534083	Singaporean
Ng Kong Hock (黃康福)	House 6B, Hougang Street 11 #15-18 The Minton Singapore 534083	Singaporean
Independent non-executive Directors		
Yeo Teck Chuan (楊德泉)	House 17 Mimosa View Singapore 805597	Singaporean
Wong Kwun Ho (黃冠豪)	Flat B, 20/F TST Tower 388 Un Chau Street Cheung Sha Wan, Kowloon Hong Kong	Chinese
Ho Wing Sum (何永深)	Flat B, 8/F, Manifold Court 36-46 Pok Fu Lam Road Hong Kong	Chinese

Further information of our Directors are disclosed in "Directors and Senior Management" in this prospectus.

PARTIES INVOLVED IN THE SHARE OFFER

Sponsor	**Ample Capital Limited** Unit A, 14/F. Two Chinachem Plaza 135 Des Voeux Road Central Central Hong Kong *(A licensed corporation carrying out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO)*
Sole Global Coordinator, Joint Bookrunner, Joint Lead Manager and Public Offer Underwriter	**Alpha Financial Group Limited** Room A, 17/F. Fortune House 61 Connaught Road Central Central Hong Kong
Joint Bookrunners, Joint Lead Managers and Public Offer Underwriters	**Elstone Securities Limited** Suite 1601-04, 16/F West Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong **AFG Securities Limited** Room B, 17/F. Fortune House 61 Connaught Road Central Central Hong Kong **Ample Capital Limited** Unit A, 14/F. Two Chinachem Plaza 135 Des Voeux Road Central Central Hong Kong **BOCOM International Securities Limited** 15/F Man Yee Building 68 Des Voeux Road Central Hong Kong

CIS Securities Asset Management Limited
21/F, Centre Point
181-185 Gloucester Road
Wanchai
Hong Kong

CMBC Securities Company Limited
45/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

First Fidelity Capital (International) Limited
Unit 1405
Allied Kajima Building
138 Gloucester Road
Wanchai
Hong Kong

Get Nice Securities Limited
10/F Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

Head & Shoulders Securities Limited
28-29/F
Queen's Road Centre
152 Queen's Road Central
Hong Kong

Plutus Securities Limited
8/F
80 Gloucester Road
Wanchai
Hong Kong

Seazen Resources Securities Limited
Unit 4503-07, 45/F
The Center
99 Queen's Road Central
Central
Hong Kong

	Sinomax Securities Limited Room 2705-6, 27/F Tower One, Lippo Centre 89 Queensway Hong Kong
	Yuzhou Financial Holdings Limited Unit 5805, 58/F The Center 99 Queen's Road Central Central Hong Kong
Legal advisers to our Company	*As to Hong Kong law:* **Cheung & Choy** Suites 3804-3805, 38/F. Central Plaza 18 Harbour Road Wanchai, Hong Kong
	As to Singapore law: **RHTLaw Asia LLP** 1 Paya Lebar Link #06-08 PLQ 2 Paya Lebar Quarter, Singapore 408533
	As to Cayman Islands law: **Appleby** Suites 4201-03&12 42/F, One Islands East Taikoo Place 18 Westlands Road Quarry Bay, Hong Kong
	As to International Sanctions law: **Hogan Lovells** 11th Floor, One Pacific Place 88 Queensway Hong Kong
Legal advisers to the Sponsor and the Underwriters	*As to Hong Kong law:* **Addleshaw Goddard (Hong Kong) LLP** 802-804 Champion Tower 3 Garden Road Central Hong Kong

Reporting accountant	**Deloitte Touche Tohmatsu** *Certified Public Accountants* 35/F One Pacific Place 88 Queensway Hong Kong
Auditors	**Deloitte & Touche LLP** *Public Accountants and Chartered Accountants* 6 Shenton Way, OUE Downtown 2 #33-00 Singapore 068809
Property valuer	**Ravia Global Appraisal Advisory Limited** Unit B, 7/F. Chang Pao Ching Building No.427-429 Hennessy Road Wan Chai, Hong Kong
Independent industry consultant	**Converging Knowledge Pte Ltd** 20 Maxwell Road #09-16 Maxwell House, Singapore 069113
Internal control consultant	**Baker Tilly Consultancy (Singapore) Pte Ltd** 600 North Bridge Road #05-01, Parkview Square Singapore 188778
Compliance adviser	**Ample Capital Limited** Unit A, 14/F. Two Chinachem Plaza 135 Des Voeux Road Central Central Hong Kong
Receiving bank	**Bank of China (Hong Kong) Limited** 1 Garden Road Hong Kong

Registered office	Windward 3, Regatta Office Park PO Box 1350 Grand Cayman KY1-1108 Cayman Islands
Headquarters and principal place of business in Hong Kong	Unit 912, 9/F, Two Harbourfront 22 Tak Fung Street, Hunghom Kowloon, Hong Kong
Headquarters in Singapore	7 Keppel Road, #3-20/21/22/23/24 Tanjong Pagar Complex Singapore, 089053
Company's website	**www.legionconsortium.com** *(information contained on this website does not form part of this prospectus)*
Company secretary	Man Yun Wah (文潤華) *(HKICS)* Unit 912, 9/F, Two Harbourfront 22 Tak Fung Street, Hunghom Kowloon, Hong Kong
Authorised representatives	Ng Kong Hock (黃康福) House 6B, Hougang Street 11 #15-18 The Minton Singapore 534083 Man Yun Wah (文潤華) Unit 912, 9/F, Two Harbourfront 22 Tak Fung Street Hunghom Kowloon, Hong Kong
Audit committee	Yeo Teck Chuan (楊德泉) *(Chairman)* Wong Kwun Ho (黃冠豪) Ho Wing Sum (何永深)
Remuneration committee	Ho Wing Sum (何永深) *(Chairman)* Wong Kwun Ho (黃冠豪) Yeo Teck Chuan (楊德泉) Ng Kong Hock (黃康福)
Nomination committee	Wong Kwun Ho (黃冠豪) *(Chairman)* Yeo Teck Chuan (楊德泉) Ho Wing Sum (何永深) Ng Kong Hock (黃康福)

Principal share registrar and transfer office in the Cayman Islands	Ocorian Trust (Cayman) Limited Windward 3, Regatta Office Park PO Box 1350 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	Oversea-Chinese Banking Corporation Limited 65 Chulia Street OCBC Centre Singapore 049513

Unless otherwise indicated, the information presented in this section is derived from the Converging Knowledge Report prepared by Converging Knowledge, which was commissioned by us and is prepared primarily as a market research tool intended to reflect estimates of market conditions based on publicly available resources and trade union surveys. References to Converging Knowledge should not be considered as its opinion as to the value of any security or the advisability of investing in our Group. Our Directors believe that the sources of information and statistics are appropriate sources for such information and statistics. Our Directors have no reason to believe that such information and statistics are false or misleading or that any fact has been omitted that would render such information and statistics false or misleading in any material respect. The information prepared by Converging Knowledge and set out in this Industry Overview section has not been independently verified by our Group, the Selling Shareholder, our Directors, the Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Underwriters or any other party involved in the Share Offer (except Converging Knowledge) or their respective directors, officers, employees, advisers and agents, and no representation is given as to its accuracy and completeness. Accordingly, such information should not be unduly relied upon.

SOURCE OF INFORMATION

We have commissioned Converging Knowledge, an independent market research and consulting company, to conduct comprehensive research, analysis and report on the logistics sector in Singapore for a total fee of approximately S$84,800 which we believe reflects market rate.

Founded in 2002, Converging Knowledge is an independent provider of customised research and analysis, including on-demand research and strategic intelligence. In arriving at the qualitative and quantitative analysis contained in the Converging Knowledge Report, Converging Knowledge has analysed secondary statistics, conducted primary research and taken into account continued industry movements in the logistics sector in Singapore.

The market projections for the logistics sector in Singapore, with focus on container and land transportation services, from 2019 to 2024, in the Converging Knowledge Report were based on the following key assumptions and parameters:

- the social, economic and political environment in Singapore is likely to remain stable;
- global and regional trends are likely to influence/ drive the logistics sector; and
- there will be no external shocks such as raw material shortages or change in industry regulations that would affect the demand and supply of logistics services.

DIRECTOR'S CONFIRMATION

Our Directors have confirmed that after taking reasonable care, there is no adverse change in the market information since the date of the Converging Knowledge Report which may qualify, contradict or have an impact on the information in this section.

OVERVIEW OF THE LOGISTICS SECTOR IN SINGAPORE, WITH FOCUS ON CONTAINER AND LAND TRANSPORTATION SERVICES

Logistics cover a wide range of service activities such as storage, freight management, supply chain management, managing vendors and partners, transportation, and handling damage claims. This sector plays an important role in supporting various aspects of manufacturing/service processes. With its world-class logistics infrastructure, connectivity, geographical location, supportive government policies and assistance, Singapore has become a prominent global supply chain hub, with many leading service providers/talents across a range of logistics-related activities. The country is also amongst the largest transshipment seaports worldwide, and cargo airports in Asia. Amongst container ports around the world, Singapore ranked second in 2019. In the Xinhua-Baltic International Shipping Center Development ("ISCD") Index, Singapore has maintained its position as the world's top shipping hub for the seventh year straight in 2020.

In logistics, the main functions are:

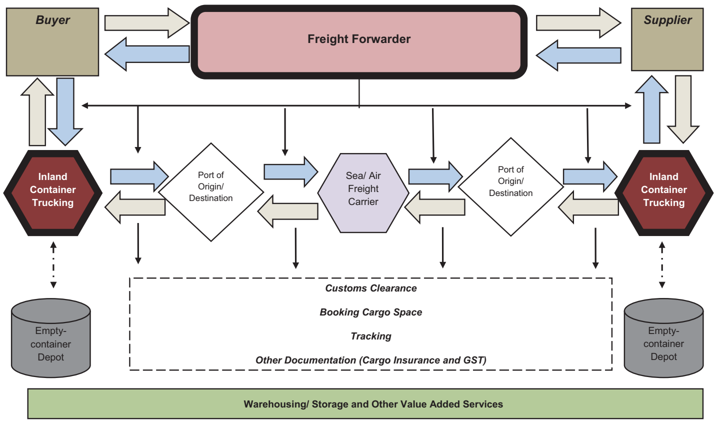
Transportation — involves the movement of raw materials/goods from one location to another via one/more modes (air (plane), sea (ship) and land (rail and trucks)). Transportation for raw materials/goods on land in Singapore is carried out by trucks[1]. Bigger/heavier loads are transported using more heavy-duty trucks (container trucks, reefer trucks and iso-tank trucks). Commodities of smaller quantities and less bulky forms require simpler trucking solutions.

Freight forwarding — carried out by a specialist (freight forwarder), which acts as an intermediary between the client (hirer), and the various transportation parties (carriers, customs and handlers). In freight forwarding, many arrangements on the shipment/transportation of goods (export and import regulations, documentation and insurance, amongst others) have to be dealt with.

Warehousing/storage and other value-added services — warehousing/ storage refer to the storage of raw materials/goods in a commercial building or a yard (open land areas without roofs or shelters). Container depots are storage areas for empty shipping containers, often with auxiliary services offerings. Yards are sometimes used by logistics players to store their containers, and park their trailers. Other value-added services are professional services/processes that extend beyond standard receiving, storing and shipping of the client's products. These include packing, palletisation, labelling, break-bulking and stuffing/unstuffing (the process in which cargo is loaded into or unloaded from a container).

[1] There is no rail transportation in Singapore

Figure 1: Value chain of the logistics sector, with focus on the trucking and freight forwarding segments



Source: Illustration by Converging Knowledge

Buyers/suppliers select their preferred/ regular freight forwarders to handle the shipment of their raw materials/goods. The appointed freight forwarders will recommend the most efficient transport solution/mix, and act as the focal point, by co-ordinating with the various carriers, transporters, terminals, customs officials and other service providers, where befitting.

Trucking companies designated by the buyers/ suppliers, freight forwarders, or other logistics companies will deploy their trucks (prime mover attached to a trailer) to the terminals to pick up the laden containers. Upon customs clearance, the containers are hauled to the designated destinations. Raw materials/goods are offloaded from the containers at the final destinations by the receiving parties. The empty containers are subsequently hauled to the empty container depots. Buyers/suppliers that lack internal storage space may request for their laden containers to be stored temporarily at a yard or a depot.

COMPETITIVE LANDSCAPE

The logistics sector in Singapore is highly fragmented. There are approximately 150 to 200 trucking companies, and 1,000 to 1,500 freight forwarders in Singapore. Industry players in trucking and freight forwarding may be segmented based on their fleet size — small-segment (fleet size of less than 20), mid-tier segment (20 to 79 prime movers) and large segment (fleet size of 80 and above). The mid-tier segment, in which the Group operates, constitutes 20.0% to 30.0% of the market. The large segment makes up less than 10%, whereas the small segment composes 60% to 70% of the market.

Intensity and nature of competition

Competition within the logistics sector in Singapore, specifically the trucking and freight forwarding segments, is highly intense. Key points that differentiate the competition in the market include the following:

Industry specialisation — Some industry players serve specific industry clusters. Others take on clients from diverse sectors. Industry players may cater to industries operating in specific geographical areas. Larger trucking companies often dedicate their resources to serving a small clientele pool comprising international/big corporates, including the oil & gas majors. Others, usually small-to-mid-sized players, do not limit their geographical and industry coverage. Throughout the years, small or mid-tier players would have built up a clientele base that is spread out in various parts of the island, thus allowing them to provide island-wide haulage services at competitive prices. By capitalising on this customer spread, container trucks operated by these players are more likely to minimise the number of empty trips, and therefore, improve haulage efficiency. Moreover, container trucking rates vary, depending on factors such as the distance to be covered, the region covered in the point-to-point delivery, the volume of goods to be delivered, the type of contractual agreements and whether the service required entails electronic trade applications, or includes specialised services, amongst others.

One-stop service — Seven large-tier industry players (representing approximately 5.8% of the sampled industry players or approximately 58.3% of the sampled industry players in the large-tier segment)[Note] and 15 mid-tier industry players (representing approximately 12.5% of the sampled industry players or approximately 88.2% of the sampled industry players in the mid-tier segment)[Note] in the trucking segment of Singapore's logistics industry have evolved into one-stop logistics service providers by expanding their service offerings. While it is common for users of logistics services to use more than one service provider, the general preference is to utilise regular ones that they trust. In addition, industry players with logistics yards provide a more economical option for goods storage than storing them at the port of Singapore. However, not all of the top players in the mid-tier segment also operate warehouses/offer warehousing services. This is dependent on each of their business strategy and expansion plans.

Business network/relationships — Business network/relationships are key sustenance of the trucking and freight forwarding businesses. Trucking companies will tap on their business network to co-broke/co-offer other services. The strength/reliability of co-agents' networks is a critical success of freight forwarders.

Reputation in the market — Reputation is based on factors such as the area of specialisation of the service provider, or the quality of the service rendered. Price competitiveness is an important consideration, but reliability and timeliness are of essence in the logistics business. Trucking/freight forwarding companies with a strong track record in delivering consistently high service qualities will gain customer loyalty.

Note: According to the Converging Knowledge Report, these statistics were compiled based on a sample size of 120 industry players out of a total of 150 to 200 industry players in the trucking segment of Singapore's logistics industry. Out of the sample size of 120 industry players, 12 industry players are in the large-tier segment, 17 industry players are in the mid-tier segment and the remaining 91 industry players are in the small-tier segment.

Market size and market share

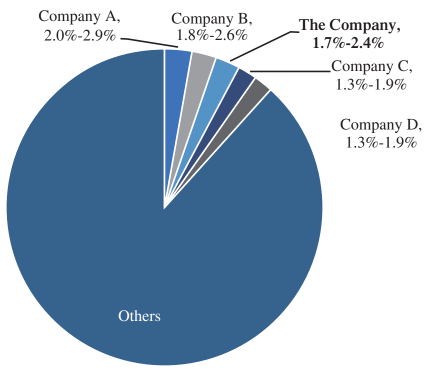
As at 31 December 2019, there were 5,507 prime movers in Singapore. The market size for the trucking, freight forwarding and general warehousing segments in Singapore for 2019 is estimated to range from S$8.7 billion to S$8.9 billion. The mid-tier segment is worth between S$1.8 billion to S$2.6 billion in the same year.

The logistics sector in Singapore is highly fragmented. In terms of revenue, the Group's market share would account for approximately 0.49% to 0.50% of the entire trucking, freight forwarding and general warehousing segments in 2019.

Major players in the mid-tier segment

Market size of the top five players in the mid-tier segment (fleet size of prime movers from 20 to 79) of the trucking, freight forwarding and general warehousing segments of Singapore's logistics sector, and their market share are depicted in the figure below, where the Group's market share, in terms of revenue, would account for approximately 1.7% to 2.4% of the mid-tier segment of the trucking, freight forwarding and general warehousing segments in 2019.

Figure 2: Market share of the top five players in the mid-tier segment of the trucking, freight forwarding and general warehousing segments of Singapore's logistics sector



Notes:

- The market shares are based on the 2019 revenues in the mid-tier segment of the trucking, freight forwarding and general warehousing segments.
- The comparatives consist of mid-sized industry players that are involved in trucking, freight forwarding and general warehousing businesses.
- The major players in the chart are not publicly listed.

Source: Converging Knowledge Report

Entry barriers

Entry barriers into container and land transportation services are relatively high, as discussed below:

Intensive capital requirements — Trucking service providers would have to invest/lease prime movers and trailers. The average cost of a prime mover ranges from S$118,000 to S$130,000. Other core costs include registration/renewal of vehicle licenses, heavy vehicle parking fees, and fleet maintenance.

Service reliability and timeliness — Delays in container delivery and/or pickup disrupts the logistics process. Shippers/freight forwarders need to be avail of alternative transportation arrangements, as often, service reliability, consistency, and punctuality are key considerations over price. As timeliness is paramount in the logistics sector, customers would prefer to use established and/or larger players over new entrants.

Warehouse/yard ownership — Trucking and freight forwarding service providers are moving towards becoming integrated logistics players, such as offering warehousing/storage services. Owning a warehouse/yard allows trucking and freight forwarding service providers to provide added service options, such as offering space leasing services. Warehouse/yard rental and purchase cost, as well as the restricted land supply, are key considerations and challenges faced by these industry players. These act as an entry barrier for new players venturing into the industry.

Competing over a limited pool of drivers — Availability of drivers is core to trucking services. Truck drivers are largely foreigners, and with the tightening of foreign labour hires, new entrants face challenges in recruiting them. Foreign employee quota for the transport and storage services industry is currently set at 38% (1 July 2013: 40%, July 2012: 45% and pre-July 2012: 50%), and this will be lowered to 35% from 1 January 2021. In March 2018, the MOM further implemented a higher base salary for semi-skilled foreign workers under the S-Pass Scheme.[1] With effect from 1 January 2019, the minimum qualifying salary has been raised to S$2,300, from S$2,200. The second increment came into effect from 1 January 2020, with minimum qualifying salary raised to S$2,400. A more recent measure introduced is the rise in the minimum salary of a local worker, from S$1,300 to S$1,400, before the headcount can be counted towards a company's quota for hiring foreigners on work permits and S-Passes, This has taken effect from July 2020[2].

1 The content does not represent the views of the MOM.

2 The content does not represent the views of the MOM.

Industry knowledge and experience — These include business networks and licences. New entrants into the freight forwarding segment need a network of contacts with logistics partners to co-ordinate shipment deliveries from the port of origin to the end. Non-asset owning freight forwarders rely on their co-agent network to provide credible/timely services. This allows freight forwarders to build their reputation over time, and a loyal customer base. Prime mover drivers also need individual licences to drive heavy vehicles. Such entry barriers will deter potential new players.

Supply and demand of heavy vehicle parking space — As at 8 May 2020, there were 25,134 vehicles of maximum laden weight of at least 7,000 kg, whereas there were approximately 8,000 URA and less than 1,000 HDB heavy vehicle parking lots in Singapore. Not only are affordable public parking lots not sufficient to serve the heavy goods vehicles in Singapore, finding convenient spaces to park oversized/heavy vehicles is an increasing challenge. The availability of parking spaces is further impeded by the distance to residential areas, regulations, and public safety. Heavy vehicle parking regulations further tightens the availability of parking spaces for the local trucking service providers.

Opportunities and threats

The four key factors that could present opportunities or threats to the industry players are elaborated below:

Technological innovations — Recent technological developments in local container and land transportation services have allowed smaller trucking service providers to take on additional jobs during a demand surge. The development of truck automation technology also allows drivers to take on higher-skilled roles.

Rising competition from the regional maritime landscape — The PRC has been investing in various regional port development projects. To harness these opportunities, Singapore has partnered with the PRC to provide infrastructure/financing support for the Belt and Road Initiative's ("BRI") development projects. Regional port development is also a potential threat to Singapore's status as a leading global and regional maritime port. Larger vessels are able to make direct calls at the newer ports without going through the transshipment ports at Malaysia or Singapore.

Growing land scarcity — Physical limitations and competing needs over land space are major hurdles for local trucking service providers that seek to expand their vehicle fleet or offer warehousing and/or storage services. Land constraints mean that Singapore is unable to provide sufficient parking spaces to support a higher vehicle population. Competing land use adds pressure on its availability of land space and prepared industrial land. From 2015 to 2019, the supply of prepared industrial land increased from 7,361 hectares to 8,220 hectares (representing a CAGR of 2.8%). However, the successful bid of the land for longer term use is subject to the Singapore government's review, where allocation is likely made to the bidder that offers the best economic proposal for Singapore.

Shortage of drivers — Container and land transportation services players face a shortage of prime mover drivers. This challenge affects trucking service providers' fleet expansion plans, or their taking on additional orders. Prolonged driver shortages may result in some trucking service providers scaling down their operations.

KEY TRENDS

Demand for the trucking, freight forwarding and warehousing services is influenced by the need for goods and services (private consumption) by the local population, which is, in turn, dependent on the population growth and economy (gross domestic product, "GDP"). The transportation and storage services industry generated S$32.1 billion in 2019 (2018: S$30.6 billion), and contributed 6.1% to 7.1% of nominal GDP during the five-year period from 2015 to 2019. Singapore's role as a major transhipment hub would also mean that the country already has an important part to play in handling goods coming in and out of the region. The Singapore government's efforts to strengthen the logistics sector and the upcoming Tuas Terminal will sharpen the country's competitiveness, and this will fortify its transhipment hub position.

Global and regional trends

Consolidation of shipping lines — The global container shipping industry has faced a series of mega-alliances, mergers and acquisitions, and closures, amongst carriers. Expected further industry consolidation is likely to see to fewer mega carriers remaining. Shipping lines, logistics players and buyers may have to deal with fewer carriers and potentially face higher freight and port facility rates. Consolidation of shipping lines has led to an improvement in operational efficiencies, minimised excess capacity and allowed for higher freight and port facility rates, amongst others. Those with mega vessels can transport more cargo with lesser number of trips, and gain from the higher rates. The Port of Singapore benefits from the higher incoming container volume, which boosts demand for inland trucking and freight forwarding services.

Development of regional ports — The Association of Southeast Asian Nations ("ASEAN") was identified as a key area in the BRI. This has led to a growing number of Chinese-initiated investments in the regional Southeast Asian ports. The emergence of regional ports could lead to higher trade interconnectivity, but also pose challenges to the existing maritime trade landscape in Southeast Asia. The possibility of direct shipments to these modernised regional ports may provide freight forwarders with more cost-effective transportation routes and options.

Global trade tensions — Uncertainties in the global trade movement have been sparked by ongoing tariff exchanges between the U.S. and some trading partners. Against the backdrop of such uncertainties in global trade movement, trucking and freight forwarding service providers face risks of declining shipments, as well as delays at customs clearance, pick-up, and deliveries.

Logistics 4.0 — Logistics 4.0, which refers to the revolution in logistics processes and value chain by using innovative technologies (e.g. automation and the Internet of Things), has emerged as a new concept to introduce smart solutions for the logistics sector. Further transformation into the logistics landscape is expected, with trucking and freight forwarding service providers benefitting in terms of increased service delivery options and cost efficiencies.

Key industry drivers

Singapore's leading status as a global and regional logistics hub — Singapore's logistics hub status is supported by the presence of the world's top logistics companies and its highly-developed infrastructure. The robust infrastructure allows Singapore to capitalise on global trade flows (the transportation and storage segment recorded growth of 4.9% in 2019 on a year-on-year ("YoY") basis. To strengthen its foothold, the government is building on Singapore's infrastructure further, with the construction of the Tuas Megaport and Changi East Industrial Zone ("CEIZ").

Government and industry-led initiatives to transform the logistics sector — The Singapore government has developed various policy initiatives and partnered industry players. The key initiatives are as follows:

- Logistics Industry Transformation Map ("Logistics ITM") — Launched to boost the value of the logistics sector by S$8.3 billion, and create 2,000 new jobs for professionals, managers, executives, and technicians by 2020. This was launched by the Ministry of Trade and Industry to boost sectorial value by S$8.3 billion, and create 2,000 new jobs for professionals, managers, executives, and technicians by 2020. The roadmap outlines key transformative areas in developing higher-skilled talent, adopting new technologies, and helping companies to internationalise, for the logistics sector. This roadmap improves the skill levels of workers in the logistics sector, and train them to use technologies. The Group can tap on this to develop their skills level, adopt more current technologies and place themselves on a more international stage.

- Enhanced Logistics Industry Digital Plan ("IDP") — Enhanced Logistics Industry Digital Plan. This was launched to promote digitalisation of business processes to enhance industry-wide productivity and innovation. First developed by the Info-communications Media Development Authority to promote digitalisation of business processes to enhance industry-wide productivity and innovation in 2017, the IDP was refreshed in August 2020. The enhanced IDP not only targets local small and medium-sized enterprises (SME) in the logistics sector operating in freight forwarding, warehousing and storage, and/ or land transportation, but also those that provide air transport support services. Five new solutions were also included in the updated IDP, which came amidst the heightened need for efficiency gains through digitalisation spurred by the ongoing pandemic. This is a more SME-centric plan, helping such companies in their digitalisation efforts by providing support in grants and consultancy. The Group can tap on the IDP to seek the relevant advice and apply for grants for digitalisation, and thereby, improve their productivity and strengthen their ability to attract new customers and retain existing ones.

- Skills Framework for Logistics — Identifies job responsibilities, career progression, existing and upcoming skills, and outlines skill enhancement training programmes. This was conceived and jointly launched by government agencies that includes SkillsFuture Singapore, Workforce Singapore, and the Singapore Economic Development Board. This initiative identifies job responsibilities, career progression, existing and upcoming skills, as well as outlines skill enhancement training programmes within the logistics sector. The

Skills Framework for Logistics would improve the logistics handling capabilities of Singapore's workforce, sharpen the attractiveness of the sector in drawing talents, and increase productivity with better skilled workers. The Group can upgrade the skills and capabilities of their staff members under this framework, and better serve clients.

- Logistics Alliance — To collaborate projects in driving industry development and growth. This was formed in tandem with the Logistics ITM to collaborate on projects in driving industry development and growth. Members include the government agency SPRING Singapore (n.k.a. Enterprise Singapore), and trade associations such as the Singapore Logistics Association, Singapore Transport Association, and the Container Depot and Logistics Association (Singapore). This alliance allows for more cooperation among businesses and could increase efficiency across the sector. For example, when it comes to how container truck routes are coordinated with depot processing schedules. With a common platform, players and share and pool jobs. The Group can partake in these projects and take advantage of innovative solutions to reduce business costs

- Local Enterprise and Association Development ("LEAD") — A collaborative venture between the government and trade associations to enhance industry and enterprise competitiveness. Notable logistics projects under the programme are the use of automated guided vehicles in 3PL warehouses, Business-to-Business ("B2B"), a trade facilitation platform, and chassis pooling. LEAD supports up to 70% of eligible costs for qualifying projects, which can cover manpower-related costs, equipment and materials, professional services, business development costs and intellectual property costs. While LEAD is more of a collaboration between the government and trade associations, the Group can work with logistics trade associations on developing projects that can raise automation levels and improve overall efficiencies for the Group and the industry as a whole.

- Three-year roadmap to push for technology adoption — The roadmap, developed by the Singapore Logistics Association (SLA), focuses on deepening the understanding of technology applications and pushing technology adoption for more logistics companies to speed up their digitalisation journey. This will be done by establishing platforms to showcase innovative technology and digital applications in logistics, piloting proof-of-concept projects through the Centre of Innovation Supply Chain Management @Republic Polytechnic (COI-SCM@RP) and driving adoption of automation, such as robotic process automation. As the name implies, this roadmap encourages the logistics sector to digitalise, which, in turn, serves to improve productivity and efficiency levels, and reduce reliance on manpower. The Group can tap on innovative solutions to improve work processes.

Growth of population, consumption, and foreign direct investment ("FDI") — The growth in Singapore's population, per capita GDP and private consumption expenditure is indicative of an upward trend in the demand for products and services. This is also reflected in the country's higher imports and FDI inflows. Singapore has consistently been ranked amongst the top 10 FDI destinations worldwide (2014: S$1,112.3 billion versus 2018: S$1,736.8 billion). Inland container movement volume increases in tandem with population, economic, and import growth, which, in turn, creates opportunities for local trucking and freight forwarding service providers.

Stiff competition is driving players to diversify service offerings — Many container and land transportation services players offer similar offerings. This, in turn, drives business diversification, as industry players try to enhance their competitiveness by offering integrated logistics solutions. For example, trucking and freight forwarding service providers are expanding into other segments within the logistics sector. Freight forwarding service providers are acquiring businesses through mergers and acquisitions and/or assets such as warehouses and trucks to expand their service offerings, while trucking service providers are expanding into warehousing, storage, container depot, and/ or freight forwarding solutions.

Long term lease or ownership of warehouse common in large players — Most players in the large-tier segment are observed to own or have long-term leased warehouses, while most small players do not. Eight of the nine large players in Singapore's logistics industry analysed own or have long-term leased warehouses, with one in the process of constructing a new six storey ramp-up warehouse as at 2017. This is a stark contrast to the long term warehouse ownership of smaller players. Out of the nine small players identified, eight were found not to own or have a long term warehouse lease. On the other hand, the length of warehouse leases that mid-tier players undertake are mixed, with some holding long term leases, and others, short term leases. As for yards, it is observed that most of the large players and mid-tier players lease them, while approximately half of the small-tier players do so. As most large-tier players own or hold a long term lease for warehouses, it is likely that this commitment is a natural and logical progression for growing companies offering container trucking services.

Occupancy rate (closest proxy to utilisation rate) and rental index of warehouses in Singapore — Although frequently fluctuating, Singapore has enjoyed high warehouse occupancy rate of at least 87.5% from 2015 to 2019. The average occupancy rate for that same period was 89.4%.

HISTORICAL PRICE TRENDS OF RAW MATERIALS

The trends of the three major supply considerations for players in container and land transportation services — cost of vehicles, diesel prices and labour cost — are discussed below:

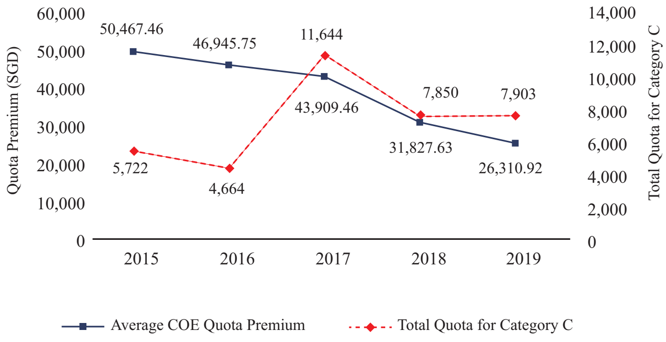
Cost of vehicles — prime movers and trailers

The costs of prime movers and trailers were relatively stable over the past five years, as discussed in the sections below.

Prime movers and Certificate of Entitlement ("COE") premiums

From 2015 to 2019, prime mover costs remained within the range of S$120,000 to S$200,000 (per unit). Cost variations depend on the changes in the European emission standard. Additional factors affecting prime mover costs are the recent government incentives to curb fuel emissions.

Figure 3: Average COE quota premium, from 2015 to 2019



Notes:

- Average COE Quota Premium figures refer to the average Quota Premium for Category C for all bidding exercises within the year. Category C refers to Goods vehicles and buses.
- Total Quota for Category C refers to the sum of the monthly quotas for Category C in all bidding exercises in a year.

Source: Converging Knowledge Report

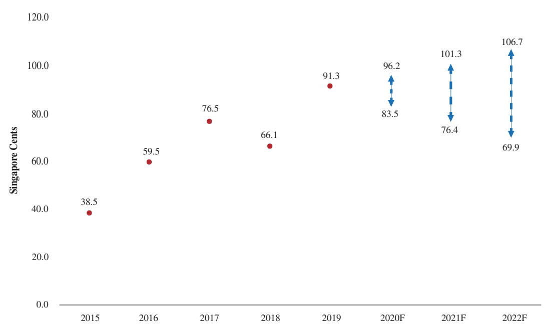
Trucking service providers need to purchase a COE for their prime movers. The annual average COE quota premium for goods vehicles and buses fell from S$50,467.46 in 2015 to S$26,310.92 in 2019 (CAGR: approximately -15.03%). The quota allocated for Category C vehicles may increase further with the implementation of a zero-growth rate for the other categories. Growth rate for Category C vehicles remains unaffected (0.25%) until further review in 2021. Trucking service providers would, thus, be able to expand their vehicle fleet.

Trailers

Average prices of trailers from 2015 to 2019 fall within the range of S$8,000 to S$18,000 (per unit[2]). The cost of trailers is highly dependent on the raw material prices (i.e. steel), followed by the weight of load and dimensions (20 or 40-footer). Trailers are also subjected to road tax and yearly inspections. In view of a potential rise in goods and services tax and raw material costs, trailer prices are expected to increase by 8.0% to 10.0% in the next three years (2019 to 2021).

Diesel prices

Figure 4: Diesel spot prices, from 2015 to 2019, and forecast from 2020 to 2022



2 Inclusive of tyres

Notes:

- The data above reflects the prices of diesel prices for 10 ppm S, which stands for 10 parts per million of Sulphur.
- Spot prices for diesel refer to the current market prices of the commodity that are bought, sold, and delivered immediately (i.e. wholesale). Unlike retail/ pump prices, the former does not include taxes.
- The prices denote year-end prices of diesel in Singapore.
- f - forecast.

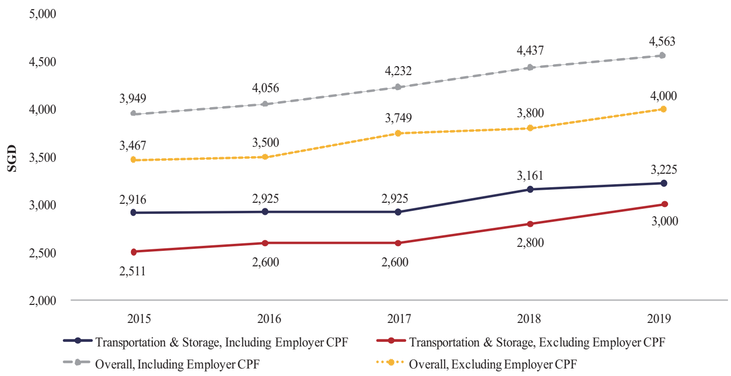
Source: Converging Knowledge Report

From 2015 to 2019, the bulk price of diesel supplied to the Group in Singapore increased from 38.5 Singapore cents per litre, to 91.3 Singapore cents per litre (24.1% CAGR). Changes in diesel prices will have significant impact on trucking companies, being a fuel-intensive industry. Diesel prices are expected to fluctuate within a CAGR range of between -8.5% and 5.3% in the next three years, in view of the expected fluctuations in global oil supply and demand, partly due to COVID-19's impact on economies worldwide.

Cost of labour

Labour cost has been rising in Singapore due to restrictions on labour supply and rising salaries, amongst other reasons.

Figure 5: Median gross monthly income from work full-time employed residents in Singapore, from 2015 to 2019 (June)



Notes:

- Data shows the median gross monthly income from work of full-time employed residents aged fifteen years and over, as at June of the year.
- Gross monthly income from work refers to income earned from employment. For employees, it refers to gross monthly wages or salaries before deduction of employee CPF contributions and personal income tax. It comprises basic wages, overtime pay, commissions, tips, other allowances and one-twelfth of annual bonuses. For self-employed persons, gross monthly income refers to the average monthly profits from their business, trade or profession (i.e. total receipts less business expenses incurred) before deduction of income tax.
- Data excludes full-time national servicemen. Residents refer to Singapore citizens and permanent residents.

- Full-time employment refers to employment where the normal hours of work are 35 hours or more in a week.
- The content does not represent the views of the MOM.

Source: Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM

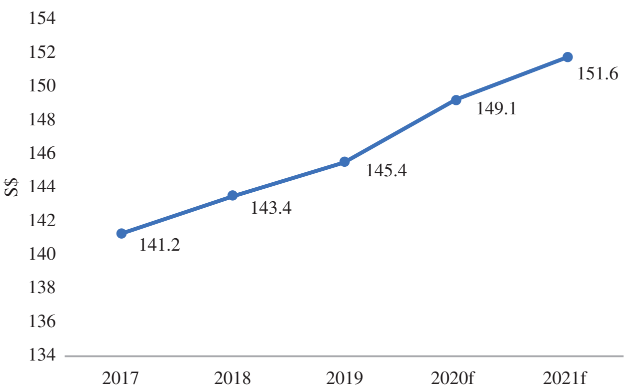
In general, the cost of labour in Singapore has been on the rise since 2015. Within the transport and storage services industry, the median gross monthly income rose from S$2,916 in 2015, to S$2,925 in 2016, and remained at this level for the next year before rising to S$3,225 in 2019 (CAGR: 2.6% per annum). Labour cost increases may be attributed to the shortage of drivers, and the tightening of foreign labour supply.

Historical and projected average trucking rates per trip and freight forwarding charges

Average trucking rates per trip

Average trucking rates per trip have been increasing progressively from 2017 to 2019, rising from S$141.2 to S$145.4 (CAGR of 1.5%) during the period. The rates are projected to move in the same upward trend in 2020 and 2021, reaching S$149.1 and S$151.6 respectively.

Figure 6: Historical and projected average trucking rates per trip from 2017 to 2021f



Notes:

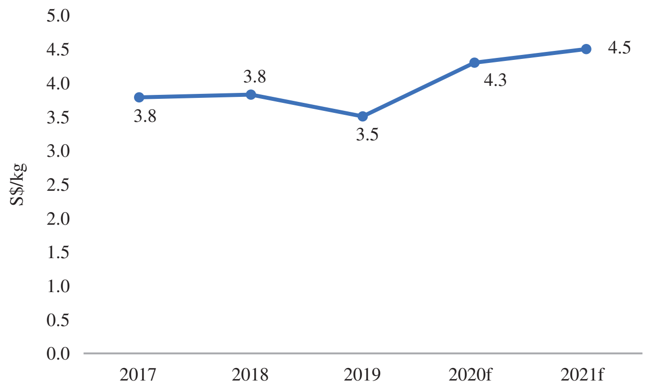
- The rate depicted in the chart is indicative of the industry average and does not take into specific account of individual player variances such as customer mix, bulk discounts and other contractual agreements with customers, amongst others.
- Average trucking rate per trip are for 20-footer, inclusive of fees in relation to port, depot and handling, and excludes fuel charges and additional charges for delivery outside of Jurong area.

Source: Converging Knowledge Report

Air freight charges

From 2017 to 2019, air freight charges per kg fell by a CAGR of -3.8%, but is projected to rise to S$4.3 and S$4.5 in 2020 and 2021 respectively.

Figure 7: Historical and projected air freight charges from 2017 to 2021f



Note:

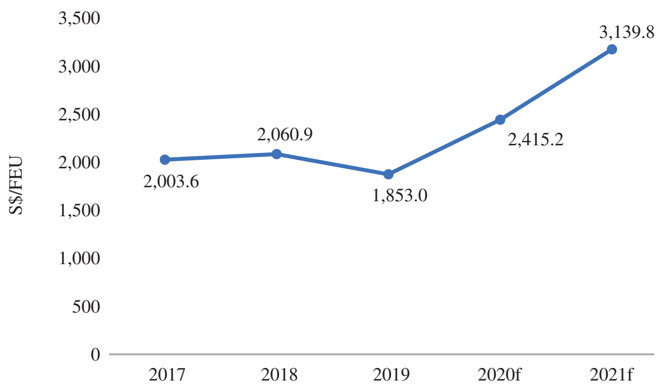
- Compiled in reference to average global air freight rate.

Source: Converging Knowledge Report

Sea freight charges

Sea freight charges per FEU from 2017 to 2019 had overall declined by a CAGR of -3.8%, but is projected to increase to S$2,415.2 and S$3,139.8 in 2020 and 2021 respectively as opposed to S$1,853.0 in 2019.

Figure 8: Historical and projected sea freight charges from 2017 to 2021f



Note:

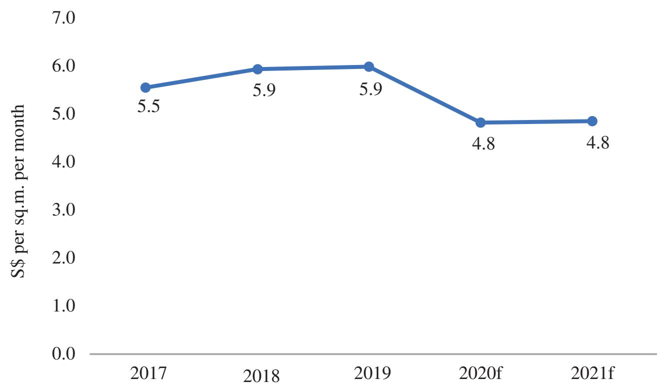
- Compiled in reference to average global sea freight rate.

Source: Converging Knowledge Report

Logistics yard cost

Logistics yard costs was on the uptrend from 2017 to 2019, at a CAGR of 3.8%, but is projected to fall to S$4.76 and $4.79 per sq.m. per month in 2020 and 2021.

Figure 9: Historical and projected logistics yard cost from 2017 to 2021f



Source: Converging Knowledge Report

PROSPECTS OF THE LOGISTICS SECTOR IN SINGAPORE, WITH FOCUS ON CONTAINER AND LAND TRANSPORTATION SERVICES

Industry prospects

The logistics sector is a key cornerstone of Singapore's economy not only does it play a critical role in connecting various supply chains, but it also supports the operational continuity of other industries. Recognised for its importance, it has been identified to be one of the recipients of pro-government policies by the Singapore government. However, the outbreak of the novel coronavirus (COVID-19) has brought forth economic challenges and slowed down global trade, which, in turn, may dampen the logistics sector from reaching its full growth potential. They key highlights are described as follows:

Pro-government policies and commitment to grow the logistics sector

(1) Economic diversification — Through economic diversification, Singapore has created a more sustainable model of growth and development for its economy. This has resulted in a rapid expansion in investment spending into infrastructure/industries, which led to a large build-up in physical capital (roads, machines, buildings and other forms of infrastructure), and laid the foundation for the domestic logistics sector. Economic diversification, in the long run, increases knowledge and improves productivity. This translates to the betterment/innovation of the logistics sector, in terms of efficiency. The government aims to position Singapore into a key node for technology, innovation and enterprise globally and in Asia, boosting the nation's regional competitiveness, and attracting new investments, thus, creating opportunities for supporting industries like the logistics sector.

(2) The Logistics ITM — The Logistics ITM is a testament of the government's efforts to strengthen the logistics sector, and reinforce Singapore's position as a global and regional logistics hub. Under the Logistics ITM, the government will assist logistics organisations to adopt technologies, invest in facilities that will drive advanced technologies' usage and upskill labour to be more adept in technologies. Digitising the entire operation would enhance the efficiency and increase the productivity of the logistics sector.

(3) Singapore's port developments — The Tuas Terminal project is projected to be capable of handling 65.0 million TEUs annually when fully completed by the 2040s. Expansion of phases three and four of the Pasir Panjang Terminal has brought the total port capacity to 50.0 million TEUs. Port development projects in Singapore are expected to drive the growth and demand for logistics services, including trucking, freight forwarding and storage.

Singapore as the main Southeast Asian for major alliances boost logistics opportunities — Singapore acts as the main port to major container alliances such as Ocean Alliance, THE Alliance, and 2M Alliance, following the reshuffling of global shipping alliances in 2017, and more recently, Ocean Network Express ("ONE"). ONE established a joint venture container terminal with PSA Singapore, which commenced operations in the first half of 2019, and operates four mega container berths with a combined annual handling capacity of four million TEUs. The joint venture makes Singapore the primary port of call for ONE's services, and puts Singapore's port ahead of its nearest competitors in Asia. As the main hub in Southeast Asia for shipping lines and major alliances, the addition of ONE would increase capacities to handle containers, which, in turn, would provide container trucking companies and freight forwarders more opportunities.

Budget measures to cope with economic uncertainties caused by the COVID-19 outbreak — The COVID-19 outbreak has brought forth disruptions in the daily lives of individuals, the normal course of certain businesses and supply chains in Singapore. Singapore's close economic ties with, and anti-virus controls enforced by, China have threatened domestic supply chains and revenue streams. In view of these uncertainties, the Ministry of Trade and Industry has downgraded its GDP growth forecast to -7.0% to -4.0% for 2020, and subsequently narrowed to -6.5% to -6.0% on 23 November 2020. Despite that, Singapore's efforts and forceful posture in containing the virus spread, and close to S$100 billion allocation by the Singapore government to contain the disruption, have helped to cushion some of the negative impacts of the viral threat, A sum of S$800 million, announced in Budget 2020 in February 2020, as well as a S$5.6 billion package, and three more stimulus packages totalling S$86.1 billion, will further mitigate viral ramifications and help companies, people and hardest hit sectors to tide over this challenging period. A further expenditure of S$8 billion has since been set aside to fight against COVID-19 and buoy economic uncertainties. The Singapore government has also implemented a surveillance and quarantine regime, which may indicate the nation's aggressive and firm commitment to quickly contain community transmission as quickly as possible. China has reportedly contained locally-transmission cases in its three-months fight against the virus, which is a positive cue for Singapore. With the easing of restrictions, over 95% of large enterprises in China have reportedly resumed production. This implies that supply chains will see rebounds in recovery, and given the Singapore government's proactive viral containment and budgetary packages, Singapore's economy will likely regain momentum in the second half of 2020.

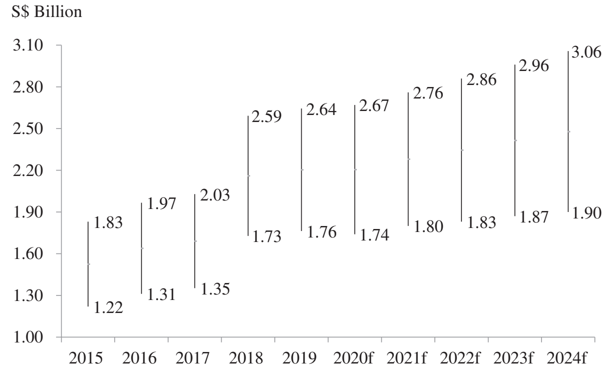
Increasing resilience through supply chain diversification — The Singapore government has been encouraging domestic companies to diversify their sources and supply chains, avoid the possibility of a potential food shortage and cope with rising demand as the population grows. To improve the country's resilience, the Singapore government plans to enhance its free trade agreements (FTA) network to deepen and diversify links to other markets. This will likely stimulate trade relations, encourage businesses to venture overseas, and diversify their markets, supply chains and product mix. The Logistics Sector will stand to benefit from trade uptrend.

Mid-tier container transportation players to benefit from the exit of small players — Trucking service providers in the small-and mid-tier segments are expected to see further changes. Small segment players, in the face of succession issues, stiff competition, challenges in upscaling and manpower issues, will reduce in numbers, thus, creating opportunities for mid-tier segment players, as customers once served by exited small-tier players will have to seek alternative service providers to support their existing logistical needs. These customers will seek replacement trucking service providers that can, at least, replicate the level of service, and at comparable price, offered by their previous trucking service providers. This means that they may approach a similarly-sized small-tier player, or a mid-sized player.

Historical and estimated growth

The trucking, freight forwarding and general warehousing segments, for mid-tier players, in Singapore is expected to grow at a CAGR of between 1.8% and 3.5% from 2020, reaching within the range of S$1.9 billion to S$3.1 billion by 2024. The expected growth of 1.8% to 3.5% by 2024 on the market size of the trucking, freight forwarding and general warehousing segments for the mid-tier segment in Singapore is conservatively projected, as it does not account for global trends like consolidation of shipping lines, the identification of Southeast Asia as a key area in the BRI and technological advancements, which are potentially growth drivers. Please refer to the paragraphs headed "Key trends — Global and regional trends" and "Impact of COVID-19" in this section for more information.

Figure 10: Historical and estimated market size of the trucking, freight forwarding and general warehousing segments for the mid-tier segment in Singapore, from 2015 to 2024



Source: Converging Knowledge Report

In the short-term, the outlook for the Singapore economy is expected to be weak. Despite the US-China trade war and COVID-19 outbreak, pockets of relative strength, including construction and information & communications sectors, and proactive measures by the Singapore government to contain the situation, are expected to bolster the Singapore's economy. Singapore's container throughput is forecast to grow between 1.0% and 3.0% from 2019 to 2024. Container trucking will stand to benefit from this anticipated growth in container throughput. Net demand of warehouse space is forecast to increase by a CAGR of 5.3% from 2019 to 2024.

Supply of warehousing space tapering — The supply in the pipeline for warehousing space from 2020 to 2024 is estimated to reach over 820,000 sq.m.. This figure is significantly lower than the total warehousing space of 2,569,000 sq.m. that was supplied in the past five years (between 2015 and 2019) which is attributed the Singapore government's consecutive cutting of industrial land supply since the second half of 2018. With a lower supply, tenancy rate of warehousing space is expected to improve, and with e-commerce as one of the key drivers, the market is likely to digest the large amount of supply completed between 2017 and 2019. While most of the new warehousing projects in the pipeline as at the end of Q2 2019 were extensions of manufacturer-driven demand, a majority of the new warehousing projects in the pipeline as at the end of Q2 2020 are by logistics service providers and property developers.

Net demand of warehouse space to improve — The expected net demand of warehousing space is expected to improve. Net demand, which takes into account both the total demand less total supply, is forecast to increase by a CAGR of 5.3% from 2019 to 2024. With the demand and supply from entities that develop warehousing spaces for their own usage already taken into consideration, this net demand indicator is more reflective of the demand from businesses seeking to lease third party warehousing space. This anticipated rise in net demand bodes well for players in, or seeking to enter the warehousing industry.

Increasing activities for maritime trade from the BRI — Singapore plays a key role in this initiative, as it is situated along the BRI's Maritime Silk Road, and is the preferred port of call along the Straits of Malacca. In facilitating this increased movement of goods through this new and large transport corridor, there would be heightened port activity in Singapore, which, in turn, would influence the demand for warehousing space in the country. Confidence in the positive impact and opportunities brought by the BRI on Singapore's warehousing industry can be seen through recent investments into warehousing space by container transportation players in Singapore. Despite the temporary delays in BRI-related projects due to the COVID-19 outbreak, China has reiterated their commitment to the initiative, enhancing it with the "Health Silk Road", which promotes health cooperation among countries involved in the BRI.

Singapore's role as a global maritime powerhouse will benefit industrial warehouse demand — While Singapore was recognised as the world's largest transhipment hub in 2020, the nation solidified its position as the global maritime powerhouse when PSA Singapore entered into a joint venture with ONE in December 2018 to operate four mega container berths in Singapore, making the country the primary port of call for ONE's services. ONE is part of a shipping alliance that accounts for more than three quarters of the world's container trade. This joint venture will pave the way for greater demand for warehousing space in Singapore, particularly industrial warehousing. Aside from the recent Pasir Panjang Terminal expansion, which has increased Singapore's capacity to 50.0 million TEUs annually, the country is expecting another major boost to the warehousing industry with the Tuas Terminal, slated to be completed in four phases, with the first phase expected to be completed by 2020.

Growth in container throughput and trade through Singapore — Singapore total container throughput increased from 30.9 million TEU in 2015, to 37.2 million TEUs in 2019. The overall values of both exports and imports in Singapore also rose by a CAGR of 5.8% and 8.2%, respectively, from 2016 to 2019. Total exports and imports are expected to continue growing at a range of 2.7% to 4.1% YoY and 2.6% to 5.9% YoY, respectively, from 2020 to 2022. Amongst the top 15 imported products with the highest growth rate from 2015 to 2019, are semiconductor, semiconductor equipment, optical products, pharmaceutical products, machine parts, plastic resins, and groceries. These goods are observed to generally have positive trends as well. From 2016 to 2019, the import values of machinery and pharmaceutical products have increased at a CAGR of approximately 11.2% and 10.9%, respectively. In the same period, the import value of plastics, which includes plastic resins, grew at a CAGR of 8.4%, while the import value of electrical products, which includes semiconductors, registered a CAGR of approximately 4.9%. Meanwhile, the import value of optical products and groceries rose at a CAGR of approximately 3.9% and 3.0%, respectively. The import values of these products are also expected to rise further from 2020 to 2022. The import values of machinery and groceries are expected to experience the largest growth at a CAGR of 8.2% and 7.9%, respectively. This is followed by the projected import value of pharmaceutical products at a CAGR of 6.3%. The import value of plastic resin is forecasted to rise at a CAGR of 5.4%, while the import value of electrical products is expected to increase at a range of 3.9% to 5.8% YoY, from 2020 to 2022. These may, in turn, drive demand for the warehousing sector in the logistics industry.

E-commerce and ASEAN to promote growth in the warehousing industry — Warehousing is an essential part of the e-commerce value chain. As such, the rising popularity of e-commerce would have spill-over effects on the warehousing industry. From 2015 to 2019, Singapore's e-commerce market size has grown at a CAGR of approximately 18.9%. Large e-commerce players have been building their presence in the country, resulting in an increase in the demand for domestic warehousing space. This market is expected to rise further, with a CAGR of 23.2% from 2019 to 2025, where more than half are attributable to cross border transactions. As e-commerce continues to flourish, it will drive the demand for warehouses.

To cater to the increase in number of goods to be transacted, warehousing space is required at a variety of locations, so as to improve accessibility and reduce transportation costs. The Singapore government has also been active in supporting the country's transformation into a global e-commerce hub. One example of the many initiatives by the Singapore government is Action Community for Entrepreneurship, an e-commerce collaboration platform between Enterprise Singapore and JTC Corporation to offer small and medium-sized enterprises support such as integrated warehouse functions, inventory management solutions and order-fulfilment capabilities.

In addition, the rise of Asia and the emergence of ASEAN has led to increased direct trade between Asian countries, which could result in bypassing transhipment or consolidation in Singapore. ASEAN-5, consisting of Indonesia, Malaysia, Philippines, Thailand and Vietnam, registered a real GDP growth of 4.8% in 2019, and is forecast to reach 7.8% in 2021. This regional growth, together with the plans set out in the ASEAN Economic Community Blueprint 2025 for greater integration between the nations, will aid the trade-sensitive warehousing industry in Singapore.

Impact of COVID-19

Although COVID-19 has significantly impacted the global economy, the repercussions, and the extent thereof, may differ from country to country. Logistics is the lifeline of many industries in Singapore, and the importance of ensuring that global supply lines remain undisrupted is evident when the Singapore government categorised logistics services as essential services where logistics service providers are permitted to operate as per usual under the Circuit Breaker Measures, albeit with safety measures in place. The Singapore government also pushed for ports to be kept open for trade amidst COVID-19, which resulted in the endorsement by port authorities in 20 countries across three continents. As a sector, logistics cuts across almost all industries, which, in turn, presents "uneven impacts" for logistic service providers with different clientele mix and concentration. Essential services and industries critical to the global supply chains, including the manufacturing of semiconductor, biopharmaceuticals, chemicals and petrochemicals, healthcare supplies, medical equipment, and food and food ingredients, and distribution of essential products such as food-related and household items, would be permitted to operate during this critical period. Thus, this means that logistics services providers with some, or a high percentage of, clients in essential services and industries, would likely encounter brisk businesses from these segments, which may have a compensatory effect from the downtrends of others. On the other hand, for businesses that fall under the non-essential category, they would have to engage logistic service providers to handle the collection and storage of their incoming containerised imports, due to the lack of manpower with the work-from-home mandate.

Three of the Group's major customer products — grocery, pharmaceutical and plastic resins — fall under the essential services. To show the extent of the heightened demand, supermarkets and hypermarkets saw higher sales of 28.6% YoY in July 2020, while mini-marts and convenience stores experienced a 3.8% YoY bump. With social gatherings and eating out banned during the circuit breaker, online grocery websites had seen a deluge of orders for daily necessities. This surge in demand is reported to have left grocers struggling to meet orders, with many facing a shortage on almost all fronts: staffing, delivery vans, and supplies. Firms in other industries, such as medical services, biotechnology, food production, information technology were reported to be seeing stronger demand and are hiring more people, all of which would require logistical support in their expansion. Singapore's exports and output of pharmaceutical products were reported to have been boosted by the COVID-19 pandemic as companies and governments around the world rushed to build large inventories of active pharmaceutical ingredients and drugs to ensure an uninterrupted supply of medicine. Latest figures showed that Singapore's manufacturing output increased by 13.7% YoY in August 2020, driven by electronics (44.2%), precision engineering (9.4%), biomedical manufacturing (8.4%) and chemicals manufacturing (3.1%).

June 2020 saw the circuit breaker being lifted progressively and on 19 June 2020 Singapore entered into Phase Two of the reopening, allowing for more activities to resume. Noting that the number of COVID-19 cases in the community has remained low, the Singapore government has taken gradual steps to allow further easing of safe distancing rules and more activities to resume — (1) from 28 September 2020, more employees are allowed to return to the workplace, (2) essential business travel will be permitted for senior executives with extensive regional or international responsibilities through a new pilot scheme, and (3) events within workplace, such as seminars, corporate retreats and annual general meetings, will be allowed to resume, albeit with safe distancing measures in place. From 1 October 2020, restrictions on social lives are also being eased — (1) cinema capacities are permitted to expand gradually, (2) religious organisations will be allowed to conduct congregational and other worship services for up to 100 persons from 3 October 2020, with a pilot scheme to increase up to 250 persons under consideration, and (3) wedding receptions to allow up to 100 unique attendees from 3 October 2020. While Singapore has yet to enter into Phase Three of post-Circuit Breaker, a roadmap for Phase Three has been mapped out, with reports from the multi-ministry task force handling COVID-19 that Phase Three may kick in by the end of 2020, should community cases remain low. This further easing of the restrictions and gradual resumption of activities is a positive sign that the country is heading towards the direction of normalcy.

Although the Singapore economy has entered into a technical recession after shrinking 41.2% in Q2 2020 compared with the previous quarter, with the easing of restrictions, opening of economies, normalisation of production (particularly in the PRC), and Singapore government's proactive viral containment and budgetary packages, supply chains will see rebounds in recovery, and the economy is expected to regain momentum in the second half of 2020. This is evident from the improvements in both cargo and container throughputs recorded in June, July and August 2020. It is also important to note that the boost in demand for e-commerce and goods like personal protective equipment and pharmaceutical products as a result of COVID-19 is expected to soften the impact of the recession on the logistics industry. Singapore's non-oil domestic exports performed better than expected and were expected to grow 3% to 5% YoY, as opposed to -4% to -1% previously forecasted.

Singapore's position as the leading supply chain hub globally and regionally, is secured in view that 80% of the global shipping lines, controlled by three major shipping alliances — Ocean Alliance, THE Alliance and 2M, have made Singapore the port of call for Southeast Asia. In addition, there are long-term commitments to Singapore by major carriers such as CMA CGM, China Cosco Shipping and the Mediterranean Shipping Company, as PSA International has investment joint venture agreements with them. In the midst of all the disruptions, new opportunities are presented to the logistics sector, as the Outbreak demands a "new normal" in doing business, which will change the logistics landscape further. Below highlights some of the indicators and opportunities that support Singapore's logistics sector to bounce back amidst this crisis.

- *Rebound of PRC's and Singapore's economies expected in 2021* - Despite the ravages of the COVID-19 Outbreak, the International Monetary Fund ("IMF"), in the World Economic Outlook ("WEO") April 2020, projects the PRC GDP to be positive for 2020, at 1.2% for the year. While this 2020 projection is lower than the 6.0% reported in WEO January 2020, it is noteworthy that the IMF has scaled up its 2021 GDP forecasts for the PRC, at 9.2% in 2021, up from 5.8% in the WEO January 2020. Likewise, for Singapore, the IMF expects positive growth for the country's GDP in 2021, at 3.0%. This is a 0.5% increase from its projection in WEO January 2020.

- *Recovery in container throughput* - While container throughput is projected to be impacted by COVID-19 in 2020, recovery is expected from 2021, with global CAGR for the period from 2020 to 2023 to reach 3.8%. Container throughput for Asia Pacific is expected to see an even higher CAGR of 4.1%, and will continue to dominate the world's total container throughput (50%-60%).

- *e-Commerce is the "newer normal"* - The Outbreak has further driven global growth in ecommerce sales. Challenges arising from COVID-19 have accelerated the use of existing, and new, technologies and tools as people enter lockdowns and are quarantined. While most consumers will likely return to their consumption habits once the pandemic is brought under control, the emergence of ecommerce as a "newer normal" is likely, whereby consumption habits become "dualistic", with consumers continue to buy online even as they revert to their old habits. Southeast Asia, with growing middle classes and increasingly digitally savvy shoppers, offers manufacturers and retailers immense opportunities to embark on an ecommerce strategy to achieve long-term growth. Already, Alibaba-backed RedMart dominates the online grocery shopping scene in Singapore and NTUC FairPrice has embraced digital platforms. More recently, the Infocomm Media Development Authority has managed to digitalise the traditional wet market through the launch of the Tekka Online Market Facebook page. From 2015 to 2019, Singapore's e-commerce market size grew at a CAGR of approximately 18.9%. Prior to the outbreak, this market was projected to rise at a higher CAGR of 23.2% from 2019 to 2025. The advent of COVID-19 has, and will further boost growth in ecommerce sales, and, thus, create greater opportunities to cater to the logistics and domestic transportation.

- *Demand for Singapore capabilities is expected to rise with accelerated trend in decoupling and diversification* — With labour costs rising in the PRC, a trend which sees multinational and Chinese firms moving their operations to new locations in Southeast Asia and beyond, has emerged. Threats of rising tariffs and export controls have led to further decoupling from PRC-centric supply chains, which resulted in the construction of new manufacturing and assembly facilities in countries like Vietnam, Malaysia, and Thailand. According to an article published by the Singapore Economic Development Board, the COVID-19 outbreak is accelerating these trends, and "this has led to state and non-state actors that experience this new demand to turn to Singapore for expertise and services". One example mentioned is, Singapore's logistics ecosystems - such as the Port Authority of Singapore and its business partners - which reportedly saw high demand for containerisation, warehousing and port operations around the region. Another example cited is Singapore's Networked Trade Platform. COVID-19 has forced companies to step up efforts in their decoupling and value-chain relocation, and as a result can create opportunities for Singapore-based firms.

- *More trade pacts established* — In April 2020, Singapore and New Zealand launched a new trade initiative a new trade initiative to ensure supply chain connectivity and the removal of blockages to trade in a list of essential products that includes medicines, medical and surgical equipment. China became the 12th nation to join the pledge to uphold trade and supply chain connections, in July 2020. Such trade pacts reinforce the importance of logistics and supply chains, and minimises disruptions despite the pandemic.

- *Limited border and port restrictions* — To ensure logistics operations remain seamless, border and port restrictions are limited, save for safe-distancing measures to ensure the well-being of all logistics and port workers. Currently, restrictions are centred around passenger travels, rather than inbound and outbound cargo.

- *Signs of improvements seen with the lifting of circuit breaker* — Already, Singapore's total cargo and container throughputs have shown signs of improvement since post-circuit breaker — the monthly total cargo throughput increased by approximately 7.9% (June), 1.2% (July) and 3.4% (August). After experiencing a slight dip of 2.9% in September 2020, cargo throughput saw recovery in October 2020, with a month-on-month increase of 1.4%, and reaching 49.9 million tonnes. Monthly total container throughput increased by approximately 3.6% (June), 3.7% (July), 5.3% (August), 1.0% (September) and 1.0% (October). Singapore's container throughput for August and September 2020 (3.2 million TEUs) even surpassed that of the same months in 2019 (3.1 million TEUs). October 2020 saw container throughput increase further by approximately 1.0% month-on-month, exceeding that in October 2019. Singapore's non-oil domestic exports rose from June 2020 to September 2020, at 16.1% (June), 5.9% (July), 7.7% (August) and 5.9% (September) YoY, but recorded a 3.1% contraction in October 2020 as compared to the same period last year.

- Bilateral trade between Singapore and China has moved positively. In the first eight months of 2020, trade between Singapore and Shandong grew US$3 billion, a 105% compared with a year ago. It was also reported that volume of trade between Singapore and China increased by 20% in the first half of 2020 through the New International Land-Sea Trade Corridor despite COVID-19.

- The warehousing segment in Singapore has remained resilient, with occupancy rates increasing slightly from 87.5% in the first quarter of 2020 to 88.3% in the second quarter of 2020, due to short term leasing requirements, stockpiling of medical supplies and essential edibles, and e-commerce. The continued interest and confidence in the warehousing segment was also reflected in development activities such as the re-development of a site at Tanjong Penjuru Crescent announced by LOGOS Group and CSC Holdings Limited in May 2020, at an estimated cost of S$108 million.

Singapore's market for container trucking, freight forwarding and general warehousing will be impacted in 2020 as a result of the COVID-19. A downward growth projection is expected for 2020 at -2% to 1 % from 2019's performance. However, the CAGR for 2020 to 2024 has been adjusted upwards to 1.8% to 3.5%, taking into account that (1) the Singapore government is highly supportive of the logistics industry; (2) Singapore's position as a leading supply chain hub is secured, serving major carriers and alliances; (3) both the PRC and Singapore economies are expected to rebound in 2021, with many economies opening and going back to business as usual; (4) container throughput is expected to recover in 2021; (5) further growth from e-commerce sales and buying online becomes the new norm; and (6) accelerated trend in decoupling and diversification from PRC-centric supply chains will stimulate demand for Singapore capabilities, such as logistics.

SINGAPORE REGULATORY OVERVIEW

Overview

The following summarises the laws and regulations in Singapore that are material to our Group and its operations. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to our business. This summary does not purport to be a comprehensive description of all the laws and regulations applicable to the business and operations of our Group and/or which may be important to potential investors. Potential investors should also note that the following summary is based on the laws and regulations in force as at the Latest Practicable Date and may be subject to change (possibly with retrospective effects).

LAWS AND REGULATIONS OF SINGAPORE

Laws and regulations relating to motor vehicles

*Road Traffic Act (Chapter 276) ("**RTA**"), Parking Places Act (Chapter 214) ("**PPA**"), Parking Places (Parking of Heavy Vehicles) Rules ("**PPR**"), Road Traffic (Expressways — Excluded Vehicles) Rules 2010 ("**EER**")*

The RTA sets out the regulations relating to road traffic and other regulations concerning the use of vehicles and the user of roads. Section 10 of the RTA provides that subject to the Road Traffic Act and the Regulations, no person shall keep or use a vehicle unless it has been registered under the RTA and its registration has not been cancelled.

Further, Section 10B of the RTA provides that no heavy vehicle shall be registered under the RTA unless the person applying for the registration of the heavy vehicle satisfies the Registrar of Vehicles that a vehicle parking certificate or such other document in respect of the parking of the heavy vehicle has been issued by the relevant authority under the PPA.

A "heavy vehicle" is defined under Section 2 of the PPA to mean:

(a) any heavy goods vehicle or concrete mixer, the maximum laden weight of which exceeds 5,000 kilograms;

(b) any bus with a seating capacity of more than 15 persons, not inclusive of the driver;

(c) any trailer, containing trailer, low loader or flat-bed trailer, the maximum laden weight of which exceeds 5,000 kilograms; and

(d) any mobile crane or recovery vehicle the unladen weight of which exceeds 2,500 kilograms.

Pursuant to Regulation 4 of the PPR, every person who is the registered owner of, or who has purchased, a heavy vehicle shall:

(a) procure a designated parking space for the parking of the heavy vehicle; or

(b) if the registered owners owns or has purchased 2 or more trailers, may procure one designated parking space for the parking of not more than 3 such trailers; or

(c) if the registered owner owns or has purchased 2 or more 20-foot trailers, may procure one designated space for the parking of not more than 6 such trailers.

Regulation 4(4) of the PPR provides that, upon compliance with the foregoing, the registered owner shall apply for a vehicle parking certificate in respect of the heavy vehicle.

Regulation 6 of the PPR provides that every vehicle parking certificate shall be valid for the period for which a designated parking space for the parking of the heavy vehicle has been procured.

Our Group owns the following types of heavy vehicles:

(a) heavy goods vehicle or concrete mixer, the maximum laden weight of which exceeds 5,000 kilograms; and

(b) trailers, containing trailers, low loader or flat-bed trailer, the maximum laden weight of which exceeds 5,000 kilograms.

Our Directors confirm that the motor vehicles which our Group owns and operates for its business have been duly registered and we have procured the necessary parking spaces and vehicle parking certificates in respect of all heavy vehicles.

Regulation 3 of the EER provides that no person shall use any excluded vehicle, or cause or permit any excluded vehicle to be used, on any part of an expressway.

The First Schedule of the EER provides that excluded vehicles include:

1. Bicycles;

1A. Power-assisted bicycles

2. Tricycles;

3. Trishaws;

4. Motor-cycles with side cars attached;

5. Motor-cycles for which the designed maximum speed is less than 50 kilometres per hour;

6. Invalid carriages;

7. Three-wheeled vans;

8. Low trailers;

9. Road rollers;

10. Ready-mix concrete trucks;

11. Mobile cranes;

12. Forklifts;

13. Excavators;

14. Road pavers;

15. Tractors;

16. Dumpers;

17. Wheel loaders;

18. Bulldozers;

19. Graders;

20. Mobile concrete pumps;

21. Hydrant dispensers;

22. Motor vehicles with any of the wheels fitted with neither a pneumatic tyre nor a solid rubber tyre;

23. Any other motor vehicle where the maximum speed at which it may be driven on any road under the Road Traffic (Regulation of Speed) Regulations (R 13) is less than 50 kilometres per hour.

Notwithstanding the foregoing, Regulation 4 of the EER provides that the owner or driver of an excluded vehicle may apply for a permit authorising the excluded vehicle to be used on an expressway or any part thereof.

Our Group owns some of these excluded vehicles, including low trailers and forklifts. Our Directors confirm that none of these excluded vehicles are used on expressways and that the Group will apply and obtain approval from the relevant authorities for such use and when the need arises.

*Motor Vehicles (Third-Party Risks and Compensation) Act (Chapter 189) ("**MVA**")*

The MVA provides for regulations concerning third-party risks arising out of the use of motor vehicles and for the payment of compensation in respect of death or bodily injuries arising out of the use of motor vehicles.

Section 3 of the MVA provides that it shall be unlawful for a person to use or cause or permit any other person to use a motor vehicle in Singapore unless there is in force in relation to the use of the motor vehicle by that person or that other person such policy of insurance in respect of third-party risks.

Section 4(1) of the MVA provides that to comply with the requirements of the MVA, a policy of insurance must be issued by an insurer who at the time the policy is issued is lawfully carrying on motor insurance business in Singapore and the policy insures such person, persons or classes of persons as may be specified in the policy in respect of any liability which may be incurred by him or them in respect of the death of or bodily injury to any person caused by or arising out of the use of the motor vehicle in Singapore.

Our Directors confirm that we have obtained the relevant motor insurances covering third-party risks and such insurances will cover the relevant third-party liabilities that may be incurred by the drivers of our vehicles.

*Environmental Protection and Management Act (Chapter 94A) ("**EPMA**"), Environmental Protection and Management (Vehicular Emissions) Regulations ("**EPMR**")*

The EPMA sets out the regulations relating to environmental pollution control and the provision of protection and management of the environment and resource conservation.

Regulation 4(2) of the EPMR read with the Second Schedule of the EPMR provides that every diesel driven motor vehicle to be registered in Singapore on or after 1 January 2018 shall conform to the standards for exhaust emission specified in the Second Schedule for the class of motor vehicle to which that motor vehicle belongs.

For motor vehicles (other than a passenger car) with gross vehicle weight not exceeding 3.5 tons, the standards for new diesel driven motor vehicles must comply with:

(a) Euro VI standard for light vehicles[1];

(b) JPN2009[2] and Euro VI PN limit[3]; or

(c) JPN2018[4] and Euro VI PN limit.

1. “Euro VI standard for light vehicles” means the standard for exhaust emissions —

   (a) in Regulation (EC) No. 715/2007, Annex I, Table 2, as amended by Commission Regulation (EU) No. 459/2012; or

   (b) in Regulation (EC) No. 715/2007, Annex I, Table 2, as amended by Commission Regulation (EU) No. 459/2012 and read with Commission Regulation (EU) No. 2017/1151.

   “Regulation (EC) No. 715/2007” means Regulation (EC) No. 715/2007 of the European Parliament and of the Council of 20 June 2007 on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro V and Euro VI) and on access to vehicle repair and maintenance information.

   “Commission Regulation (EU) No. 459/2012” means Commission Regulation (EU) No. 459/2012 of 29 May 2012, amending Regulation (EC) No. 715/2007 of the European Parliament and of the Council and Commission Regulation (EC) No. 692/2008 as regards emissions from light passenger and commercial vehicles (Euro VI).

   “Commission Regulation (EU) No. 2017/1151” means the Commission Regulation (EU) 2017/1151 of 1 June 2017 supplementing Regulation (EC) No. 715/2007 of the European Parliament and of the Council on type-approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro V and Euro VI) and on access to vehicle repair and maintenance information, amending Directive 2007/46/EC of the European Parliament and of the Council, Commission Regulation (EC) No. 692/2008 and Commission Regulation (EU) No. 1230/2012 and repealing Commission Regulation (EC) No. 692/2008.

2. “JPN2009” means paragraph 1(7) of Article 41 of the Japanese Ministry of Land, Infrastructure and Transport Announcement No. 619 dated 15 July 2002 (ANNOUNCEMENT THAT PRESCRIBES DETAILS OF SAFETY REGULATIONS FOR ROAD VEHICLES), as amended by the Japanese Ministry of Land, Infrastructure, Transport and Tourism Announcement No. 348 dated 25 March 2008.

3. “Euro VI PN limit” means the standard for particle numbers in exhaust emission —

   (a) specified in the column titled “Number of particles (PN)” in Regulation (EC) No. 715/2007, Annex I, Table 2, as amended by Commission Regulation (EU) No. 459/2012; or

   (b) specified in the column titled “Number of particles (PN)” in Regulation (EC) No. 715/2007, Annex I, Table 2, as amended by Commission Regulation (EU) No. 459/2012 and read with Commission Regulation (EU) No. 2017/1151.

4. “JPN2018” means paragraph 1(7)B of Article 41 of the Japanese Ministry of Land, Infrastructure and Transport Announcement No. 619 dated 15 July 2002 (ANNOUNCEMENT THAT PRESCRIBES DETAILS OF SAFETY REGULATIONS FOR ROAD VEHICLES), as amended by the Japanese Ministry of Land, Infrastructure, Transport and Tourism Announcement No. 528 dated 30 March 2018.

   For motor vehicles (other than a passenger car) with gross vehicle weight exceeding 3.5 tons, the standards for new diesel driven motor vehicles must comply with:

   (a) Euro VI standard for heavy vehicles; or

   (b) PPNLT and Euro VI PM number.

   “Euro VI PM number” means the standard for particle numbers in exhaust emission specified in the column titled “PM number (#/kWh)” in Regulation (EC) No. 595/2009, Annex I, as amended by the Commission Regulation (EU) No. 582/2011.

"Euro VI standard for heavy vehicles" means the standard for exhaust emissions in Regulation (EC) No. 595/2009, Annex I, as amended by Commission Regulation (EU) No. 582/2011.

"PPNLT" means the emission standards known as the Post-Post New Long Term emission regulations that are set out in paragraph 1(5) titled "JE05-Mode Mean Value Regulations at Time of Completion Inspection, etc. for Diesel Motor Vehicles (with GVW exceeding 3.5 tons)" of Article 41 of the Japanese Ministry of Land, Infrastructure and Transport Announcement No. 619 dated 15 July 2002 (ANNOUNCEMENT THAT PRESCRIBES DETAILS OF SAFETY REGULATIONS FOR ROAD VEHICLES), as amended by the Japanese Ministry of Land, Infrastructure, Transport and Tourism Announcement No. 826 dated 1 July 2015.

Laws and regulations relating to transportation of petroleum and flammable materials

*Fire Safety Act (Chapter 109A) ("**FSA**"), Fire Safety (Petroleum and Flammable Materials) Regulations ("**FSR**")*

The FSA provides for regulations relating to fire safety and matters connected therewith.

Transport of petroleum and flammable materials

Section 35B(1) and 35B(2) of the FSA provides that where the regulations require, no person shall transport any class of petroleum or any flammable materials unless:

(a) the person holds a valid licence;

(b) the transport is in accordance with the provisions of his licence and every condition specified therein; and

(c) the transport is in such quantities and in such manner and in accordance with requirements prescribed in relation to such petroleum or flammable material.

Section 35B(3) of the FSA provides that where the regulations require, no person shall drive any vehicle transporting any class of petroleum or any flammable material by road unless:

(a) the vehicle is licensed by the Commissioner of Civil Defence to carry such petroleum or flammable material; and

(b) the person driving the vehicle holds the necessary permit to drive a vehicle carrying such petroleum or flammable material.

Regulation 30 of the FSR provides that the transport of any class of petroleum or any flammable material in excess of the respective quantities specified in the FSR shall require a licence to transport.

Our Directors confirm that we have obtained the relevant licences and permits for the transport of petroleum and flammable substances as required for our operations.

Laws and regulations relating to Customs

*Customs Act (Chapter 70) ("**Customs Act**"), Regulation of Imports and Exports Act (Chapter 272A).*

The Singapore Customs administers the Customs Act, Regulation of Imports and Exports Act.

The Customs Act provides for regulations governing the import and export of all goods into the Country.

Declaring entities who intend to engage in import and/or export activities in Singapore ("**Declaration Entities**") must apply for customs import, export and transhipment permits or certificates through the TradeNet system[1] through a Customs Account (which allows the account holder to transact with the Singapore Customs). Declaring Entities may appoint a declaring agent to apply for the necessary permits on their behalf ("**Declaring Agent**").[2]

The Declaring Agent Governance Framework ("**Framework**") aims to raise the level of proficiency and professionalism of Declaring Agents by incentivising Declaring Agents with good internal control procedures and processes and compliance records. An individual authorised by a Declaring Agent to make an application for a permit on behalf of the Declaring Agent is known as a declarant ("**Declarant**").

Under the Framework, Declaring Agents need to undergo an assessment during registration and renewals. Individuals have to take and pass the Customs Competency Test for Declarants (SC401) before they can be registered as Declarants. Existing Declarants may also have to take and pass the Customs Competency Test (SC401) if they have poor compliance records with Singapore Customs or do not possess the requisite knowledge in the roles and responsibilities of a Declarant.[3]

Registered Declaring Agents and Declarants must abide by their respective terms and conditions. These terms and conditions set out the responsibilities and due diligence expected of Declaring Agents and Declarants. More information can be found on Circular No. 10/2010 and Circular No. 12/2013 issued by the Singapore Customs.

Non-compliance to the terms and conditions is an offence. Singapore Customs may impose penalties in the form of suspension or revocation of an entity's status, downgrading of banding and the associated benefits, composition sums, court fines and/or jail term.

Our Directors confirm that we have fulfilled the terms and conditions required to be a registered Declaring Agent. In addition, the Directors confirm that its employees have passed the Customs Competency Test for Declarants and its existing Declarants are in compliance with the conditions and requirements expected of them.

1 Information obtained from https://www.ntp.gov.sg/public/government-services accessed on 29 September 2020.

2 Information obtained from https://www.customs.gov.sg/businesses/new-traders-and-registration-services/registration-services/authorise-a-declaring-agent accessed on 29 September 2020.

3 Information obtained from https://www.customs.gov.sg/businesses/new-traders-and-registration-services/registration-services/apply-update-renew-terminate-declaring-agent-account-and-declarant/declarant accessed on 29 September 2020.

Laws and Regulations relating to employment

*Employment Act (Chapter 91) ("**EA**")*

The EA sets out the basic terms and conditions of employment and the rights and responsibilities of employers as well as employees who are covered under the EA.

Part IV of the EA sets out requirements for rest days, hours of work and other conditions of service for workmen who receive salaries not exceeding S$4,500 a month and employees (other than workmen or a person employed in a managerial or an executive position) who receive salaries not exceeding S$2,600 a month. Section 38(8) of the EA provides that such relevant employee is not allowed to work for more than 12 hours in any one day except in specified circumstances, such as where the work is essential to the life of the community, defence or security. In addition, Section 38(5) of the EA limits the extent of overtime work that a relevant employee can perform to 72 hours a month.

Employers must seek the prior approval of the Commissioner for Labour (the "**Commissioner**") for exemption if they require a relevant employee or class of relevant employees to work for more than 12 hours a day or work overtime for more than 72 hours a month. The Commissioner may, after considering the operational needs of the employer and the health and safety of the relevant employee or class of relevant employees, by order in writing exempt such relevant employee or class of relevant employees from the overtime limits subject to such conditions as the Commissioner thinks fit. Where such exemptions have been granted, the employer shall display the order or a copy thereof conspicuously in the place where such relevant employee or class of relevant employees are employed.

*Employment of Foreign Manpower Act (Chapter 91A) ("**EFMA**"), Employment of Foreign Manpower (Work Passes) Regulations 2012 ("**EFMR**"), Employment of Foreign Manpower (Levy) Order 2011 ("**EFMO**")*

The EFMA sets out the provisions relating to the employment of foreign manpower.

Section 5(1) of the EFMA provides that no person shall employ a foreign employee unless he has obtained in respect of the foreign employee a valid work pass from the Ministry of Manpower ("**MOM**"), which allows the foreign employee to work for him.

In relation to the employment of semi-skilled or unskilled foreign workers, employers must ensure that such persons apply for a "Work Permit". In relation to the employment of foreign mid-level skilled workers, employers must ensure that such persons apply for a "S Pass". In relation to the employment of foreign professionals, employers must ensure that such persons apply for an "Employment Pass".

Pursuant to Paragraph 3(1) of the EFMO, a levy shall be imposed on every employer at the appropriate rate specified in the EFMO in respect of each of his foreign employees who are either S pass holders or work permit holders.

Regulation 4(3) of the EFMR read with Part III and Part IV of the Fourth Schedule of the EFMR require employers of work permit holders who are not domestic workers, among other things, to:

(a) provide safe working conditions;

(b) provide acceptable accommodation consistent with any written law, directive, guideline, circular or other similar instrument issued by any competent authority;

(c) subsidise medical expenses of the foreign worker; and

(d) purchase and maintain medical insurance for inpatient care and day surgery, with coverage of at least S$15,000 per every 12-month period.

Regulation 5(3)(a) of the EFMR read with Part II of the Fifth Schedule of EFMR also requires employers of S Pass holders, among other things, to:

(a) subsidise medical expenses of the foreign worker; and

(b) purchase and maintain medical insurance for inpatient care and day surgery, with coverage of at least S$15,000 per every 12-month period.

Regulation 12(1)(b)(i) of the EFMR provides that the Controller of Work Passes may require such security as he thinks necessary to be furnished by or on behalf of an employer of the work pass holder or any group or class of work pass holders for the purpose of ensuring compliance with any undertaking given by or requirement imposed upon the employer or sponsor of the work pass holder or any group or class of work pass holders, as the case may be. Regulation 12(3) of the EFMR provides that where a security is furnished, the work pass holder, the employer or sponsor of the work pass holder or any group or class of work pass holders, as the case may be, shall comply with the conditions specified in the security.

In addition to the EFMA, an employer of foreign workers is also required to comply with the provisions in the EA, the Immigration Act (Chapter 133) and the regulations issued pursuant to the Immigration Act.

MOM regulates the number of foreign workers a company may employ in Singapore. To determine the foreign worker quota, an employer must first declare its business activity to MOM. After evaluating the business activity declared by the employer, the MOM will categorise the business activity into the most relevant industry as stipulated in the sector-specific rules for work permit.[4]

[4] Information obtained from http://www.mom.gov.sg/passes-and-permits/work-permit-for-foreign-worker/sector-specific-rules accessed 15 November 2019; see also, “Guidelines for employers of Work Permit and S Pass Holders: How to calculate your quota and levy bill” <https://www.mom.gov.sg/~/media/mom/documents/services-forms/passes/guide_on_comp_of_company_quota_balance.pdf>, last accessed 15 November 2019.

MOM determines the foreign worker quota base on the number of full-time local employees hired by the company, which is in turned determined by the average of three months' CPF contributions made by the employer. From 1 July 2020, local full-time employees are defined as Singaporeans and Permanent Residents (PRs) who earn at least $1,400 per month. Local part-time employees are defined as Singaporeans and PRs who earn $700 to below $1,400 per month. Two part-time employees count as one full-time employee.[5]

The Group falls under the "Services" sector as determined by the sector-specific rules set out by the MOM. Accordingly, the maximum number of foreign workers a company under the "Services" sector may employ is two-thirds the total number of full-time local employees, rounded down to the nearest whole number. The S Pass quota is 15% for the services sector. This is counted within the total quota for foreign workers a company may employ. For Services sector, the Work Permit quota for workers from the People's Republic of China ("PRC") is 8% of the (total workforce + 1), rounded down to the nearest whole number.[6]

As mentioned above, companies hiring foreign workers are also required to pay foreign workers levy. The foreign workers levy payable are sector specific. The levy rates are tiered so that those who hire close to the maximum quota will pay a higher levy.

The MOM also stipulates the source countries where a company may employ foreign workers from. In particular, a company under the Services sector may employ foreign workers from Malaysia, PRC, North Asian sources (including Hong Kong (HKSAR passport), Macau, South Korea and Taiwan).

Our Directors confirm that we have complied with the MOM's requirements in relation to the employment of foreign workers.

Laws and regulations relating to workplace safety and injury

*Workplace Safety and Health Act (Chapter 354A) ("**WSHA**")*

The WSHA provides for provisions relating to the safety, health and welfare of persons at work in workplaces.

Section 12(1) and (2) of the WSHA provides that it shall be the duty of every employer to take, so far as is reasonably practicable, such measures as are necessary to ensure the safety and health of his employees at work and of persons (not being his employees) who may be affected by any undertaking carried on by him in the workplace.

5 Information obtained from https://www.mom.gov.sg/faq/work-pass-general/what-is-the-local-qualifying-salary accessed on 29 September 2020; see also, "Guidelines for employers of Work Permit and S Pass Holders: How to calculate your quota and levy bill" <https://www.mom.gov.sg/~/media/mom/documents/services-forms/passes/guide_on_comp_of_company_quota_balance.pdf>, last accessed 9 March 2020.

6 Information obtained from http://www.mom.gov.sg/passes-and-permits/work-permit-for-foreign-worker/sector-specific-rules/services-sector-requirements accessed 9 March 2020; see also, "Guidelines for employers of Work Permit and S Pass Holders: How to calculate your quota and levy bill" <https://www.mom.gov.sg/~/media/mom/documents/services-forms/passes/guide_on_comp_of_company_quota_balance.pdf>, last accessed 9 March 2020.

Section 12(3) of the WSHA provides that the measures necessary to ensure the safety and health of persons at work include:

(a) providing and maintaining for those persons a work environment which is safe, without risk to health, and adequate as regards facilities and arrangements for their welfare at work;

(b) ensuring that adequate safety measures are taken in respect of any machinery, equipment, plant, article or process used by those persons;

(c) ensuring that those persons are not exposed to hazards arising out of the arrangement, disposal, manipulation, organization, processing, storage, transport, working or use of things (i) in their workplace; or (ii) near their workplace and under the control of the employer;

(d) developing and implementing procedures for dealing with emergencies that may arise while those persons are at work; and

(e) ensuring that those persons at work have adequate instruction, information, training and supervision as is necessary for them to perform their work.

Section 21(1) read with Section 21(2) of the WSHA provides that if the commissioner for workplace safety and health is satisfied that:

(a) any work place is in such condition, or is so located, or any part of the machinery, equipment, plant or article in the workplace is so used, that any work or process carried on in the workplace cannot be carried on with due regard to the safety, health and welfare of persons at work;

(b) any person has contravened any duty imposed by the WSHA; or

(c) any person has done any act, or has refrained from doing any act which, in the opinion of the commissioner for workplace safety and health, poses or is likely to pose a risk to the safety, health and welfare of persons at work,

the commissioner for workplace safety and health may serve a remedial order or a stop-work order on:

(a) any person who is in control of the workplace, or the work or process carried out in the workplace;

(b) any person whose duty under the WSHA is to ensure the safety, health and welfare of any person at work in the workplace; or

(c) any person who poses or is likely to pose a risk to the safety, health and welfare of any person at work in the workplace.

Our Directors confirm that we have not been served any orders by the commissioner of workplace safety and health.

*Work Injury Compensation Act (Chapter 354) ("**WICA**")*

WICA applies to all employees in all industries engaged under a contract of service or apprenticeship in respect of injury suffered by them in the course of their employment and sets out, among other things, the amount of compensation they are entitled to and the method(s) of calculating such compensation.

The WICA provides that the employer shall be liable to pay compensation in accordance with the provisions of the WICA if personal injury by accident arising out of and in the course of the employment is caused to an employee, as defined in the WICA.

Pursuant to Section 23(1) of WICA read with Paragraph 2 of the Work Injury Compensation (Waiver from Insurance Requirement) Notification, employers are required to maintain work injury compensation insurance for all employees doing manual work regardless of salary level and non-manual employees whose salary within the meaning of the Employment Act (Cap. 91) received from the employer exceeds S$2,100 a month.

Our Directors confirm that we have maintained the necessary insurance as required under WICA.

*Central Provident Fund Act (Chapter 36) ("**CPFA**")*

The Central Provident Fund ("**CPF**") system is a mandatory social security savings scheme funded by contributions from employers and employees.

Pursuant to Section 7 of the CPFA, an employer is obliged to make CPF contributions for all employees who are Singapore citizens or permanent residents who are employed in Singapore by an employer (save for employees who are employed as a master, a seaman or an apprentice in any vessel, unless such employees are Singapore citizens who are employed under certain conditions). CPF contributions are required for both ordinary wages and additional wages (subject to an ordinary wage ceiling and a yearly additional wage ceiling) of employees at the applicable prescribed rates which is dependent on, inter alia, the amount of monthly wages and the age of the employee. An employer must pay both the employer's and employee's share of the monthly CPF contribution. However, an employer can recover the employee's share of CPF contributions by deducting it from their wages when the contributions are paid for that month.

Our Directors confirm that we have made the relevant CPF contributions in accordance with our obligations under the CPFA.

Laws and regulations relating to land use

Land use and allocation in Singapore is governed by the statutory land use plan which guides Singapore's development in the medium term over the next 10 to 15 years[7] ("**Master Plan**") and is administered by the Urban Redevelopment Authority ("**URA**") in Singapore pursuant to the Planning Act (Chapter 232) of Singapore.

In accordance with the 2014 Master Plan, the zoning for the logistics yard at 15A Pioneer Crescent and 15B Pioneer Crescent are for "Business 2" use.[8] Pursuant to the Planning Act Master Plan Written Statement 2014 (last revised on 27 November 2019) — Table 1 (Zoning Interpretation), Business 2 means areas which are used or intended to be used for clean industry, light industry, general industry, warehouse, public utilities and telecommunication uses and other public installations. In particular the developments under Business 2 zoning would include:

(a) computer software development;

(b) distribution services;

(c) assembly and repair of computer hardware and electronic equipment;

(d) printing, publishing and allied industries;

(e) packing of dried foodstuff;

(f) warehouse except for storage of chemicals;

(g) biotechnology;

(h) manufacture and electrical apparatus and supplies;

(i) vehicle repair and servicing;

(j) manufacture of furniture and fixtures;

(k) warehouse;

(l) electrical substation;

(m) industry/power generation plant; and

(n) gas installation.

In addition, the types of Business 2 use and ancillary uses that may be allowed are subject to the evaluation of the URA and other relevant authorities.

7 Information obtained from https://www.ura.gov.sg/Corporate/Planning/Master-Plan accessed 9 March 2020.

8 Information obtained from the interactive map at https://www.ura.gov.sg/maps/?service=MP accessed 15 November 2018.

Our Directors confirm that the current use of the logistics yards at 15A Pioneer Crescent and 15B Pioneer Crescent is for warehousing purposes. As warehousing is an approved activity under the Business 2 Zoning for 15A Pioneer Crescent and 15B Pioneer Crescent, our Directors confirm that it has been in compliance with the applicable laws and regulations in Singapore with respect to the business activities at the logistics yards located at 15A Pioneer Crescent and 15B Pioneer Crescent during the Track Record Period.

Laws and regulations relating to taxation

The following is a summary of the corporate income tax and goods and services tax in Singapore. It is based on laws, regulations and interpretations now in effect and available as at the date of this document. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts of Singapore could later disagree with the explanations or conclusions set out below.

The summary is not intended to constitute a complete or exhaustive description of all of the Singapore tax considerations and do not purport to deal with the tax consequences applicable to all categories of investors. It is not intended to be and does not constitute legal or tax advice.

Income Tax Act (Chapter 134)

Corporate Income Tax

Pursuant to Section 10 of the Income Tax Act, Corporate taxpayers (whether Singapore tax resident or non-Singapore tax resident) are generally subject to Singapore income tax on income accruing in or derived from Singapore, and on foreign-sourced income received or deemed to be received in Singapore (unless specified conditions for exemption are satisfied). Foreign income in the form of dividends, branch profits and service fee income received or deemed to be received in Singapore by a Singapore tax resident corporate taxpayer may however be exempt from Singapore tax if specified conditions are met.

In the 2020 Budget, the Minister of Finance had announced that both resident and non-resident companies will enjoy a corporate income tax rebate for Year of Assessment 2018, Year of Assessment 2019, and Year of Assessment 2020. The tax rebate for Year of Assessment 2018 will be based on 40% of the tax payable up to a maximum tax rebate of S$15,000. The tax rebate for Year of Assessment 2019 will be based on 20% of tax payable up to a maximum tax rebate of S$10,000. The tax rebate for Year of Assessment 2020 will be based on 25% tax payable up to a maximum tax rebate of S$15,000. The tax rebate will not apply to income derived by a non-resident company that is subject to final withholding tax.

The prevailing corporate income tax rate is 17.0% with partial tax exemption for normal chargeable income of up to S$300,000 as follows:

(a) 75.0% exemption of up to the first S$10,000 of normal chargeable income and

(b) 50.0% exemption of up to the next S$290,000 of normal chargeable income.

The partial tax exemption will be adjusted as follows with effect from Year of Assessment 2020:

(a) 75.0% exemption of up to the first S$10,000 of normal chargeable income; and

(b) 50.0% exemption of up to the next S$190,000 of normal chargeable income.

A company is regarded as a tax resident in Singapore if the control and management of its business is exercised in Singapore. Generally, control and management of a company is vested in its board of directors and its tax residency is generally where its board of directors meet to make strategic business decisions of the company.

Withholding Tax and Singapore Income Tax on Dividends

Singapore adopts the one-tier corporate tax system. Pursuant to Section 13(1)(za) of the Income Tax Act, the dividends paid by the Singapore tax resident company on or after 1 July 2008 is exempt from Singapore income tax. A company is regarded as a tax resident in Singapore for Singapore tax purposes if the control and management of its business is exercised in Singapore.

When a Singapore tax resident company pays dividends, the source of such dividends will be considered to be from Singapore. Currently, Singapore does not impose withholding tax on dividends paid to resident or non-resident shareholders.

*Goods and Services Tax Act (Chapter 117A) (“**GSTA**”)*

The GSTA provides for the imposition of a goods and services tax on the supply of certain goods.

Section 8 of the GSTA provides that tax shall be chargeable on any supply of goods or services made in Singapore where it is a taxable supply by a taxable person in the course or furtherance of any business carried on by him. Pursuant to Section 16 of the GSTA, with effect from 1 July 2007, tax shall be charged at the rate of 7.0% on the supply of goods or services and the importation of goods by reference to the value of the supply or goods (as the case may be) as determined under the GSTA.

Under the First Schedule of the GSTA, a person is liable to be registered if his taxable supplies made during the immediately preceding four quarters has exceeded S$1 million.

Generally, supply for GST purposes covers all forms of supply of goods and services in return for consideration. A taxable supply may either be standard rated or zero-rated. The standard rate of 7.0% for any taxable supply would apply unless prescribed as zero-rated or exempt.

The sale of our Shares by a GST-registered investor belonging in Singapore through an SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST. Any GST incurred by the investor (for example, GST on brokerage) in making this exempt supply will generally not be recoverable from the Comptroller of GST and would become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or by the Comptroller of GST.

Where our Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of the sale is completed), the sale is a taxable supply subject to GST at zero-rate. Consequently, any GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with purchase and sale of our Shares.

Accordingly, services such as brokerage, handling and clearing charges rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase, sale or holding of our Shares will be subject to GST at the prevailing standard rate (currently at 7.0%). Similar services rendered contractually to an investor belonging outside Singapore may be subject to GST at zero-rate if certain conditions are met.

Laws and regulations relating to infectious diseases

*Infectious Diseases Act (Chapter 137) ("**IDA**")*

The IDA is the principal piece of legislation that deals with the prevention and control of infectious diseases in Singapore. This legislation is jointly administered by the Ministry of Health of Singapore ("**MOH**") and the National Environment Agency. For the control of infectious diseases in Singapore, the IDA provides for the notification of specified infectious diseases. It empowers the Director of Medical Services ("**DMS**") to make certain orders to control the outbreak or spread of infectious diseases.

Under the IDA, if the DMS has reason to believe that there exist on any premises conditions that are likely to lead to the outbreak or spread of any infectious disease, he may, amongst others, by written notice order the closure of the premises for a period not exceeding 14 days, and require the owner or occupier of the premises to cleanse or disinfect the premises in the manner and within the time specified in the notice or carry out such additional measures as the DMS may require in the manner and within the time specified in the notice. Such notice directing the owner or the occupier of the premises to close the premises may be renewed by the DMS from time to time for such period, not exceeding 14 days, as the DMS may, by written notice, specify.

The DMS may also direct any person carrying on any occupation, trade or business in a manner as is likely to cause the spread of infectious disease to take preventative action that the DMS reasonably believes is necessary to prevent the possible outbreak or prevent or reduce the spread of the infectious disease. Under the IDA, "preventative action" in the case of such direction, includes, amongst others, requiring the person to stop carrying on, or not carry on, the occupation, trade or business during a period of time specified in the direction. The Director may also, by written notice, require the owner or occupier of any premises to cleanse or disinfect it in the manner and within the time specified in the notice.

For the prevention of the introduction of infectious diseases into Singapore, the IDA allows the Minister to declare an area (whether in Singapore or elsewhere) to be an infected area if there is reason to believe that a dangerous infectious disease may be introduced into Singapore through or from that area. The Director-General Public Health is empowered to stipulate the necessary measures to be taken to prevent the introduction or importation of infectious diseases into Singapore through its ports of entry.

In addition, the DMS may order any person who is, or is suspected to be, a case or carrier or contact of an infectious disease to be detained and isolated in a hospital or other place for such period of time and subject to such conditions as the DMS may determine ("**Quarantine Order**").

A Quarantine Order is issued to quarantine or isolate an individual who is, or is suspected to be, a carrier of an infectious disease or a contact of a person confirmed to have an infectious disease. This is with the aim of limiting the spread of the virus in the community. Quarantine usually occurs in the home but can also be served in dedicated Government Quarantine Facilities or hospitals, should the individual not have suitable accommodation in Singapore. Persons under quarantine are required to monitor their temperature and report their health status at least three time a day, inform the Quarantine Order Agent if he/she feels unwell or needs any assistance and will be monitored by video calls at least three times a day. Spot checks will be carried out to ensure that they strictly adhere to the conditions under the Quarantine Order during the period specified. If they are found to be non-compliant, the DMS may require them to wear an electronic tag or order that they be detained and isolated in a hospital or in any other suitable place. It is an offence if they do not comply with the conditions listed in accordance with the Quarantine Order.

Employees who are served a Quarantine Order will be deemed to be on paid sick leave. Under the Quarantine Order Allowance Scheme, which was set up to mitigate financial impact for those who have been served Quarantine Orders under the IDA, claims of S$100 per day can be made by: (i) a self-employed persons, who is a Singapore Citizen or Permanent Resident, able to show proof of employment and must not break the Quarantine Order; or (ii) an employer who has employees issued with Quarantine Orders, who is a registered company in Singapore, such employees must be Singapore Citizens, Permanent Residents or work pass holders, able to show proof of payment to employees when they are under quarantine and such employees must not break the Quarantine Order. This allowance will not apply if the affected S Pass or Work Permit holders began their Quarantine Order on or after 1 April 2020, regardless of when the Quarantine Order ends. This is in view of the levy rebate and waiver of March 2020's levies (payable in April 2020).

Any person who, without reasonable excuse, fails to comply with any requirement of such notice or direction given to that person by the DMS shall be guilty of an offence. While there are no specific penalties for such office, any person guilty of an offence under the IDA for which no penalty is expressly provided shall (i) in the case of a first offence, be liable on conviction to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 6 months or to both; and (ii) in the case of a second or subsequent offence, be liable on conviction to a fine not exceeding S$20,000 or to imprisonment for a term not exceeding 12 months or to both.

On 26 March 2020, the MOH promulgated the Infectious Diseases (COVID-19 — Stay Orders) Regulations 2020 (the "**SHN Regulations"**) under the Infectious Diseases Act to provide enhanced enforcement for breaches of the Stay-Home Notice ("**SHN**").

With effect from 20 March 2020, 11:59 p.m., all travellers, including Singapore citizens, Permanent Residents and Long-Term Pass holders returning to Singapore are issued a 14-day SHN. To protect Singaporeans and further ring fence the risk of community transmission from imported cases, all Singapore Citizens, Permanent Residents and Long-Term Pass holders entering Singapore will be required to serve a 14-day self-isolation at dedicated SHN facilities from 9 April 2020, 11:59 p.m..

Under the SHN Regulations, (a) anyone issued an SHN must not leave their place of accommodation for the duration of the SHN; and (b) any individual who is issued a medical certificate by a medical practitioner certifying that he/she has acute respiratory symptoms must not, without reasonable excuse, leave the individual's place of accommodation for five days starting on the day the medical certificate is issued. The penalty for an offence under the SHN Regulations is a fine of up to S$10,000 or imprisonment of up to six months or both.

Our Directors confirm that as at the Latest Practicable Date, none of our employees have been issued SHNs and/or are subject to the SHN Regulations.

*COVID-19 (Temporary Measures) Act 2020 ("**COVID-19 Act**")*

On 3 April 2020, the Singapore Multi-Ministry Taskforce announced that an elevated set of safe distancing measures will be implemented to curb the spread of COVID-19 ("**Circuit Breaker Measures**"). To give legal effect to the Circuit Breaker Measures, the COVID-19 Act was passed by the Singapore Parliament on 7 April 2020. Under Section 34(1) of the COVID-19 Act, the Minister for Health may make temporary control orders for the purpose of preventing, protecting against, delaying or otherwise controlling the incidence or transmission of COVID-19 in Singapore if the Minister for Health is satisfied that the incidence and transmission of COVID-19 in the community in Singapore constitutes a serious threat to public health, and a control order is necessary or expedient to supplement the Infectious Diseases Act and any other written law.

*COVID-19 (Temporary Measures) (Control Order) Regulations 2020 ("**Control Order Regulations**")*

On 7 April 2020, the Control Order Regulations were issued under the COVID-19 Act to implement a temporary control order that would be in force from 7 April 2020 to 4 May 2020 (both dates inclusive).

The Control Order Regulations sets out the restrictions on movement of people and the restrictions in relation to premises and businesses. These include (i) restrictions on leaving or entering place of residence, such that every individual must stay at or in, and not leave, his or her ordinary place of residence in Singapore only to the extent necessary for any of the prescribed purposes; (ii) prohibitions on social gatherings, such that a person must not meet another individual not living in the same place of residence for any social purposes unless otherwise permitted under the Control Order Regulations; and (iii) closure of premises, such that an owner or occupier of any premises other than residential premises must ensure that the premises are closed to entry by any individual, save as otherwise provided under the Control Order Regulations.

Under the Control Order Regulations, an essential service provider may continue to carry out the business, undertaking or work of the essential service provider at the permitted premises of the essential service provider, with the prior permission of the Minister of Trade and Industry of Singapore, and in accordance with the prescribed restrictions for that type of business, undertaking or work or any conditions imposed in the aforementioned permission. Such owner or occupier of the permitted premises may allow any employee, contractor, customer or other individual to enter the premises only for the purposes of working for or dealing with the essential service provider (including procuring the provision of the essential service).

Subsequently, the Minister of Health issued several amendments to the Control Order Regulations on 10 April 2020, 15 April 2020, 24 April 2020, 1 May 2020 and 5 May 2020 to introduce additional obligations and requirements on individuals, businesses, premises, essential service providers and essential service workers. These additional obligation and requirements include, but are not limited to, extending the Control Order Regulations to be in force until 1 June 2020, implementing a baseline restriction that masks must be worn when outside, implementing certain safe distancing measures at permitted premises, directing essential service workers to work from their place of residence as much as practicable, providing facilities to essential services workers necessary for them to work from their place of residence, and essential service providers must not require or permit an essential service worker subject to a movement control measure to enter permitted premises.

In particular, under Part 3A of the Control Order Regulations, essential service providers are required to ensure, amongst others, the following: (a) functions that can be performed remotely must be done from home; (b) safe distancing measures to reduce physical interactions are implemented by: (i) reducing the need for and duration of physical interactions; (ii) staggering working hours; (iii) postponing all group events; (iv) implementing shift work and/or split team arrangements; and (v) taking reasonable steps to ensure that there is a distance of at least one metre between any two individuals in the permitted premises (including during transportation to and from work if transport is provided by the Group entities); (c) individuals under an order not to leave a place of accommodation pursuant to a movement control order are not permitted to enter the respective permitted premises. Essential service providers as occupiers of their respective work premises are also required to, *inter alia*, take the body temperature of everyone entering the permitted premises and obtain the contact details of everyone entering the permitted premises for contact tracing purposes.

Contravention of any control order under the COVID-19 Act and Control Order Regulations without reasonable excuse carries a fine of up to S$10,000 or imprisonment of up to six months or both for a first-time offender. In the case of a second or subsequent offence, an offender is liable to a fine up to S$20,000 or to imprisonment up to 12 months or to both. Offences may be compounded up to a sum of S$2,000, following which no further action shall be taken against the offender.

In light of the Circuit Breaker Measures ending on 2 June 2020, the Minister of Health further amended the Control Order Regulations to revise the restrictions on individuals and requirements for safe management measures at workplaces permitted to resume operations. These amendments came into operation on 2 June 2020, 19 June 2020, 4 July 2020, 3 August 2020, 19 August 2020, 29 August 2020 and 14 September 2020.

The Multi-Ministry Taskforce have decided to embark on a three-phased approach to resume activities safely in Singapore. Phase One will be implemented from 2 June 2020, and besides Essential Services that are already operating, businesses that operate in settings with lower transmission risks may resume activities. All businesses must put in place safe management measures before resuming workplace activities. Telecommuting should be the default arrangement for employees and should be adopted to the maximum extent. Employees should only come into the office when demonstrably needed. For job roles or functions where employees cannot work from home, employers must ensure that they implement stagger work and break hours, shift or split team arrangements and minimise socialising or congregating in groups at the workplace.

The Multi-Ministry Taskforce announced on 15 June 2020 that Singapore will move into Phase Two from 19 June 2020. In Phase Two, more business activities may resume, and the same safe distancing and safe management measures must be put in place before resuming operations and/or activities.

Depending on the COVID-19 situation and the Singapore Government's risk assessment, the measures (e.g. size of gatherings) will continue to be eased gradually until Singapore reaches a new normal in Phase Three.

SANCTIONS LAWS AND REGULATIONS

Hogan Lovells, our International Sanctions Legal Advisers, have provided the following summary of the sanctions regimes imposed by their respective jurisdictions. This summary does not intend to set out the laws and regulations relating to the U.S., the European Union, the United Nations and Australian sanctions in their entirety.

U.S.

Treasury regulations

OFAC is the primary agency responsible for administering U.S. sanctions programmes against targeted countries, entities, and individuals. "Primary" U.S. sanctions apply to "U.S. persons" or activities involving a U.S. nexus (e.g., funds transfers in U.S. currency or activities involving U.S.-origin goods, software, technology or services even if performed by non-U.S. persons), and "secondary" U.S. sanctions apply extraterritorially to the activities of non-U.S. persons even when the transaction has no U.S. nexus. Generally, U.S. persons are defined as entities organized under U.S. law (such as companies and their U.S. subsidiaries); any U.S. entity's domestic and foreign branches (sanctions against Iran and Cuba also apply to U.S. companies' foreign subsidiaries or other non-U.S. entities owned or controlled by U.S. persons); U.S. citizens or permanent resident aliens ("green card" holder), regardless of their location in the world; individuals physically present in the United States; and U.S. branches or U.S. subsidiaries of non-U.S. companies.

Depending on the sanctions program and/or parties involved, U.S. law also may require a U.S. company or a U.S. person to "block" (freeze) any assets/property interests owned, controlled or held for the benefit of a sanctioned country, entity, or individual when such assets/property interests are in the United States or within the possession or control of a U.S. person. Upon such blocking, no transaction may be undertaken or effected with respect to the asset/property interest — no payments, benefits, provision of services or other dealings or other type of performance (in case of contracts/agreements) — except pursuant to an authorization or license from OFAC.

OFAC's comprehensive sanctions programmes currently apply to Cuba, Iran, North Korea, Syria, and the Crimea region of Russia/Ukraine (the comprehensive OFAC sanctions programme against Sudan was terminated on 12 October 2017). OFAC also prohibits virtually all business dealings with persons and entities identified in the SDN List of the FSE List, and prohibits certain business dealing with persons and entities identified in the SGI List (collectively hereinafter referred to as "Identified parties"). Entities that a Identified Party owns (defined as a direct or indirect ownership interest of 50% or more, individually or in the aggregate by one or more Identified Parties) are also subject to the same restrictions that apply to the Identified Party(ies) at issue, regardless whether that entity is expressly named on the SDN List, the FSE List, and/or the SSI List. Additionally, U.S. persons, wherever located, are prohibited from approving, financing, facilitating, or guaranteeing any transaction by a non-U.S. person where the transaction by that non-U.S. person would be prohibited if performed by a U.S. person or within the United States.

United Nations

The United Nations Security Council (the "**UNSC**") can take action to maintain or restore international peace and security under Chapter VII of the United Nations Charter. Sanctions measures encompass a broad range of enforcement options that do not involve the use of armed force. Since 1966, the UNSC has established 26 sanctions regimes.

The UNSC sanctions have taken a number of different forms, in pursuit of a variety of goals. The measures have ranged from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or commodity restrictions. The UNSC has applied sanctions to support peaceful transitions, deter non-constitutional changes, constrain terrorism, protect human rights and promote non-proliferation.

There are 14 ongoing sanctions regimes which focus on supporting political settlement of conflicts, nuclear non-proliferation, and counter-terrorism. Each regime is administered by a sanctions committee chaired by a non-permanent member of the UNSC. There are ten monitoring groups, teams and panels that support the work of the sanctions committees.

United Nations sanctions are imposed by the UNSC, usually acting under Chapter VII of the United Nations Charter. Decisions of the UNSC bind members of the United Nations and override other obligations of United Nations member states.

European Union

Under European Union sanction measures, there is no “blanket” ban on doing business in or with a jurisdiction targeted by sanctions measures. It is not generally prohibited or otherwise restricted for a person or entity to do business (involving non-controlled or unrestricted items) with a counterparty in a country subject to European Union sanctions where that counterparty is not a Sanctioned Person or not engaged in prohibited activities, such as exporting, selling, transferring or making certain controlled or restricted products available (either directly or indirectly) to, or for use in a jurisdiction subject to sanctions measures.

Australia

The Australian restrictions and prohibitions arising from the sanctions laws apply broadly to any person in Australia, any Australian anywhere in the world, companies incorporated overseas that are owned or controlled by Australians or persons in Australia, and/or any person using an Australian flag vessel or aircraft to transport goods or transact services subject to United Nations sanctions.

BUSINESS HISTORY

Founded in 1995, our Group is an integrated logistics solution provider in Singapore. We offer trucking, freight forwarding and value added transport services to our customers. Prior to the establishment of our Group, Mr. Ng, the founder of our Group, had been working in the logistics industry in Singapore for more than 12 years. For details of Mr. Ng's background, please refer to the section headed "Directors and Senior Management" in this prospectus. The business of our Group commenced in 1995 when Mr. Ng and his partners established Rejoice which principally engaged in providing trucking services at that time. Over the years, Rejoice has built up a strong customer base for trucking and value added transport services and built a strong network within the logistics industry.

With the foresight of expanding into the logistics chain management, Mr Ng has identified certain capable individuals in the field, including members of our current senior management and established Radiant in 2001, Richwell in 2011 and Real Time Forwarding in 2015 with Mr. Ng heading the management team to engage in freight forwarding business.

As part of the Reorganisation in preparation for the Listing, our Company was incorporated in in the Cayman Islands on 20 June 2018. Details of the Reorganisation are set out in the paragraph headed "Our Reorganisation" of this section.

OUR MILESTONES

The following table sets forth our key development milestones:

Year	Event/Milestones
1995	— Mr. Ng established Rejoice with his partners and commenced our operation in Singapore with 4 prime movers and 37 trailers
2001	— We established Radiant
2011	— We established Richwell
2013	— We leased our very first yard at 15A Pioneer Crescent
	We joined X2 as a member
2015	— We established Real Time Forwarding
	We owned 50 prime movers with 539 trailers
2016	— We joined Singapore Logistics Association
	We received Loyalty and Commitment award from X2
2017	— We received Best Operations award from X2 Logistics Networks
	We expanded network presence in G7 Networks as a member
	We were conferred as a member of African Logistics Network

CORPORATE DEVELOPMENT

Our Company

Our Company was incorporated on 20 June 2018 in the Cayman Islands as an exempted company with limited liability with an authorised share capital of HK$380,000 divided into 38,000,000 Shares with a par value of HK$0.01 each. Our Company was incorporated for the purpose of implementing the Reorganisation. It is the holding company of our subsidiaries and its principal business activity is investment holding. As at the Latest Practicable Date, our Company was directly and wholly-owned by Mirana Holdings. Please refer to "Our Reorganisation" in this section for further details about the Reorganisation.

Conditional upon the share premium account of our Company being credited as a result of the Share Offer, an amount of HK$9,375,000 standing to the credit of the share premium account of our Company will be capitalised and applied to pay up in full at par 937,500,000 Shares for allotment and issue to our sole Shareholder as the person whose name appears on the register of members of our Company at the close of business on 18 December 2020 (or as it may direct) in proportion as nearly as may be without involving fractions to its then existing shareholding in our Company, each ranking *pari passu* in all respects with the then existing issued Shares. The number of Shares to be issued under the Capitalisation Issue together with the number of Shares then held by our sole Shareholder shall represent not more than 75% of the entire issued share capital of our Company immediately after the completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option).

Our Principal Subsidiaries

The following table sets forth certain information of our principal subsidiaries as of the Latest Practicable Date:

Name of Subsidiary	Date of Incorporation	Equity Interest Held by our Group	Place of Incorporation	Principal Activities
Rejoice	1 March 1995	100%	Singapore	trucking and value added transport services
Radiant	17 May 2001	100%	Singapore	freight forwarding
Richwell	6 December 2011	100%	Singapore	freight forwarding
Real Time Forwarding	30 September 2015	100%	Singapore	freight forwarding

Set forth below are the key corporate developments of our four major operating subsidiaries which were material to the performance of our Group during the Track Record Period:

Rejoice

Rejoice was incorporated on 1 March 1995 in Singapore and principally engages in trucking and value added transport services.

Upon incorporation, Mr. Ng, Mr. Koh Char Boh ("**Mr. Koh**", our chief operating officer) and Mr. Tan Soo Mong ("**Mr. Tan**", an Independent Third Party) subscribed for and were allotted and issued 375, 375 and 250 shares in Rejoice respectively at the subscription price of S$1.00 per share.

On 1 January 2015, Rejoice was owned by Mr. Ng and Mr. Tan as to 75% and 25% respectively.

To buy out Mr. Tan's shares and consolidate the shareholding, on 23 November 2015, Mr. KH Ng acquired 25% shareholding held by Mr. Tan in Rejoice at a consideration of S$1,500,000. Mr. KH Ng held his 25% legal interest in Rejoice for and on behalf of Mr. Ng. On 23 November 2015, the register of members of Rejoice was updated to reflect the said transfer. Immediately after the said transfer, Rejoice was held by Mr. Ng and Mr. KH Ng (on trust for Mr. Ng) as to 75% and 25% respectively.

As advised and confirmed by our Singapore Legal Advisers, the aforesaid transfers of shares of Rejoice were properly and legally completed and settled in compliance with the applicable Singapore laws and regulations and all necessary approvals from the relevant Singapore authorities had been obtained.

After the said transfers and immediately before the Reorganisation, the shareholding of Rejoice was held as to 75% by Mr. Ng and 25% by Mr. KH Ng (on trust for Mr. Ng).

Radiant

Radiant was incorporated on 17 May 2001 in Singapore and principally engages in freight forwarding.

At the date of its incorporation, Mr. Ng, Mr. Koh and Mr. Tan subscribed for and were allotted and issued 375, 375 and 250 shares in Radiant respectively at the subscription price of S$1.00 per share.

On 1 January 2015, Radiant was held by Mr. Ng, Mr. Tan and Mr. Gilbert Ho (on trust for Mr. Ng) as to 62%, 23% and 15% respectively. Mr. Gilbert Ho became acquainted with Mr. Ng in 2001 through Mr. Gilbert Ho's previous employer that was in a business relationship with Rejoice at the time. Mr. Gilbert Ho was subsequently hired by Mr. Ng as his employee in Radiant. Mr. Gilbert Ho received an annual fee for acting as a trustee for Mr. Ng in addition to his salary and allowance.

To buy out Mr. Tan's shares and consolidate the shareholding, on 23 September 2015, Mr. Ng and Mr. Gilbert Ho (for and on behalf of Mr. Ng) acquired the 8% and 15% shareholding in Radiant held by Mr. Tan at a consideration of S$3,478 and S$6,522 respectively. Mr. Gilbert Ho then held his 30% legal interest in Radiant for and on behalf of Mr. Ng.

On 23 September 2015 the register of members of Radiant was updated to reflect the said transfers. Immediately after the said transfers, Radiant was held by Mr. Ng and Mr. Gilbert Ho (on trust for Mr. Ng) as to 70% and 30% respectively.

As advised and confirmed by our Singapore Legal Advisers, the aforesaid transfers of shares of Radiant were properly and legally completed and settled in compliance with the applicable Singapore laws and regulations and all necessary approvals from the relevant Singapore authorities had been obtained.

After the said transfers and immediately before the Reorganisation, the shareholding of Radiant was held as to 70% by Mr. Ng and 30% by Mr. Gilbert Ho (on trust for Mr. Ng).

Richwell

Richwell was incorporated on 6 December 2011 in Singapore and principally engages in freight forwarding.

At the date of its incorporation, Mr. Lim Poh Chuan Francis, an Independent Third Party, subscribed for and was allotted and issued 100 shares at the subscription price of S$1.00 per share for and on behalf of Mr. Ng, representing 100% issued share capital of Richwell at the material time.

On 1 January 2015, Richwell was owned by Mr. Ng, Mr. Stephen Yeo (on trust for Mr. Ng) and Ms. Khoo Zi Qi, Evelyn ("**Ms. Khoo**") (on trust for Mr. Ng) as to 60%, 30% and 10% respectively. Mr. Stephen Yeo and Ms. Khoo became acquainted with Mr. Ng in 2008 through their previous employer in which Mr. Ng previously had shareholding interest and was in a business relationship with Rejoice at the time. Both Mr. Stephen Yeo and Ms. Khoo were subsequently hired by Mr. Ng as his employees in Richwell. Both Mr. Stephen Yeo and Ms. Khoo received an annual fee for acting as trustees for Mr. Ng in addition to their salaries and allowances.

On 29 April 2016, the total number of issued shares of Richwell was increased from 200,000 to 500,000 and the shareholdings of Mr. Ng, Mr. Stephen Yeo (on trust for Mr. Ng) and Ms. Khoo (on trust for Mr. Ng) were 60% (300,000 shares), 30% (150,000 shares) and 10% (50,000 shares) respectively. Accordingly, the electronic register of members of Richwell was updated to reflect the issue and allotment.

After the said issue and allotment and immediately before the Reorganisation, the shareholding of Richwell was held as to 60% by Mr. Ng, 30% by Mr. Stephen Yeo (on trust for Mr. Ng) and 10% by Ms. Khoo (on trust for Mr. Ng).

Real Time Forwarding

Real Time Forwarding was incorporated on 30 September 2015 in Singapore and principally engages in freight forwarding.

At the date of its incorporation, Mr. KH Ng subscribed for and was allotted and issued 100 shares in Real Time Forwarding at the subscription price of S$1.00 per share. Mr. KH Ng held his entire interest in Real Time Forwarding for and on behalf of Mr. Ng. On 30 October 2015, the total number of issued shares of Real Time Forwarding was increased from 100 to 300,000 with Mr. KH Ng (on trust for Mr. Ng) still owned as to 100%.

On 21 July 2017, Mr. KH Ng transferred his entire shareholding in Real Time Forwarding held on trust for Mr. Ng back to Mr. Ng as per his instruction. On 21 July 2017, the electronic register of members of Real Time Forwarding was updated to reflect the said transfer. Immediately after the said transfer, Real Time Forwarding was wholly legally and beneficially owned by Mr. Ng.

After the said transfers and immediately before the Reorganisation, the shareholding of Real Time Forwarding was held as to 100% by Mr. Ng.

Application for striking off of R&G Shipping Pte. Ltd. ("R&G") and Rejoice Logistics Services Pte. Ltd. ("Rejoice Logistics")

R&G was incorporated on 23 September 2011 in Singapore and was principally engaged in the freight forwarding, packing and crating services and general warehousing. Rejoice Logistics was incorporated on 20 September 2016 in Singapore and was principally engaged in freight forwarding, packing and crating services and freight transport by road. Before the striking off, each of R&G and Rejoice Logistics was wholly-owned by Mr. Ng.

An application for striking off of Rejoice Logistics was filed with the Accounting and Corporate Regulatory Authority on 2 July 2018, and Rejoice Logistics was struck off from the register on 8 October 2018. On 6 July 2018, R&G assigned its accounts receivable of S$54,745.76 and US$9,036.27 to Mr. Ng and R&G was struck off from the register on 6 May 2019. The striking off of R&G and Rejoice Logistics was a commercial decision by Mr. Ng. Immediately before the filing of application for striking off or the passing of resolution to apply for striking off, each of Rejoice Logistics and R&G had ceased its business operations and was solvent at the time of the application for striking off.

According to the results of the public searches conducted on 29 June 2018, 6 July 2018 and 15 July 2019 respectively, there were no records of pending litigation, lawsuits or proceedings involving R&G and Rejoice Logistics during the Track Record Period.

Ancillary Business

As at the Latest Practicable Date, Mr. Ng, one of our Controlling Shareholders and executive Director, has been conducting other businesses and holding interest directly in certain companies (the "**Ancillary Business**") as set out below which are ancillary to the businesses of our Group.

Name of company	Place of incorporation	Nature of business	Beneficial interest held by	Director
JH Tyres & Batteries Pte. Ltd. ("**JH Tyres**")	Singapore	General wholesale trade (including general importers and exporters) (general importer and exporter of tyres and accessories); and Repair and maintenance of motor vehicles (including installation of parts and accessories)	Mr. Ng is interested in 70% and an Independent Third Party is interested in 30%	Mr. Ng, and an Independent Third Party
R&S Engineering Works Pte. Ltd. ("**R&S**")	Singapore	Installation of industrial machinery and equipment, mechanical engineering works; and Retail sale of motor vehicles except motorcycles and scooters	Mr. Ng is interested in 60% and each of the other two Independent Third Parties is interested in 20%	Mr. Ng, and two Independent Third Parties

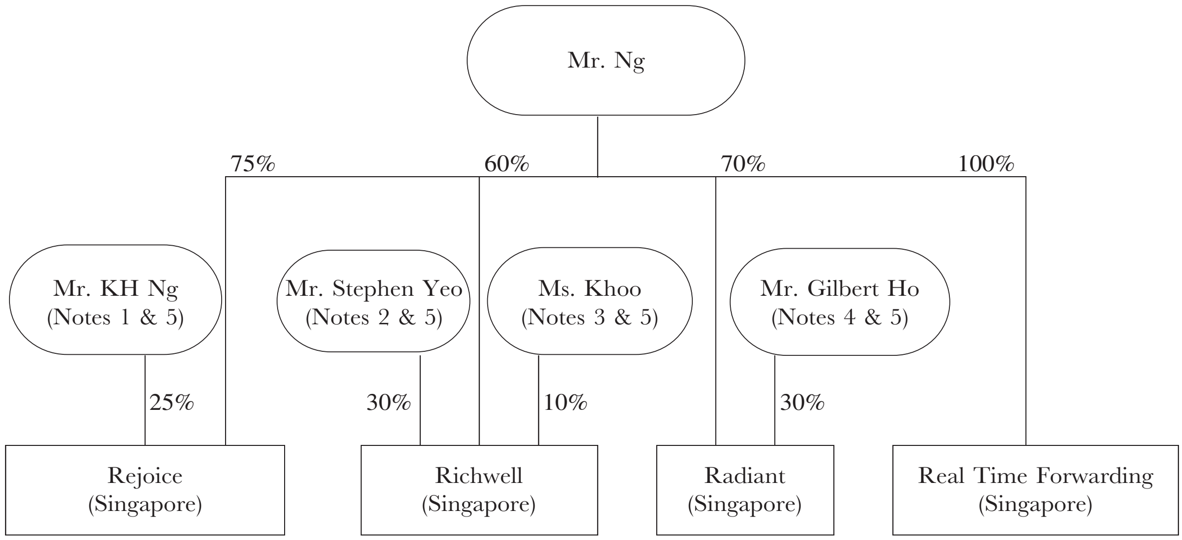
Our Group principally engages in providing trucking, freight forwarding and value added transport services. Our Directors are of the view that such services and those provided by the Ancillary Business are clearly different in terms of the business nature and target customers. Therefore, the Ancillary Business was not include in our Group after the Reorganisation.

During the Track Record Period and upon the Listing, JH Tyres supplied/will continue to supply tyres and provided/will continue to provide tyre installation services for our fleet of vehicles and R&S provided/will continue to provide maintenance and repair services for some of our fleet of vehicles. Please refer to the section headed "Connected Transaction" in this prospectus for further details.

OUR REORGANISATION

Our Corporate Structure Prior to Reorganisation

Set forth below is the corporate structure of our Group immediately prior to the Reorganisation:



Notes :

(1) A trust was verbally declared by Mr. KH Ng in favour of Mr. Ng on 23 November 2015 in respect of Mr. KH Ng's entire legal interest in Rejoice. Immediately prior to the Reorganisation, Mr. KH Ng held 250,000 ordinary shares in Rejoice, representing 25% of the issued share capital of Rejoice for and on behalf of Mr. Ng. The trust verbally declared was confirmed by a trust deed dated 23 March 2018 entered into between Mr. KH Ng and Mr. Ng (the "**Trust Deed 1**"). As advised by our Singapore Legal Advisers, on 2 April 2018, Mr. Ng terminated the Trust Deed 1.

(2) A trust was verbally declared by Mr. Stephen Yeo in favour of Mr. Ng on 22 March 2013 in respect of Mr. Stephen Yeo's entire legal interest in Richwell. Immediately prior to the Reorganisation, Mr. Stephen Yeo held 150,000 ordinary shares in Richwell, representing 30% of the issued share capital of Richwell for and on behalf of Mr. Ng. The trust verbally declared was confirmed by a trust deed dated 23 March 2018 entered into between Mr. Stephen Yeo and Mr. Ng (the "**Trust Deed 2**"). As advised by our Singapore Legal Advisers, on 2 April 2018, Mr. Ng terminated the Trust Deed 2.

(3) A trust was verbally declared by Ms. Khoo in favour of Mr. Ng on 22 March 2013 in respect of Ms. Khoo's entire legal interest in Richwell. Immediately prior to the Reorganisation, Ms. Khoo held 50,000 ordinary shares in Richwell, representing 10% of the issued share capital of Richwell for and on behalf of Mr. Ng. The trust verbally declared was confirmed by a trust deed dated 23 March 2018 entered into between Ms. Khoo and Mr. Ng (the "**Trust Deed 3**"). As advised by our Singapore Legal Advisers, on 2 April 2018, Mr. Ng terminated the Trust Deed 3.

(4) A trust was declared on 3 January 2012 and was constituted on 14 February 2012 by Mr. Gilbert Ho in favour of Mr. Ng in respect of Mr. Gilbert Ho's entire legal interest in Radiant. Immediately prior to the Reorganisation, Mr. Gilbert Ho held 60,000 ordinary shares in Radiant, representing 30% of the issued share capital of Radiant for and on behalf of Mr. Ng. The trust verbally declared was confirmed by a trust deed dated 23 March 2018 entered into between Mr. Gilbert Ho and Mr. Ng (the "**Trust Deed 4**", together with the Trust Deed 1, the Trust Deed 2, the Trust Deed 3 and the Trust Deed 4, collectively, the "**Trust Deeds**"). As advised by our Singapore Legal Advisers, on 2 April 2018, Mr. Ng terminated the Trust Deed 4.

(5) The Trust Deeds were created for administrative convenience as Mr. Ng believed that it would be more convenient for the respective trustees of the Trust Deeds to represent himself / herself a shareholder of the relevant member of the operating subsidiaries of the Group when liaising with the customers and suppliers of the relevant member of the operating subsidiaries of the Group. As advised and confirmed by our Singapore Legal Advisers, each of the Trust Deeds was legal, valid and enforceable and has been validly and legally terminated upon the completion of transfers in step 2 of the Reorganisation as set out below in this section.

Step 1: The incorporation and allotment of shares of Clear Bliss

On 1 November 2017, Clear Bliss was incorporated in the BVI with limited liability and is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00 each. On 16 March 2018, two ordinary shares with a par value of US$1.00 each were allotted and issued to Mr. Ng, representing 100% of the then total issued share capital of Clear Bliss, for cash at par.

Step 2: Acquisition of the entire issued share capital of each of Rejoice, Radiant, Richwell and Real Time Forwarding by Clear Bliss

Rejoice

On 2 April 2018, pursuant to the Reorganisation Agreement, (i) on the instructions of Mr. Ng, Mr. KH Ng (as trustee for Mr. Ng) transferred 250,000 ordinary shares in Rejoice, representing 25% of the issued share capital of Rejoice to Clear Bliss at a consideration of S$3,231,910; and (ii) Mr. Ng transferred 750,000 ordinary shares in Rejoice, representing 75% of the issued share capital of Rejoice to Clear Bliss at a consideration of S$9,695,730. The considerations were based on the net asset value of Rejoice in the sum of S$12,927,640 as at 26 March 2018. In consideration of the aforesaid transfers, Clear Bliss issued and allotted a total of two ordinary shares in Clear Bliss, credited as fully paid-up, to Mr. Ng.

Radiant

On 2 April 2018, pursuant to the Reorganisation Agreement, (i) on the instructions of Mr. Ng, Mr. Gilbert Ho (as trustee for Mr. Ng) transferred 60,000 ordinary shares in Radiant, representing 30% of the issued share capital of Radiant to Clear Bliss at a consideration of S$825,720; and (ii) Mr. Ng transferred 140,000 ordinary shares in Radiant, representing 70% of the issued share capital of Radiant to Clear Bliss at a consideration of S$1,926,680. The considerations were based on the net asset value of Radiant in the sum of S$2,752,399 as at 26 March 2018. In consideration of the aforesaid transfers, Clear Bliss issued and allotted a total of two ordinary shares in Clear Bliss, credited as fully paid-up, to Mr. Ng.

Richwell

On 2 April 2018, pursuant to the Reorganisation Agreement, (i) on the instructions of Mr. Ng, Mr. Stephen Yeo (as trustee for Mr. Ng) transferred 150,000 ordinary shares in Richwell, representing 30% of the issued share capital of Richwell to Clear Bliss at a consideration of S$918,850; (ii) on the instructions of Mr. Ng, Ms. Khoo (as trustee for Mr. Ng) transferred 50,000 ordinary shares in Richwell, representing 10% of the issued share capital of Richwell to Clear Bliss at a consideration of S$306,283; and (iii) Mr. Ng transferred 300,000 ordinary shares in Richwell, representing 60% of the issued share capital of Richwell to Clear Bliss at a consideration of S$1,837,700. The considerations were based on the net asset value of Richwell in the sum of S$3,062,834 as at 26 March 2018. In consideration of the aforesaid transfers, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up, to Mr. Ng.

Real Time Forwarding

On 2 April 2018, pursuant to the Reorganisation Agreement, Mr. Ng transferred 300,000 ordinary shares in Real Time Forwarding, representing the entire issued share capital of Real Time Forwarding to Clear Bliss at a consideration of S$572,958. The consideration was based on the net asset value of Real Time Forwarding in the sum of S$572,958 as at 26 March 2018. In consideration of the aforesaid transfer, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up, to Mr. Ng.

Completion of the transfers

On 2 April 2018, each of Rejoice, Radiant, Richwell and Real Time Forwarding became a wholly-owned subsidiary of Clear Bliss.

As advised and confirmed by our Singapore Legal Advisers, the aforesaid transfers of the entire issued share capital of Rejoice, Richwell, Radiant and Real Time Forwarding were properly and legally completed and settled in compliance with the applicable Singapore laws and regulations and no government approval for the aforesaid transfers are required.

Step 3: The establishment of Mirana Holdings and the Company

Mirana Holdings was incorporated on 19 June 2018 in the BVI with limited liability to act as Mr. Ng's holding company to hold his interests in the Company. It is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00 each. On 19 June 2018, one ordinary share of par value of US$1.00 was allotted and issued to Mr. Ng, representing 100% of the total issued share capital of Mirana Holdings, for cash at par.

On 20 June 2018, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. Its initial authorised share capital is HK$380,000 divided into 38,000,000 Shares of par value of HK$0.01 each. On 20 June 2018, one fully paid Share was issued to Reid Services Limited, the provider of the registered office of the Company which was transferred to Mirana Holdings on the same date at par.

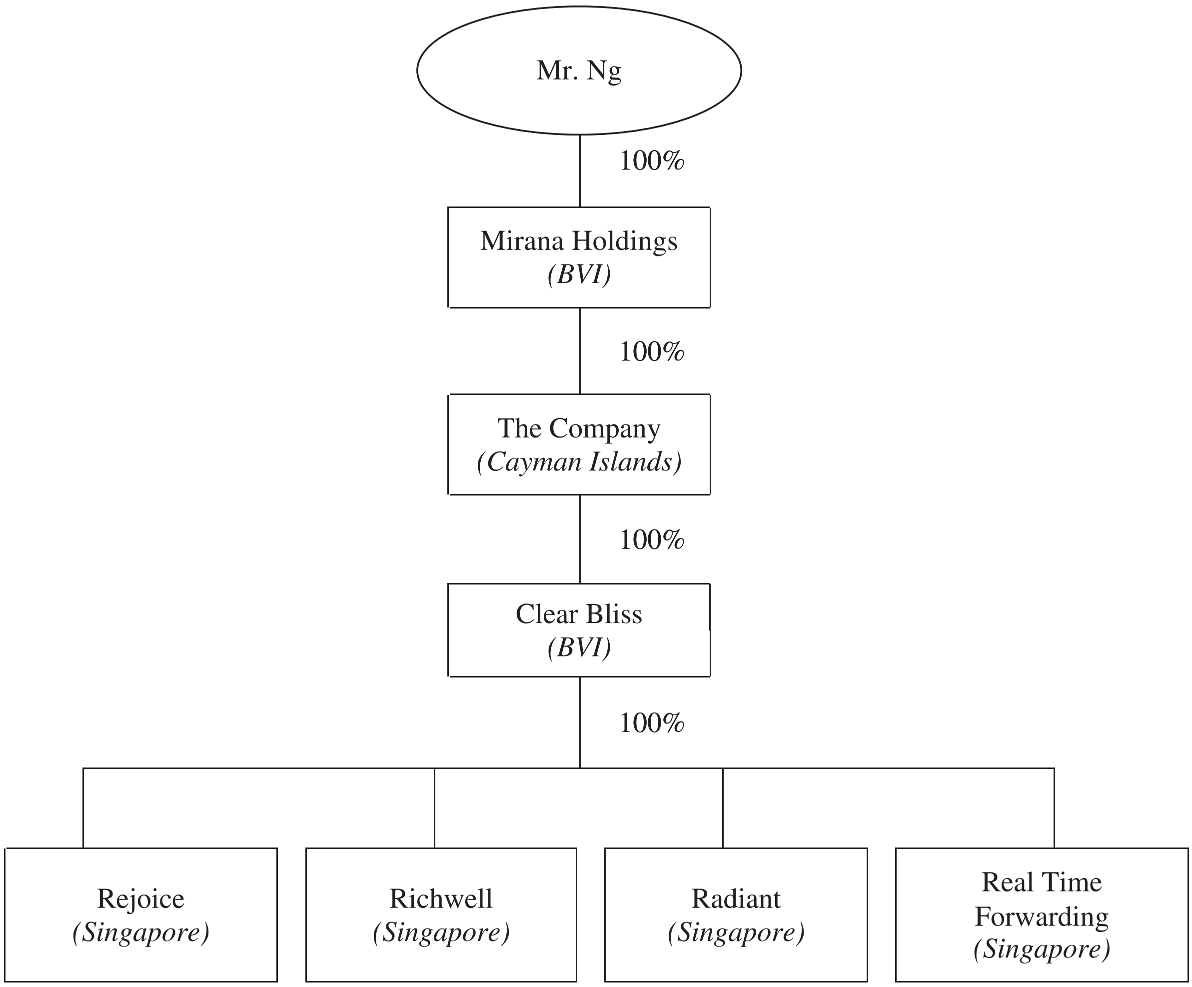
Step 4: Increase in authorised share capital and acquisition of the entire issue share capital in Clear Bliss by the Company

On 18 December 2020, the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 Shares of par value of HK$0.01 to HK$20,000,000 divided into 2,000,000,000 Shares of par value of HK$0.01 each by the creation of 1,962,000,000 Shares of par value of HK$0.01 each, each ranking pari passu in all respects with the Shares then in issue.

Pursuant to a sale and purchase agreement dated 18 December 2020 and entered into between the Company as purchaser and Mr. Ng as vendor and warrantor, the Company agreed to acquire the entire issued share capital in Clear Bliss. In consideration of such acquisition, the Company allotted and issued 78,124,999 Shares, credited as fully paid, to Mirana Holdings (as directed by Mr. Ng).

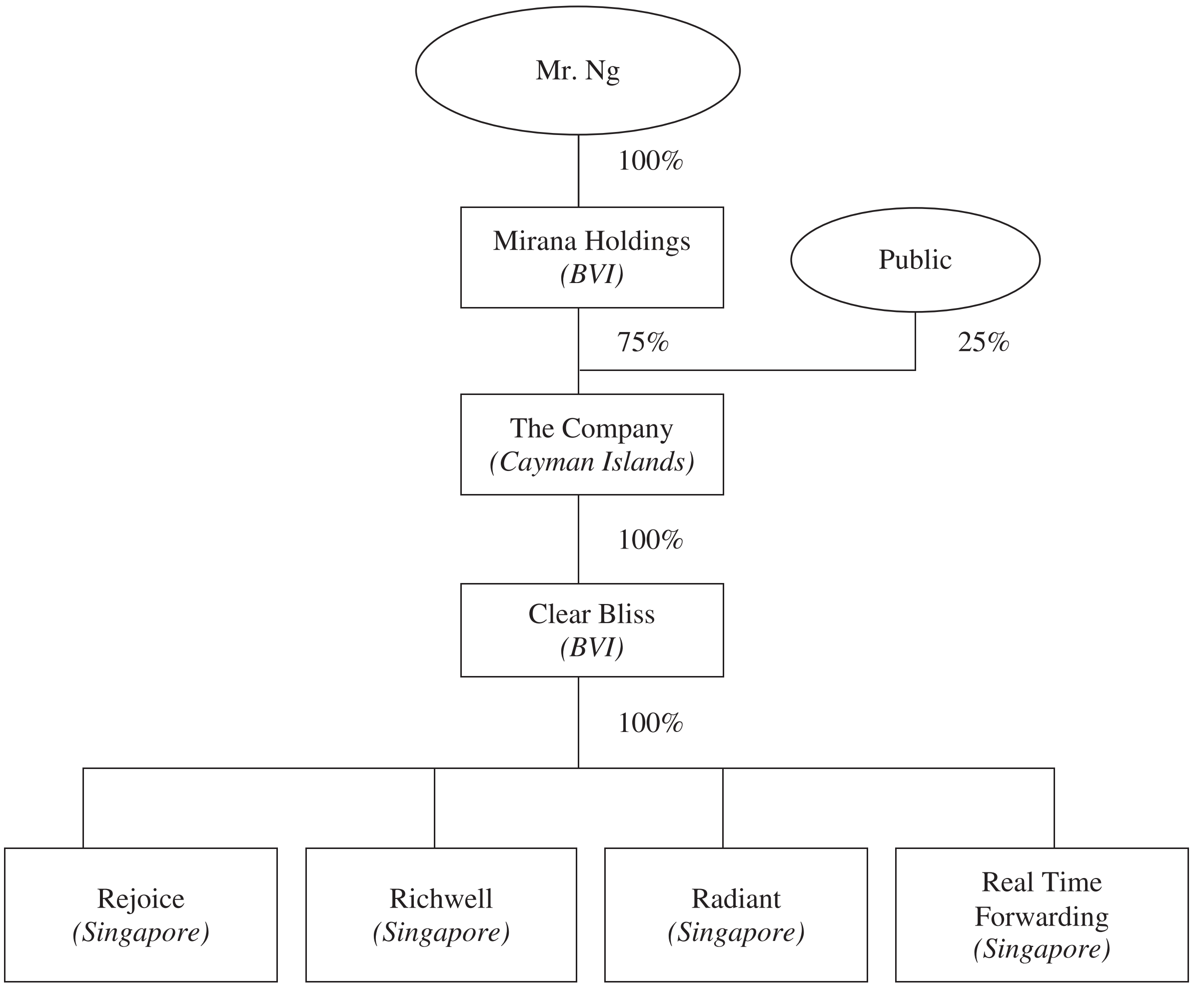
OUR GROUP STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE REORGANISATION BUT BEFORE THE SHARE OFFER AND THE CAPITALISATION ISSUE

The following chart illustrates our corporate and shareholding structure of our Group immediately after completion of the Reorganisation but before the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the grant of Shares under the Share Award Scheme):



OUR GROUP STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE SHARE OFFER AND THE CAPITALISATION ISSUE

The following chart illustrates the corporate and shareholding structure of our Group immediately after completion of the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the grant of Shares under the Share Award Scheme):



BUSINESS OVERVIEW

Founded in 1995, we are a well-established logistics service provider in Singapore offering trucking, freight forwarding and value added transport services to our customers. Trucking services refer to the haulage, primarily containers, between seaports and/or our customers' designated pick up and/or delivery points. Freight forwarding services refer to the one-stop solution whereby we organise the shipment for customers to get their goods from the origin to the final point of distribution. Value added transport services refer to our open-yard storage services, stuffing and unstuffing services and trucking services for the haulage, primarily containers, between our logistics yards and our customers' designated pick up and/or delivery points. According to the Converging Knowledge Report, our market share of the entire trucking, freight forwarding and general warehousing segments of the logistics sector of Singapore is approximately 0.49% to 0.50% in terms of revenue in 2019.

We have developed reputation as an integrated logistics solution provider equipped with a vehicle fleet, three logistics yards, and experienced management team. As at the Latest Practicable Date, we have a total of 144 employees of which 52 are transportation (drivers) that support our vehicle fleet comprising 56 prime movers, 500 trailers and three flat vans, and machineries comprising two reach stackers and two forklifts, which are either self-owned or financed through hire-purchase. Depending on our capacity and in order to enhance the flexibility and cost effectiveness of our services, we engage subcontractors to carry out certain trucking services.

As at the Latest Practicable Date, we are operating three logistics yards of approximately 38,240 sq. m. for the provision of our open-yard storage services as part of our value added transport services.

According to the Converging Knowledge Report, Singapore is encouraging economic diversification in areas such as medical sciences, financial services etc. to attract investments and boost regional competitiveness. As these industries grow, demand for goods and related services will increase in tandem thus creating opportunities for supporting industries (e.g. transportation and storage sector) to grow as well. Opportunities remain positive at large as the Singapore government is continuously structuring and developing plans to promote these new industrial areas. Demand for trucking, freight forwarding and warehousing services is influenced by the need for goods and services (private consumption) by the local population, which is, in turn, dependent on the population growth and economy (GDP). Singapore's population is expected to grow by an estimated CAGR of 0.7% from 5.7 million in 2019 to over 5.9 million in 2024. Singapore's role as a major transhipment hub would also mean that the country already has an important part to play in handling goods coming in and out of the region. The Singapore government's efforts to strengthen the logistics sector and the upcoming Tuas Terminal will strengthen the country's competitiveness, and this will fortify its transhipment hub position. Therefore, our Directors believe that we are well-positioned to capture the growth opportunities in the transport and storage service industry and will benefit from the growing demand for our services from existing and future clients in the logistics industry in Singapore.

Also, according to the Converging Knowledge Report, the Singapore government has developed various policy initiatives to reinforce the country's position as a global and regional logistics hub. These policy initiatives include the following: (i) the Logistics Industry Transformation Map which outlines key transformative areas for the logistics sector targeting to boost sectoral value; (ii) the Enhanced Logistics Industry Digital Plan which is developed by the Info-communications Media Development Authority Singapore to promote digitalisation of business processes to enhance industry-wide productivity and innovation; and (iii) the Skills Framework for Logistics which is conceived and jointly launched by government agencies that includes SkillsFuture Singapore, Workforce Singapore and the Singapore Economic Development Board and identifies job responsibilities, career progression as well as skill enhancement training programmes within the logistics sector.

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, our revenue was approximately S$36.7 million, S$40.7 million, S$43.7 million and S$26.6 million, respectively. The following table sets forth the breakdown of our revenue by business operation during the Track Record Period.

	Year ended 31 December						Eight months ended 31 August			
	2017		2018		2019		2019		2020	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*
							(unaudited)			
Trucking services	19,017,742	51.8	19,923,874	49.0	21,845,794	50.0	14,541,204	50.6	14,239,061	53.5
Freight forwarding services	13,312,750	36.2	16,550,548	40.7	17,399,097	39.8	11,115,041	38.7	9,934,940	37.3
Value added transport services	4,417,991	12.0	4,193,852	10.3	4,431,405	10.2	3,083,771	10.7	2,447,673	9.2
Total	36,748,483	100.0	40,668,274	100.0	43,676,296	100.0	28,740,016	100.0	26,621,674	100.0

COMPETITIVE ADVANTAGES

Our Directors believe that the following competitive advantages are the key factors to our success and will enable us to further develop our business in the future.

We have a broad spectrum of involvement in the logistics business and an integrated services model creating synergy

We have a broad spectrum of involvement in the logistics business as we provide trucking, freight forwarding and value added transport services. This enables us to become the "go-to" point for customers requiring services beyond conventional trucking, thus increasing our revenue streams.

Our business segments complement each other thus creating synergies when we provide services to our customers. As at the Latest Practicable Date, we have three logistics yards for the provision of our open-yard storage services, which not only allow us to serve customers beyond their trucking and freight forwarding services, but also provide value added support for our existing customers, which are complementary to our trucking and freight forwarding services. Customers of our trucking services may also procure our open-yard storage services whilst their containers are awaiting the shipping line to confirm the shipping date. Customers of our freight forwarding services may also procure our trucking services in Singapore as part of the freight forwarding process. Customers of our value added transport services may engage our trucking services for the delivery of cargo between our logistics yards and their designated pick up and/or delivery points. As such, our Directors believe that our business segments provide an integrated solution which enables operational effectiveness and efficiency in terms of savings on time and costs, flexibility and a more tailored solution for our customers.

We have a fleet of vehicles to carry out our trucking services

As at Latest Practicable Date, we have a fleet of 56 prime movers, 500 trailers and three flat vans to carry out our trucking services. According to the Converging Knowledge Report, we rank amongst the top five players in the mid-tier segment (fleet size of prime movers from 20 to 79) in terms of estimated fleet size in the trucking and freight forwarding segments of Singapore's logistics sector. The mid-tier segment constitutes 20.0% to 30.0% of the market while the large segment (fleet size of 80 prime movers or above) constitutes less than 10.0% of the market.

Having the abovementioned fleet gives us the advantage of being able to handle our customers' orders and cater for sudden spikes in demand for our customers' services. Some of our customers include sizeable logistics companies, freight forwarders and warehouse operators that, due to the size of their operations, consider service reliability, consistency and punctuality as key factors to their choice of outsourcing contractors. As such, working with a company that has a significant fleet size would ensure that their transportation needs are met.

We have built up a reputation in the industry due to our emphasis on providing quality services

Our focus on providing quality services coupled with continuous client engagement has enabled us to establish a strong customer base across industries. We have established long working relationships with several customers over the years. In particular, we have been maintaining business relationships with our five largest customers that range from approximately three to 17 years as at the Latest Practicable Date.

Our Directors are of the view that we are able to meet the quality standards of our customers due to our emphasis on quality of our services. Our focus on service quality covers various areas such as vehicle reliability, service reliability, and flexible and customisable service offerings for our customers. Please refer to the paragraph headed "Quality control" in this section for further details on our quality control measures.

We have received a top service provider award in the year 2016 from Customer B, one of our five largest customers, in recognition and appreciation for our support and a service provider of the year award in the year 2017 from Customer B in recognition of our excellence in technology.

In order to stay competitive in the market, we believe our emphasis on service quality has contributed and will continue to contribute to our continued success in earning our customers' confidence in our services, which is essential to our long-term development in the logistics industry. The awards from Customer B are indications of our reputation as a reliable logistics service provider, allowing us to maintain good relations with our customers and further contribute to our reputation in the industry.

Our services have a wide geographical coverage in Singapore serving a diverse customer base

According to the Converging Knowledge Report, a number of trucking service providers in Singapore focus their services within Western Singapore, while our trucking services, which accounted for approximately 51.8%, 49.0%, 50.0% and 53.5% of our total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively, cover both Eastern Singapore and Western Singapore as we do not impose a limitation on our geographical coverage. Instead of concentrating on a few sizable customers, we strive to expand our customer base and serve a broader range of customers. Our Directors are of the view that our flexibility in relation to our geographical coverage and customer base will enable us to cater to various customers and industries, giving more scalability in business while being buffered from any seasonal fluctuations.

Our experienced and dedicated management team

Our management team has extensive experience, in-depth knowledge and strong expertise in the logistics industry. Our founder, executive Director, chief executive officer and chairman, Mr. Ng has been with us since our establishment and has more than 36 years of experience in the logistics industry. Mr. KH Ng, our executive Director, has more than four years of experience in the logistics industry. Mr. Koh Char Boh and Mr. Stephen Yeo, both being members of our senior management team, have more than 26 years and 15 years of experience in the logistics industry respectively.

We believe that the extensive experience of our management team and their industry knowledge and in-depth understanding of the logistics industry would enable us to assess market trends effectively as well as to operate and manage our business efficiently. Thus having an experienced and dedicated management team is important to our business and enables us to (i) be aware of our competitive and market landscape; (ii) recognise the needs of our customers more readily; (iii) manage our operations, specifically, labour and vehicle deployment, more efficiently; and (iv) build on the experiences we have had with our customers and suppliers.

We have close and stable working relationships with our broad range of suppliers

Our Directors believe that one of the key factors to our success is our close working relationship with our suppliers such as diesel providers for our trucking services segment and shipping, air freight and trucking companies as well as overseas freight forwarders for our freight forwarding services segment. Our five largest suppliers had business relationships with us that range from approximately four to 25 years as at the Latest Practicable Date. Moreover, our Directors believe that having close and stable working relationships with a broad range of suppliers is also advantageous because where one supplier is unable to provide our requested service, we can immediately contact other suppliers as back-up, thus avoiding any unnecessary interruptions in our provision of services to customers.

We utilise our in-house technology

Through in-house technology, we can assess the number and type of jobs which have to be fulfilled, determine when and how many prime movers, drivers and trailers are required for the specific jobs, and the location of the drivers, amongst others. Technology utilisation allows us to improve on our resource deployment, and ultimately lead to increased productivity.

BUSINESS STRATEGIES

We aim to strengthen our position as the provider of trucking, freight forwarding and value added transport services in Singapore. To achieve this, we intend to focus on the following strategies.

Expand and upgrade our fleet size and machinery

Our Directors believe that there will be a growth in demand for our trucking services given the following:

(i) our Directors note from the Converging Knowledge Report that the outlook of Singapore's market of the trucking, freight forwarding and the general warehousing segments for players in the mid-tier segment is positive, with an expected growth of around 1.8% to 3.5% from 2020 to 2024, and we have demonstrated our ability in exceeding the historical growth under the leadership of our management;

(ii) according to the Converging Knowledge Report, Singapore's role as a global maritime powerhouse, the growth in the e-commerce market and ASEAN and the increasing activities for maritime trade from the Belt and Road Initiative will drive demand for logistics services in Singapore. Please refer to the paragraph headed "Business strategies — Expand and enhance our value added transport services and operational scale through the strategic acquisition of a logistics company which provides warehousing services and the expansion of our open-yard storage services" in this section for more information;

(iii) our Directors further note from the Converging Knowledge Report that our market share of the entire trucking, freight forwarding and general warehousing segments is approximately 0.49% to 0.50%, in terms of revenue in 2019. As such, our Directors believe that the fragmented nature of the logistics industry, combined with the exiting of trucking service providers in the small segment according to the Converging Knowledge Report, will provide us with ample opportunities to gain a greater market share;

(iv) our Directors are of the view that we, as an integrated logistics services provider, shall maintain sufficient buffer in our service capacity in order to ensure that we would have the necessary capability to fulfil any ad-hoc orders and last-minute changes. Moreover, given that we may from time to time not have sufficient capacity to fulfil our customers' orders, we had from time to time subcontracted part of our trucking services to our subcontractors. During the Track Record Period, there were occasions where we encountered difficulties in providing trucking services during peak seasons. By expanding the fleet size of our trucking services, the risk stemming from reliance on our subcontractors would decrease. Also, we can improve our operational efficiency by expanding our fleet as it is more cost-effective to operate our own fleet than to outsource the trucking services to third parties and also avoid the significant increase in subcontracting charges during peak seasons;

(v) during the Track Record Period and up to the Latest Practicable Date, we have been approached by some of our largest customers to expand our cooperation with them by, among others, allocating additional trucks to support their business expansion. As at the Latest Practicable Date, four of our existing customers requested for an increase in volume of trucking services by a specified amount and two new customers requested for quotations in relation to our trucking services; and

The following table sets forth the expected demand for our trucking services from our existing and potential customers and their respective background information as at the Latest Practicable Date.

Customer	Background	Business relationship since	Expected demand (Number of trips per month)
Customer S	A Singapore based supply chain solution company with logistics hubs in more than 100 cities across the PRC, South Korea, Australia and Southeast Asia	2010	800 - 1,000
Customer T	A subsidiary of a top ten global logistics services provider listed on the New York Stock Exchange, operating in 32 countries with more than 100,000 employees	2016	800 - 1,000
Customer U	A Singapore based freight forwarding service provider with footprint in 10 countries mainly in Southeast Asia	2018	400
Customer V	A Singapore based container leasing company and freight forwarding services provider with a fleet capacity of 3,000 TEUs	2018	200 - 300
Potential Customer A	A Singapore based general warehousing service provider in collaboration with a subsidiary of a company listed on the Tokyo Stock Exchange principally engaging in the provision of chemicals in health care, food and packaging and mobility sectors	N/A[Note]	6,400
Potential Customer B	A Singapore based professional dental equipment, products and laboratory products supplier and distributor with presence in Singapore, Malaysia and Vietnam	N/A[Note]	100
Total			8,700 - 9,200

Note: Our Directors are not aware of any business relationships between our Group and the potential customers.

The above expected demand makes up approximately 86.2% to 91.2% of our monthly average trucking trips for the ten months ended 31 October 2020. As such, our Directors take the view that the expected demand will be sufficient to support our expansion going forward. According to our Directors, the majority of the above demands are initiated by our existing and potential customers, thus, we are likely to secure the demands from our customers if we have adequate capacity. In addition, leveraging on our reputation in the industry and longstanding relationships with our customers, our Directors are of the view that we can receive additional service demand from our existing and potential customers.

(vi) our Directors believe that the availability of covered storage services in the form of warehouse will provide synergistic benefits by boosting demand for our trucking services as warehousing services will enable us to reach a wider range of customers and customers who engage our warehousing services may also engage our trucking services. Please refer to the paragraph headed "Business strategies — Expand and enhance our value added transport services and operational scale through the strategic acquisition of a logistics company which provides warehousing services and the expansion of our open-yard storage services" in this section for more information.

Given the foregoing, the high utilisation rates of our prime movers and trailers leave us with limited capacity to take on additional orders from existing customers or orders from new customers. As such, we intend to expand our vehicle fleet size via the addition of prime movers and trailers in order to cope with increasing demand from our customers. The increased fleet size will enable us to cater to additional business from existing customers and business from new customers.

The total trips of our prime movers were 127,043, 125,809, 129,182 and 80,394 trips for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. Based on our analysis on historical trends and indications from our customers, our Directors expect that the number of trips will increase based on the current fleet size. Our Directors consider that the expansion in our fleet size will provide us with sufficient capacity to meet demand from our customers and enable us to further grow our market share.

The utilisation rates of our prime movers, based on revenue-generating trips, were approximately 80.2%, 78.0%, 80.0% and 74.7% for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. Our Directors take the view that the utilisation rates are in the high range given the following: (i) the utilisation rates account for the downtime as a result of the need for inspection, repair and maintenance and our drivers' leave of absence, and do not account for internal/external shifting of laden or empty containers; and (ii) starting in the year ended 31 December 2017, in addition to providing our core trucking services between ports and warehouses, a few of our customers, primarily Customer I, have engaged us for ancillary warehouse to warehouse trucking services which are not included in the utilisation rate calculations where the number of such trips were approximately 2,855, 5,260, 9,402 and 2,810 for each of the years ended 31 December 2017, 31 December 2018 and 31 December 2019 and the eight months ended 31 August 2020, respectively. The number of trips for these ancillary warehouse to warehouse trucking services are calculated on the basis that two of such trips equal to one of our trips for our core trucking services between ports and warehouses as the latter trips generally cover a longer distance. If the trips for the aforesaid warehouse to warehouse trucking services are accounted for, the overall utilisation rates of our prime movers were approximately 81.9%, 81.2%, 85.9% and 76.0% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. As such, our Directors believe that an expansion of our vehicle fleet size will allow us to better cope with increasing demand from our customers. The decrease in the utilisation rate for the eight months ended 31 August 2020 was mainly due to the decrease in trucking services between January 2020 and February 2020 as a result of the impact of COVID-19. However, according to the Converging Knowledge Report, Singapore's container throughput has shown signs of improvement in June, July, August and September 2020 with monthly incremental increase of approximately 3.6% (June), 3.7% (July), 5.3% (August), 1.0% (September) and 1.0% (October). In the same period, the country's total cargo throughput rose by approximately 7.9%, 1.2% and 3.4% month-on-month in June, July and

August 2020. After experiencing a slight dip of 2.9% in September 2020, cargo throughput saw recovery in October 2020, with a month-on-month increase of 1.4% and reaching 49.9 million tonnes. Singapore's non-oil domestic exports rose from June 2020 to September 2020, at 16.1% (June), 5.9% (July), 7.7% (August) and 5.9% (September) YoY, but recorded a 3.1% contraction in October 2020 as compared to the same period last year.

In order to cater for our business growth, we intend to acquire 20 additional prime movers for approximately S$3.2 million and 50 trailers for approximately S$0.5 million. Such acquisition of prime movers and trailers will be made progressively where it is intended that three prime movers and ten trailers will be acquired every three months starting from the first quarter of 2021. According to our Directors, the acquisitions will be funded with our listing proceeds and our own internal funds.

With these improvements to our infrastructure, we believe they will enhance our reputation in the logistics industry and better position us to attract new customers.

Expand and enhance our value added transport services and operational scale through the strategic acquisition of a logistics company which provides warehousing services and the expansion of our open-yard storage services

A. The Strategic Acquisition

According to the Converging Knowledge Report, Singapore's role as a global maritime powerhouse, the growth in the e-commerce market and ASEAN and the increasing activities for maritime trade from the Belt and Road Initiative will drive demand for warehousing services in Singapore. We intend to expand and enhance our value added transport services by acquiring a majority interest (the "**Strategic Acquisition**") in a logistics company which provides warehousing services (the "**Potential Target Company**") to offer our existing customers more integrated value added transport services and appeal to a broader customer base. In particular, after the completion of the Strategic Acquisition, we will procure the Potential Target Company to transfer its existing key management and personnel experienced in warehouse management to us. Upon completion of the Strategic Acquisition and the aforesaid transfer of key management and personnel, we will be able to leverage on their track record and warehouse management experience to achieve our aforesaid strategies. As at the Latest Practicable Date, we utilised three logistics yards, namely, 15A Pioneer Crescent yard, 15B Pioneer Crescent yard and 15C Pioneer Crescent yard. According to our Singapore Legal Advisers, these logistics yards are open yards, construction of open-yard storage or structures of any kind are prohibited unless approved by each of the respective licensors. Our Directors take the view that operating covered storage services in the form of warehouse, in addition to open-yard storage services, will further expand and enhance our current open yard storage service offering because of the following reasons: (i) while only selected items can be stored at logistics yards due to the fact that they are open land areas without roofs or shelters, warehouses can facilitate the storage of a wide variety of goods and cargo, especially those that cannot withstand certain weather conditions from daily necessities like food, beverages, clothing, pharmaceutical products, cosmetic and personal hygiene products to goods that people may encounter in their daily lives like electronics, furniture, household and industrial appliances, machinery and equipment, pulp and paper etc.; (ii) storage of cargo at an open yard are generally done within the containers while in warehouses, the cargo can be unstuffed from containers and stored in the warehouse as is, thus freeing up the containers for customer's use elsewhere; (iii) our services can be catered to the storage of smaller items in pallets rather than having to store a full container load of cargo each time; and (iv)warehouses have loading bays which can enhance operational efficiency for our stuffing and unstuffing services. Moreover, our logistics yards are operated under short term license agreements and are exposed to the risk of reversion back to the licensor, thus leading to potential business disruptions. In order to position ourselves as an integrated logistics service provider, our Directors believe that it is crucial for us to further strengthen our capability in the storage services offering of our value added transport services segment by expanding our open-yard storage services to include covered storage services in the form of warehouse, which will drive growth in our three business segments, namely, trucking services, freight forwarding services and value added transport services.

(a) Overall demand

I. Favourable outlook in demand for warehousing services

According to the Converging Knowledge Report, the demand for warehousing services has a positive outlook with growth potential given the following:

(i) Singapore's role as a global maritime powerhouse will benefit the industrial warehouse demand

According to the Converging Knowledge Report, Singapore was recognised as the world's largest transhipment hub in 2020. Singapore is also amongst the largest transshipment seaports worldwide, and cargo airports in Asia. Amongst container ports around the world, Singapore ranked second in 2019. In 2020, Singapore has maintained its position as the world's top shipping hub for the seventh year straight. The Port of Singapore Authority entered into a joint venture with Ocean Network Express in December 2018 to operate four mega container berths in Singapore, making the country the primary port of call for Ocean Network Express' services which will pave the way for greater demand for warehousing space in Singapore. Singapore's value of exports and imports are estimated to grow at a range of 2.7% to 4.1% year-on-year, and 2.6% to 5.9% year-on-year, respectively, from 2020 to 2022. The import value of electrical products is expected to rise at a range of 3.9% to 5.8% year on year, from 2020 to 2022. Please refer to the section headed "Industry Overview — Prospects of the logistics sector in Singapore, with focus on container and land transportation services — Historical and estimated growth — Singapore's role as a global maritime powerhouse will benefit industrial warehouse demand" in this prospectus for more information.

(ii) E-commerce and ASEAN to promote growth in the warehousing industry

From 2015 to 2019, Singapore's e-commerce market size grew at a CAGR of approximately 18.9%. Prior to the outbreak of COVID-19, this market was expected to grow at a CAGR of 23.2% from 2019 to 2025, where more than half are attributable to cross border transactions. As warehousing is an essential part of the e-commerce value chain, the rising popularity of e-commerce would have spill-over effects on the warehousing industry.

The rise of Asia and the emergence of ASEAN have led to increased direct trade between Asian countries, which could result in bypassing transhipment or consolidation in Singapore. ASEAN-5, consisting of Indonesia, Malaysia, Philippines, Thailand and Vietnam, registered a real GDP growth of 4.8% in 2019, and is forecast to reach 7.8% in 2021. Please refer to the section headed "Industry Overview — Prospects of the logistics sector in Singapore, with focus on container and land transportation services — Historical and estimated growth — E-commerce and ASEAN to promote growth in the warehousing industry" in this prospectus for more information.

(iii) Increasing activities for maritime trade from Belt and Road Initiative

According to the Converging Knowledge Report, Singapore plays a key role in the Belt and Road Initiative as it is the preferred port of call along the Straits of Malacca. Please refer to the section headed "Industry Overview — Prospects of the logistics sector in Singapore, with focus on container and land transportation services — Historical and estimated growth — Increasing activities for maritime trade from the BRI" in this prospectus for more information.

(iv) Highly fragmented nature of the logistics industry

According to the Converging Knowledge Report, the logistics industry in Singapore is highly fragmented where our market share is approximately 0.49% to 0.50% of the entire trucking, freight forwarding and general warehousing segments, in terms of revenue in 2019. Therefore, our Directors believe that there are vast opportunities for us to expand within the industry by capturing a greater market share and at the same time, capture the potential business opportunities associated with the forecasted industry growth as mentioned above.

(v) Trade pacts established

In April 2020, Singapore and New Zealand launched a new trade initiative to ensure supply chain connectivity and the removal of blockages to trade in a list of essential products that includes medicines, medical and surgical equipment. The PRC became the 12th nation to join the pledge to uphold trade and supply chain connections in July 2020. Such trade pacts reinforce the importance of logistics and supply chains, and minimises disruptions despite the pandemic.

II. Increasing demand for warehouse space in Singapore

According to the Converging Knowledge Report, the net demand for warehousing space is forecasted to increase by a CAGR of 5.3% from 2019 to 2024. Moreover, the supply of warehousing space in Singapore is tapering. The supply in the pipeline for warehousing space from 2020 to 2024 is estimated to reach over 820,000 sq. m. This figure is significantly lower than the total warehousing space of 2,569,000 sq. m. that was supplied in the past five years (between 2015 to 2019).

III. Demand from existing and potential customers

During the Track Record Period, building on the long-term relationship with a number of our customers, we have been approached by some of our largest customers to expand our cooperation with them by, among others, inviting our Group to provide additional warehousing services to their group or affiliated companies. As at the Latest Practicable Date, three of our existing customers, including one of our largest customers, made inquiries for warehousing services and one new customer made inquiries with specified storage volume. Our Directors therefore consider that we will be able to derive an additional source of revenue from the provision of standalone warehousing services and/or one-stop logistics solutions to customers.

(b) Benefits of a warehouse

I. Operational benefits

According to the Converging Knowledge Report, storage can be effected in both warehouses and open yards, with warehouses being a better option for items that are more sensitive to external conditions, as open yards are open land areas without roofs or shelters. Open yards are commonly used for the storage of containers, as well as for the parking of trailers.

Our Directors take the view that warehouses have added benefits on top of open yards as follows: (i) while only selected items can be stored at open yards due to the fact that they are open land areas without roofs or shelters, warehouses can facilitate the storage of a wide variety of goods and cargo, especially those that cannot withstand certain weather conditions like food, clothing, pharmaceutical and personal hygiene products, electronics, household appliances etc.; (ii) storage of cargo at an open yard must be done within containers while in warehouses, the cargo can be unstuffed from containers and stored in the warehouse as is since the warehouse is covered, thus freeing up the customers' containers for use elsewhere; (iii) our services can be catered to the storage of smaller items in pallets rather than having to store a full container load of cargo each time; and (iv) warehouses have loading bays which can enhance operational efficiency for stuffing and unstuffing services.

II. Strategic benefits

According to the Converging Knowledge Report, having a storage facility is beneficial to a container trucking player in two ways. Firstly, it allows us to diversify our service offerings to provide value added service options such as offering space leasing services. Secondly, having an open yard or warehouse would also allow us to evolve into an integrated logistics service provider. A broad spectrum of involvement in the logistics business enables us to become the "go-to" point for customers requiring services beyond conventional trucking, thus increasing our revenue streams. Therefore, it is not uncommon for logistics service providers to expand their value added transport services to warehousing services, in addition to the open yard services.

While we pride ourselves as an integrated logistics services provider offering trucking, freight forwarding and value added transport services (including open-yard storage services), our Directors believe that our integration can be further strengthened by enhancing our storage services by adding covered storage services in the form of warehouse on top of our current open-yard storage services in order to gain exposure to those customers that require covered storage services in warehouses as opposed to open-yard storage services. We plan to replicate our success in our open-yard storage services and expand the value added transport services to warehousing services. Following the Strategic Acquisition, our Group will be well-positioned to maintain our competitiveness and compete for a wider variety of warehousing services against other industry players.

Our Directors believe that planning and timing are the most important elements in logistics. The ability to manage our own trucking, freight forwarding and storage services is of utmost importance in achieving the said elements as we will be able to plan each order in terms of when the laden containers will arrive in Singapore as arranged by our freight forwarders, when the laden containers should be collected by our drivers at the seaport upon arrival in Singapore, when the laden containers should be transported by our drivers to our warehouse or open yard which will be determined by our staff as they rearrange our storage area to accommodate the incoming goods. It is apparent that the interconnectedness of each step in the logistics process is critical which requires extensive planning. The integration of warehousing services in our logistics offering will strengthen our competitiveness, efficiency and flexibility and avoid any disruptions to the entire logistics process caused by any mismanagement of a third party warehouse in terms of timing and/or availability.

Our Directors believe that the availability of warehousing services will boost the demand for our trucking and freight forwarding services and vice versa. Customers of our warehousing services may engage our trucking services for the delivery of their goods and our freight forwarding services to organise the shipment of their goods from the origin to the final point of distribution. Equally, the existing customers of our trucking, freight forwarding and value added transport services may engage our warehousing services.

In order to remain competitive in the highly fragmented logistics industry and given that customers regularly assess the scope of the value added transport services in respect of the wide variety of value added services, our Directors believe that it is crucial for us to enhance our existing storage capabilities in our value added transport services from open yard storage to covered storage services in the form of a warehouse in order to enhance our market presence and reputation, and strengthen our competitiveness by catering to a wider variety of goods and accordingly, a wider range of customers.

Our Directors are of the view that offering warehousing services can provide a better assurance to customers on our technical know-how and service quality on value added transport services. The strategic acquisition of a logistics company which provides warehousing services in Western Singapore where many customers are located will: (i) enable us to capture demands of potential customers who may be interested in our services which complement the services offered by other logistics companies nearby; (ii) build and develop customers' confidence and trust in our brand and services; and (iii) enhance the reputation and presence of our Group in Singapore.

III. Commercial rationale for making the Strategic Acquisition instead of establishing our own warehouse or parcels of land

In view of the favourable outlook in demand for warehousing services, increasing demand for warehousing space in Singapore according to the Converging Knowledge Report and demand from existing and potential customers, we plan to expand the breadth and contents of our service offerings by strategically acquiring a logistics company which provides warehousing services. We believe that such investment is an effective means of expanding our warehousing business and will create synergies with our existing business segments by enhancing the allocation, utilisation and sharing of resources. Rather than an organic growth, the Strategic Acquisition can be an efficient means of our expansion as it will: (i) minimise the time and uncertainty in relation to the construction and establishment of a warehouse; (ii) generate a stable source of income from the warehousing services; and (iii) create immediate synergistic benefits.

(i) Minimising the time and uncertainty in relation to the construction and establishment of a warehouse

Our Directors are of the view that the construction of a warehouse involves a number of uncertainties in terms of cost, timing and utilisation. The construction will be exposed to the risks of cost overruns or delay which is out of our control and may have an adverse impact on our financial and operational positions as business operations will be interrupted. Moreover, the utilisation of a newly established warehouse during the initial period will inevitably be affected as existing customers gradually increase their use of our warehouse and as we build up our customer base by offering our warehousing services to new customers. On the other hand, our Directors believe that there is advantage from the Strategic Acquisition as we will be able to preserve the existing customer base, management and personnel of the Potential Target Company to ensure a smooth transition and avoid any negative effects on the utilisation rate of the warehouse during the initial period which are inevitable if we were to establish our own warehouse. Please refer to the paragraph headed "(c). Business plan — I. Preserving the existing customer base, management and personnel of the Potential Target Company" for details.

(ii) Generating a stable source of income from the warehousing services

As part of our selection criteria for shortlisting the Potential Target Companies, the Potential Target Company should have established warehousing services with a proven track record and generated annual revenue of no less than S$2.0 million for at least the three preceding financial years. Assuming the Potential Target Company could maintain its current scale of business and financial performance and without taking into account any further expansion and the synergistic effects of the Strategic Acquisition, our Directors believe that the Potential Target Company would generate a stable source of income for the Group as it has an established customer base.

(iii) Immediate synergistic benefits

There is potential demand for warehousing services from the customers of our trucking services and we are unable to cater to such demand with our existing open yards. The availability of a warehouse will enable us to immediately service such demands. Following the Strategic Acquisition, we do not foresee any material difficulty in filling up the unutilised capacity of the warehouse given the aforesaid demand from our existing and potential customers for additional warehousing services. Equally, the Potential Target Company may have outsourced most of their trucking and freight forwarding services, as such, we will be able to assume the provision of such services with our existing trucking and freight forwarding capabilities. According to our Directors and the Business Advisory Consultant which we have engaged to identify and select Potential Target Companies, one of the important factors taken into account when considering these Potential Target Companies is their potential in creating strong business synergies with us as they render warehousing services which complement our trucking and freight forwarding activities. Trucking, freight forwarding and warehousing services will together offer a one-stop service which many clients value. Minimal overlap in the client segments of the Potential Target Companies and us is important as it will create a much larger customer base for us to cross-sell our trucking and freight forwarding services to.

IV. Identification and selection of Potential Target Companies

We have engaged the Business Advisory Consultant to identify and select the Potential Target Companies based on the following criteria:

A. Business operation — the Potential Target Company should have established warehousing services with a proven track record;

B. Geographical location — the warehouse of the Potential Target Company should be located in Western Singapore because it is where most of the trucking services in Singapore are provided due to the proximity to customers and the seaport;

C. Management team — the Potential Target Company should have management teams to help us strengthen our service qualities and expand our customer base;

D. Solid financial condition and operational scale to ensure a more certain investment payback — the Potential Target Company should have generated annual revenue of no less than S$2.0 million for at least the three preceding financial years. The warehouse of the Potential Target Company should cover a gross floor area of at least 5,000 sq. m. with a utilisation rate of no less than 50.0% in its most recent financial year. Assuming the Potential Target Company could maintain its current scale of business and profitability and taking into account the potential synergistic effects of the Strategic Acquisition, our Directors expect that the Potential Target Company would be able to generate returns for us to attain investment payback within a timeframe of approximately 10 years. In contrast, if we decide to establish our own warehouse, the Directors expect the payback period will be longer given the aforementioned strategic rationale; and

E. Legal proceedings and/or non-compliances — no material on-going legal proceeding or non-compliances based on public search results and no current tax disputes with the Singapore tax authority.

During the screening process, the Business Advisory Consultant performed, among others, the following procedures:

- initial identification of Potential Target Companies from the Singapore Logistics Association membership list, focusing on companies under the business categories of (1) Warehousing and Transportation; (2) Air Freight Forwarding; and (3) Sea Freight Forwarding;

- further screening to eliminate the Potential Target Companies that are publicly listed, subsidiaries of foreign multinationals, holding companies with presence in multiple countries, joint venture companies, non-GST registered companies, and companies with no websites; and

- initiate contact with Potential Target Companies through introductory emails, questionnaire for interviews and face-to-face discussions, and follow-up with daily calls.

As advised by our Business Advisory Consultant, there are a number of Potential Target Companies which meet our criteria set out above based on the Business Advisory Consultants ongoing analysis and the Business Advisory Consultant will continue to identify and shortlist suitable target companies for our consideration. As at the Latest Practicable Date, the Business Advisory Consultant has shortlisted a total of four Potential Target Companies which fulfil the above criteria.

The table below sets forth the details of the four Potential Target Companies in their latest financial year based on the information available from the Business Advisory Consultant:

	Company 1	Company 2	Company 3	Company 4
Size of warehouse *(sq.m.)*	4,876	10,649	18,406	14,898
Utilisation rate	66.0%	75.0%	88.0%	90.0%
Annual revenue *(S$ million)*	2.5	4.3	7.0	16.8
EBITDA *(S$ million)*	0.8	0.9	1.7	3.9
Total asset *(S$ million)*	14.4	4.4	33.3	26.0
Net asset *(S$ million)*	10.0	1.1	9.0	(1.3)

According to the Business Advisory Consultant, each of the above Potential Target Companies meet our criteria as set out above. Based on the information available in relation to the four Potential Target Companies, the one with the largest unutilised capacity will be able to accommodate approximately 4,095 pallets per month. Since the expected demand for our warehousing services is from 14,200 to 19,200 pallets per month, our Directors take the view that we will be able to utilise the unutilised capacity even if we acquire the Potential Target Company with the largest size of warehouse or lowest utilisation rate. While size and scale are one of the considerations, our Directors consider the aforementioned operational benefits and strategic benefits to be major considerations of the Strategic Acquisition. For details of the expected demand for our warehousing services, please refer to the paragraph headed "Business strategies — Expand and enhance our value added transport services and operational scale through the strategic acquisition of a logistics company which provides warehousing services and the expansion of our open-yard storage services — A. Strategic acquisition — (c) Business plan — III. Continue to expand our customer base and capture new business opportunities" in this section.

As at the Latest Practicable Date, the four Potential Target Companies set out above are available for acquisition according to the Business Advisory Consultant and we had not reached a decision on any Potential Target Company to acquire or committed to the acquisition of any Potential Target Companies, nor entered into any formal negotiation or signed any definitive and finalised understanding, commitment or agreement with any Potential Target Companies or any of their respective vendor(s).

(c) Business plan

I. Preserving the existing customer base, management and personnel of the Potential Target Company

In contemplating our expansion into the warehousing services through acquisition, we have considered that one of the direct benefits of the Strategic Acquisition is to enable us to leverage on the existing customer base of the Potential Target Company. The existing management and personnel of the Potential Target Company will also enable a smooth transition of our value added transport services segment from open-yard storage to both open-yard and covered storage. Going forward, our Directors expect to allocate the storage space in the warehouse depending on demand from existing customers of the Potential Target Company and demand from our existing and potential customers.

II. Implementation plan

Our Directors believe that in order to support our expansion plan and strengthen our value added transport services, the warehouse shall be located in Western Singapore with a gross floor area of at least 5,000 sq. m.

We intend to approach these Potential Target Companies following the Listing, during the first half of 2021, and once the Business Advisory Consultant has identified and shortlisted suitable target companies. We plan to complete the Strategic Acquisition by the end of 2021. In the event that the negotiations with the Potential Target Company do not materialize, the Business Advisory Consultant will continue to identify and shortlist suitable target companies for our further selection until we have reached a final decision on the Potential Target Company to acquire.

According to the Business Advisory Consultant, an estimated timeline of the implementation plan for the Strategic Acquisition describing the material steps to be taken is set out below:

	Material steps	Estimated time
1.	— Request for in-depth financial and business information of each of the shortlisted Potential Target Companies, including the following: (i) financial information of at least the three preceding financial years; (ii) business and operational information including the utilisation rates of the warehouses and list of customers in at least the three preceding financial years, and the qualifications of their respective management teams; (iii) each of the shortlisted Potential Target Companies' selling price, terms and conditions of the sale; and — Based on the information gathered, our Group and the Business Advisory Consultant will further evaluate the shortlisted Potential Target Companies	By the end of February 2021
2.	Setting up meetings with the vendors and management teams of the shortlisted Potential Target Companies.	By mid-March 2021
3.	Based on the information gathered and meetings with the vendors and management teams of each of the shortlisted Potential Target Companies, and upon further discussions with the Business Advisory Consultant, our Group selects a Potential Target Company and presents the proposal to the Board of Directors for preliminary approval.	By the end of April 2021
4.	Obtain preliminary approval from the Board of Directors and arrange for negotiation and signing of the letter of intent with the vendor of the selected Potential Target Company.	By the end of May 2021
5.	Conduct further due diligence (including business and operational, financial, legal and tax due diligence) on the selected Potential Target Company.	By the end of July 2021

	Material steps	Estimated time
6.	— Hold post-due diligence discussions between our Group and the Business Advisory Consultant and obtain the final approval from the Board of Directors for the Strategic Acquisition of the selected Potential Target Company. — Prepare and circulate the sale and purchase agreement to the vendor of the selected Potential Target Company.	By the end of September 2021
7.	Negotiate and sign the sale and purchase agreement between the Company and the vendor of the selected Potential Target Company, and the subsequent completion of the Strategic Acquisition.	By the end of December 2021

Our Directors confirm that we will finance the remaining balance of the Strategic Acquisition with our own internal resources. Taking into account our financial position and our positive cash flows from operating activities, our Directors are confident that we will be able to finance the remaining balance.

III. Continue to expand our customer base and capture new business opportunities

According to the Converging Knowledge Report, seven large-tier industry players (representing approximately 5.8% of the sampled industry players or approximately 58.3% of the sampled industry players in the large-tier segment)[Note] and 15 mid-tier industry players (representing approximately 12.5% of the sampled industry players or approximately 88.2% of the sampled industry players in the mid-tier segment)[Note] in the trucking segment of Singapore's logistics industry have evolved from being pure trucking service providers to one-stop logistics service providers by expanding their service offerings with the inclusion of freight forwarding and warehousing/storage. Therefore, in order to remain competitive and preserve our existing customer base, our Directors believe that it is crucial for us to evolve our current storage services offering from open-yard storage to warehousing storage.

Our Directors believe that our existing customer base is important to us and most of them require warehousing services which is evident as a number of the trucking orders received by us are for transportation between the port and different warehouses. Therefore, we will promote our warehousing capabilities to our current customers which is believed to strengthen the long-standing business relationships. According to our Directors, we had from time to time received inquiries from our existing customers in relation to warehousing services during the Track Record Period. Our Directors further believe that we have the expertise in this regard as during the Track Record Period, we have been offering open-yard storage services through our value added transport services and warehousing services is just an enhancement of the storage services that we are currently offering.

Note: According to the Converging Knowledge Report, these statistics were compiled based on a sample size of 120 industry players out of a total of 150 to 200 industry players in the trucking segment of Singapore's logistics industry. Out of the sample size of 120 industry players, 12 industry players are in the large-tier segment, 17 industry players are in the mid-tier segment and the remaining 91 industry players are in the small-tier segment.

The following table sets forth the expected demand for our warehousing services from our existing and potential customers who made inquiries with specified storage volume and their respective background information as at the Latest Practicable Date.

Customer	Background	Business relationship since	Types of items to be stored at the warehouse	Expected demand (Number of pallets per month)
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	2015	General cargo	2,000 - 4,000
Customer O	A Singapore freight forwarding services provider based in Singapore mainly targeting small and medium sized customers	2018	Chemicals	100
Potential Customer A	A Singapore based general warehousing service provider in collaboration with a subsidiary of a company listed on the Tokyo Stock Exchange principally engaging in the provision of chemicals in health care, food and packaging and mobility sectors	N/A	Chemicals	12,000 - 15,000
Customer R	A subsidiary of a company principally engaging in the provision of warehouse and distribution services and freight forwarding services headquartered in Singapore	2013	Baby products	100
Total				14,200 - 19,200

Note: Our Directors are not aware of any business relationships between our Group and the potential customers.

According to our Directors, the majority of the above demands are initiated by our existing and potential customers, thus, we are likely to secure the demands from our customers if we have adequate capacity. In addition, leveraging on our reputation in the industry and longstanding relationship with our customers, our Directors are of the view that we can receive additional service demand from our existing and potential customers.

Our Directors believe that by offering warehousing services, our services can be catered to a significantly wider variety of goods which require covered storage, as aforementioned. Moreover, customers are increasingly preferring one-stop service where instead of having to liaise with multiple and separate parties for trucking, freight forwarding and warehousing services, customers prefer to liaise with one service provider who can provide all of the aforesaid services. Given the extensive reach of our freight forwarding staff and their responsibility to coordinate a customer's entire shipment from the origin to final point of distribution, they will be able to market our new warehousing capabilities to their customers from different industries.

IV. Continue to enhance our sales and marketing effort to strengthen our business profile and customer base

Our Group has an established sales channel and track record in relation to the provision of value added transport services. We will actively approach our existing and potential customers so as to: (i) promote our corporate profile and capability to other one-stop integrated logistics services; and (ii) inform them about the enhancement in our service portfolio and the increase in our capability in providing warehousing services. Moreover, we will strive to differentiate our diversified service offerings from that of our competitors as our diversified service offerings will better match the needs of our existing and potential customers.

V. Leveraging on our established track record, expertise and experience in the logistics industry

Our Directors believe our proven track record, strong market presence, in-depth knowledge on logistics services and our profound understanding of the logistics market enable us to offer more diversified value added transport services to better cater to the needs of different customers. We have the resources and experience to provide a customised one-stop solution to our customers through our coordination of our trucking services, freight forwarding services and both open yard and warehousing storage services. According to our Directors, we can leverage on our established track record, expertise and experience to expand our customer base by participating in logistics exhibitions and actively approach a wide range of potential customers.

B. Expansion of our open-yard storage services

As at the Latest Practicable Date, we utilised three logistics yards, namely, 15A Pioneer Crescent yard, 15B Pioneer Crescent yard and 15C Pioneer Crescent yard. The average utilisation rates of the logistics yards that we operated during the Track Record Period, namely 15A Pioneer Crescent yard, 15B Pioneer Crescent yard, 15C Pioneer Crescent yard, 39 Tuas View Crescent yard and Kian Teck Lane yard were approximately 80.1%, 87.1%, 86.7% and 86.4% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. Our Directors take the view that the expansion of our open yard capacity is necessary because of the following: (i) the high average utilisation rate of our logistics yards during the Track Record Period; (ii) the potential growth in demand of the logistics industry in Singapore according to the Converging Knowledge Report; and (iii) the importance of open yards in providing temporary storage services which will enhance the efficiency of our trucking services. During the Track Record Period, our open-yard storage services have enabled us to provide temporary storage services to the customers of our trucking services in order to efficiently manage the logistics arrangement which is contingent on the traffic conditions and the business hours of the customers' warehouses. If certain cargo arrives at the port outside of business hours of a customer's warehouse or if the traffic conditions are unfavourable during peak hours, we will utilise our open-yards to temporarily store the cargo and deliver the same during business hours or when the traffic conditions improve. Our Directors believe that the aforementioned efficiency in managing our logistics arrangement is critical to our operations as at times when the traffic conditions are unfavourable, our prime movers and trailers can first deliver the cargo to the warehouse or our open yard for temporary storage and wait for the traffic conditions to ease up instead of being congested on the road, thus freeing up the time and capacity of our prime movers and trailers to complete more orders and trips. As such, availability of temporary storage services in our open-yards is important for the efficient management of our logistics fleet.

The following table sets forth the expected demand for our open-yard storage services from our existing customers and their respective background information as at the Latest Practicable Date.

Customer	Background	Business relationship since	Types of items to be stored at the warehouse	Expected demand (Open yard storage area per month) (sq.m)
Customer W	A subsidiary of a company listed on the Dubai Financial Market and Kuwait Stock Exchange principally engaging in the provision of freight forwarding services and real estate development	2012	General cargo	32
Customer X	A Singapore based company principally engaging in the provision of freight forwarding services which specialize in the handling of pharmaceutical and health care products	2014	General cargo	1,860
Customer Y	A Singapore based company principally engaging in the provision of freight forwarding services with offices in Hong Kong and Singapore	2014	General cargo	1,390
Customer Z	A Singapore based company principally engaging in the provision of freight forwarding and warehousing services	2017	General cargo	930
Customer AA	A subsidiary of a company principally engaging in the provision of freight forwarding services which is headquartered in Shanghai with a network of more than 50 branches and offices around the world	2016	General cargo	465 - 740
Customer AB	A Singapore based company principally engaging in the provision of freight forwarding and trucking services	2012	General cargo	1,390
Customer AC	A subsidiary of a company principally engaging in the provision of logistics and global trade management services which serves brands in the fashion and retail sector, and is headquartered in the United Kingdom	2017	General cargo	1,860

Customer	Background	Business relationship since	Types of items to be stored at the warehouse	Expected demand (Open yard storage area per month) (sq.m)
Customer AD	A subsidiary of a company principally engaging in the provision of freight forwarding services which is headquartered in Hong Kong with agent network covering more than 100 countries	2017	General cargo	185 - 280
Customer AE	A subsidiary of a company listed on the Stock Exchange of Thailand principally engaging in the provision of logistics services	2019	Electronic parts	1,860
Customer AF	A subsidiary of a company listed on the Stock Exchange of Thailand principally engaging in the provision of logistics services	2015	General cargo	1,390
Customer AG	A Singapore based company principally engaging in the provision of freight forwarding services	2013	General cargo	1,860
Customer AH	A subsidiary of a company principally engaging in the provision of milling machines, tools and related solutions which is headquartered in Tokyo	2012	General cargo	1,860
Customer D	A subsidiary of a company principally engaging in the provision of freight forwarding and warehousing services for the fashion and retail sector, and which is headquartered in the United Kingdom with operations in over 100 countries	2012	General cargo	930
Total				16,012 - 16,382

The above expected demand makes up approximately 49.0% to 50.2% of our monthly average utilisation of our logistics yards for the ten months ended 31 October 2020. As such, our Directors take the view that the expected demand will be sufficient to support our expansion. According to our Directors, the majority of the above demands are initiated by our existing customers, thus, we are likely to secure the demands from our customers if we have adequate capacity. In addition, leveraging on our reputation in the industry and longstanding relationship with our customers, our Directors are of the view that we can receive additional service demand from our existing and potential customers.

Continue to develop our leading market position in Singapore by maintaining long-term relationships with our five largest customers and suppliers and expand our customer base

We intend to capitalise on our know-how, business relationship as well as our industry expertise to expand our customer base. Our marketing efforts are mainly conducted through our sales and marketing team. We intend to maintain good relationships with our current customers so as to ensure that they will refer new customers to us. Our Directors believe that one of the key factors to our success is the working relationship with our customers and suppliers. Our five largest customers have established business relationships with us for periods ranging from approximately three to 17 years. Similarly, our five largest suppliers have established business relationships with us for periods ranging from four to 25 years. These long-term relationships with our customers and suppliers have allowed us to build a strong network within the logistics industry.

Our Directors confirm that besides obtaining new customers through referrals, we also seek out new clients by marketing our services to them. The marketing activities for our trucking, freight forwarding and value added transport services include telemarketing and door-to-door canvassing. For our freight forwarding services, we also attend overseas conferences and business associations to meet new freight forwarding agents and develop new business with existing freight forwarding agents.

Further strengthening our labour resources and continue to attract, train and retain skilled employees to support future growth and expansion

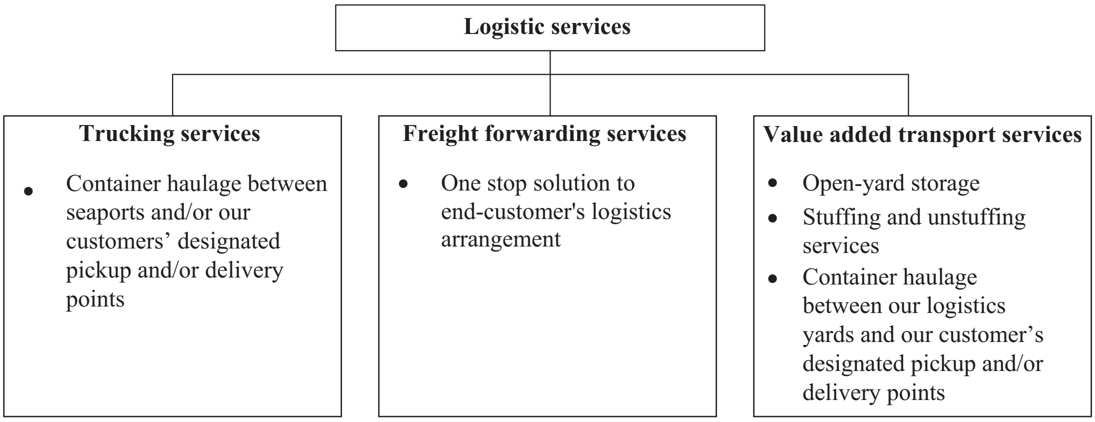
We intend to maintain our provision of high quality services to our customers. To achieve this, we believe that a team of skilled workers equipped with appropriate knowledge and experience is crucial. As such, we intend to expand our labour resources by recruiting 20 transportation (drivers), four operations staff, seven customer service staff, five finance and administration staff and four information technology staff.

Our employees are critical to our success. We have invested, and intend to continue to invest in our employees in order to recruit, train and retain the best personnel for our business. We will continue to review and enhance our training to improve our employees' productivity and service quality and to keep them abreast of the knowledge and skills desirable to our customers. We will send our relevant personnel to attend courses such as PSA courses, dangerous goods handling courses, health and safety courses and management courses.

Our Directors believe that the successful Listing will help enhance our corporate image and raise staff confidence as well as morale. It will improve our ability to attract, train and retain skilled employees to support our future growth and expansion.

SERVICES AND OPERATIONS

As shown in the following diagram, we offer trucking services, freight forwarding services and value added transport services to our customers.



The following table sets out the revenue by type of service offered by us during the Track Record Period:

	Year ended 31 December						Eight months ended 31 August			
	2017		2018		2019		2019		2020	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*
							(unaudited)			
Trucking services	19,017,742	51.8	19,923,874	49.0	21,845,794	50.0	14,541,204	50.6	14,239,061	53.5
Freight forwarding services	13,312,750	36.2	16,550,548	40.7	17,399,097	39.8	11,115,041	38.7	9,934,940	37.3
Value added transport services	4,417,991	12.0	4,193,852	10.3	4,431,405	10.2	3,083,771	10.7	2,447,673	9.2
Total	36,748,483	100.0	40,668,274	100.0	43,676,296	100.0	28,740,016	100.0	26,621,674	100.0

Trucking services

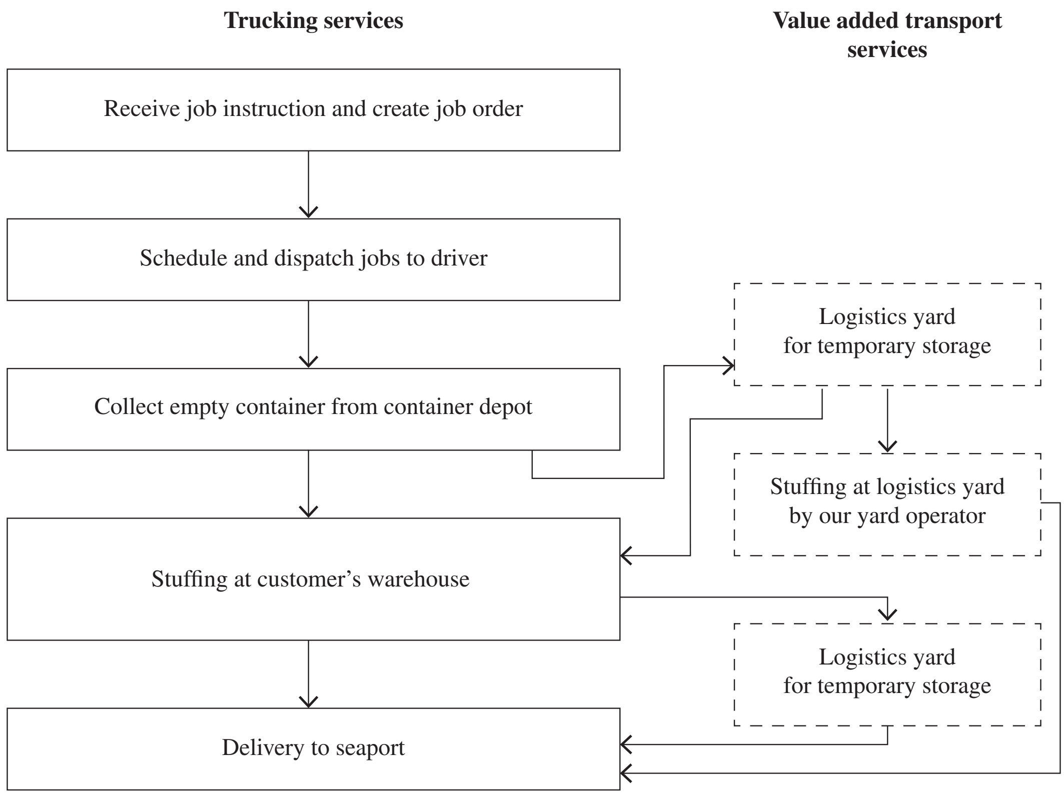
Our trucking services refer to the haulage, primarily containers, between seaports and/or our customers’ designated pick up and/or delivery points within Singapore. The seaports are located within the designated free trade zone where the cargo are exempt from the Goods and Services Tax. We also provide non-containerised trucking services for the transportation of cargo which do not fit in containers. Our responsibilities include ensuring that the cargo is delivered punctually and in good condition. As at the Latest Practicable Date, we have 52 transportation (drivers) under our employment for the provision of trucking services and our vehicle fleet comprises 56 prime movers, 500 trailers and three flat vans which are either self-owned or financed through hire-purchase.

Customers of our trucking services may also engage our open-yard storage services for the temporary storage of their cargo. Our directors take the view that as the arrival and departure dates of vessels tend to fluctuate, any delays may result in a gridlock of containers at the customer's own premises. Our logistics yard, 15A Pioneer Crescent yard, has a designated area for temporary storage of containers and/or cargo to minimise disruptions to the logistics workflow of our customers by providing additional storage flexibility. Thus, our open-yard storage services for temporary storage adds value to our trucking services.

Revenue from trucking services is our major source of revenue during the Track Record Period. The total revenue contributed by our trucking services amounted to approximately S$19.0 million, S$19.9 million, S$21.8 million and S$14.2 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively, which accounted for approximately 51.8%, 49.0%, 50.0% and 53.5% of our total revenue for the corresponding periods, respectively.

The diagram below shows the export work flow for our trucking services from the customers' designated pick up points to the seaport. The diagram also shows how our value added transport services are integrated with our trucking services.

Diagram 1: Export workflow



(a) Receive job instruction and create work order

When a customer issues job instructions, it is assessed by our customer service department. The job instructions will state the type and quantity of cargo that needs to be delivered, the schedule for the delivery and the designated delivery point. The customer service department will check the estimated date of arrival of the vessel and generate a work order based on the customer's requirements.

(b) Schedule and dispatch jobs to drivers

When the operations department receives the work order, they will consolidate all available work orders received and initiate planning on the delivery routes and assign drivers to their specific jobs. When they dispatch jobs to the drivers, the drivers will be briefed on the date of delivery, container number and address to pick and send.

(c) Collect empty container and deliver to customer's warehouse

After receiving a job from the operations department, the driver will proceed to collect the empty container from the container depot. The driver will then deliver the empty container to the customer's warehouse.

(d) Stuffing at customer's warehouse

The cargo will be stuffed into the container and a seal will be placed on the container. After the cargo has been stuffed, the driver will check for the seal on the container. If the seal is not intact, the driver will report back to the operations department for further instructions. Following which, the driver will proceed to the next delivery destination based on the customer's job instruction.

(e) Delivery to seaport

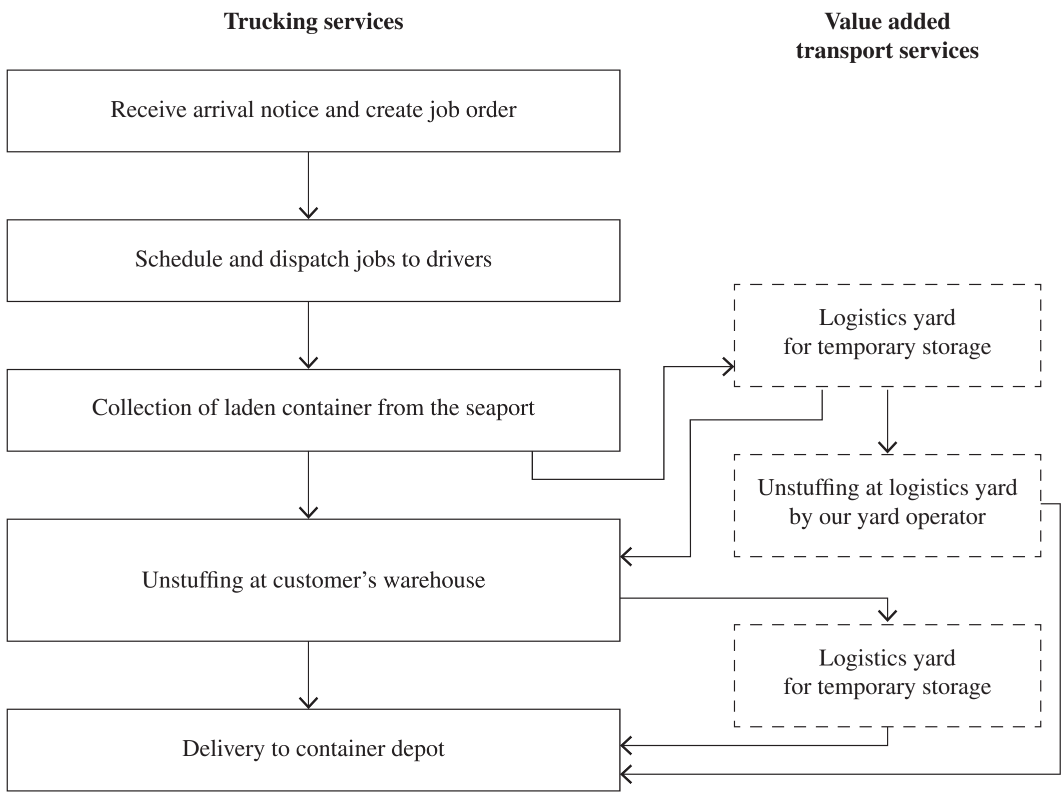
If the assigned vessel is in the seaport and no storage space is required, the driver will proceed directly to the seaport for delivery. However, if storage space is required by the customer, the driver would deliver the laden container to our logistics yard, 15A Pioneer Crescent yard, for storage until the container is ready to be transferred to the vessel. The delivery is considered to be completed when the container is delivered to the assigned destinations.

(f) Open-yard storage

Prior to step (d) and/or (e) above, where the cargo is not ready for stuffing at the customer's warehouse or where the assigned vessel has not yet arrived at the seaport, our driver will transport the container to our logistics yard, 15A Pioneer Crescent yard, for temporary storage pending the availability of the cargo at the customer's warehouse or the arrival of the assigned vessel, as the case may be. For more information, please refer to the paragraph headed "Services and operations — Value added transport services — Open-yard storage services" in this section.

The diagram below shows the import work flow for our trucking services from the seaport to the customers' designated delivery points. The diagram also shows how our value added transport services are integrated with our trucking services.

Diagram 2: Import workflow



(a) Receive arrival notice and create job order

When a customer places an arrival notice with us, the order is assessed by our customer service department. The arrival notice will state the type and quantity of cargo that needs to be delivered, the schedule for the delivery and the designated delivery point. The customer service department will check the estimated date of arrival for the vessel and generate a work order based on the customer's requirements.

(b) Schedule and dispatch jobs to drivers

When the operations department receives the work order, they will consolidate all available work orders received and initiate planning on the delivery routes and assigning drivers to their specific jobs. When they dispatch jobs to the drivers, the drivers will be briefed on the date of delivery, container number and address.

(c) Collection of laden container from port

While collecting the laden container from the seaport, the driver will check for a seal on the container. If the seal is not intact, the driver will report back to the operations department for further instructions. Depending on the customer's arrival notice, the driver will either deliver the laden container to our logistics yard or directly to the customer's warehouse.

(d) Unstuffing at customer's warehouse

When the container is delivered to the customer's warehouse, all cargo will be unstuffed from the container. The delivery is considered to be completed when the container is delivered to the designated location.

(e) Return empty container to container depot

After the customer has unstuffed all the cargo from the container, the driver will then deliver the empty container back to the container depot. Throughout this whole process, we keep track of the movement of the prime mover to ensure smooth delivery to all delivery points.

(f) Open-yard storage

Prior to steps (d) and/or (e) above, where the customer's warehouse has closed for the day or is congested, then the driver will transport the container to our logistics yard, 15A Pioneer Crescent yard, for temporary storage pending the availability of the customer's warehouse. For more information, please refer to the paragraph headed "Services and operations — Value added transport services — Open-yard storage services" in this section.

Our trucking revenue is, amongst others, affected by the capacity and utilisation rate of our vehicle fleet.

The utilisation rates and overall utilisation rates of our prime movers are calculated based on comparing (i) the total actual revenue-generating trips performed by our drivers each year during the Track Record Period; and (ii) the estimated maximum revenue-generating trips performed based on the number of workers and the number of working days. The utilisation rates and overall utilisation rates of our prime movers during the Track Record Period are as follows:

	Year ended 31 December			Eight months ended 31 August
	2017	**2018**	**2019**	**2020**
Maximum trips performed(1)	158,510	161,392	161,392	107,595
Total actual trips performed	127,043	125,809	129,182	80,394
Utilisation rate(2)	80.2%	78.0%	80.0%	74.7%
Overall utilisation rate(3)	81.9%	81.2%	85.9%	76.0%

Notes:

(1) The maximum revenue-generating trips of our prime movers were measured based on the number of prime movers, the number of working days in a month and the number of trips performed per day assuming that there are 262 and 175 working days for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. The daily trips a driver can perform per day is assumed to be approximately 11 trips. Our Directors are of the view that the number of trips depicts a more accurate analysis of capacity and utilisation as (i) our drivers are incentivised based on a per trip basis; and (ii) we bill our customers based on the number of trips and hence monitor this data closely so as to pay our drivers and bill our customers accurately. Time deployed data can vary due to traffic conditions, seaport waiting times and requirements of our customers. This is also the reason why our billings to our customers are based on the number of trips and not on time deployed.

(2) The utilisation rate of our prime movers in each financial year or period was calculated by dividing the total actual revenue-generating trips performed in relation to trucking services between ports and warehouses for the whole of the financial year or period by the maximum revenue-generating trips performed in each financial year or period.

(3) The overall utilisation rate of our prime movers in each financial year was calculated by taking the sum of the total actual revenue-generating trips performed in relation to trucking services between ports and warehouses and the total actual revenue-generating trips performed in relation to warehouse to warehouse trucking services for the whole of the financial year or period, and dividing by the maximum revenue-generating trips performed in each financial year or period. The total actual revenue-generating trips performed in relation to warehouse to warehouse trucking services were approximately 2,855, 5,260, 9,402 and 2,810 for each of the years ended 31 December 2017, 31 December 2018 and 31 December 2019 and the eight months ended 31 August 2020, respectively. Our Directors are of the view that such number of revenue-generating trips are calculated on the basis that two of such trips equal to one of our trips for trucking services between ports and warehouses as the latter trips generally cover a longer distance.

The utilisation rates of our prime movers were approximately 80.2%, 78.0%, 80.0% and 74.7% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. These utilisation rates take into account the idle time when the prime movers are due for inspection, repair and maintenance and when the driver of the prime mover is on leave since each prime mover is assigned to one driver only, and do not account for internal/external shifting of empty or laden containers. Moreover, starting in the year ended 31 December 2017, in addition to providing our core trucking services between ports and warehouses, a few of our customers, primarily Customer I, have increasingly engaged us for ancillary warehouse to warehouse trucking services which are not included in the utilisation rate calculations. If the trips for the warehouse to warehouse trucking services are accounted for, the overall utilisation rates of our prime movers were approximately 81.9%, 81.2%, 85.9% and 76.0% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. The decrease in our overall utilisation rate for the eight months ended 31 August 2020 was mainly due to the decrease in trucking services between January 2020 and February 2020 as a result of the impact of COVID-19.

The utilisation rates of our trailers, is calculated based on (i) the average number of trailers that each driver used; and (ii) the average total number of trailers. As confirmed by our Directors, our primer movers will typically tow trailers to the customers' premises for container loading. Upon arrival at the customers' premises, the prime movers will detach the trailers and leave the trailers together with the containers at the customers' premises for subsequent container loading. In the meantime, the same prime movers can be further deployed to other locations to pick up loaded containers from the premises of other customers. This arrangement results in a shorter turnaround time, thereby improving the utilisation rate of our prime movers and also allows us to accept more orders. As such, we typically require more trailers than prime movers in our daily operations. The utilisation rate of our trailers during the Track Record Period are set out in the table below:

	Year ended 31 December			Eight months ended 31 August
	2017	**2018**	**2019**	**2020**
Total number of prime movers. . . .	55	56	56	56
Average number of trailers used by drivers(1)	303	308	308	308
Average total number of trailers(2).	321	316	346	346
Utilisation rate(3)	94.4%	97.5%	89.0%	89.0%

Notes:

(1) The average total number of trailers used by drivers per day is derived by dividing the average number of trips to be completed by our drivers by two since a container can be used for two trips (one trip to the depot to unload containers and supplemented by one trip with loaded containers to the customer's warehouse). This is then multiplied by the prime movers owned by us to arrive at the total number of trailers used by our drivers per day.

(2) The average total number of active trailers per day is derived by summing the total number of trailers owned by us at the end of each month, which might change depending on new trailer additions and/or disposals. The average total number of trailers does not take into account trailers that are sent for maintenance, parked at the customer's premise and special trailers that are used to transport specific goods.

(3) The utilisation rate of our trailers in each financial year was calculated by dividing the average number of trailers used by our drivers by the average total number of active trailers owned by us during the same period.

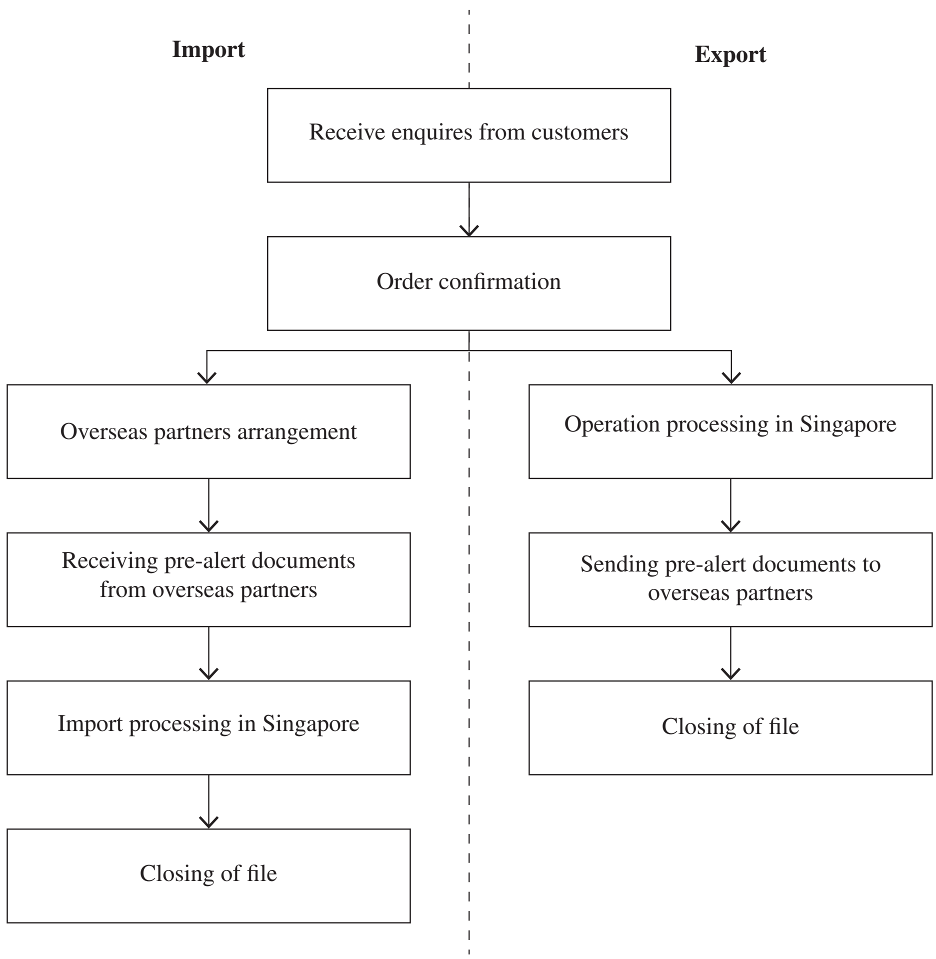
The average utilisation rates of our trailers were approximately 94.4%, 97.5%, 89.0% and 89.0% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. These utilisation rates take into account the idle time when the trailers are due for inspection and repair and maintenance. The total actual trips have generally increased during the same period, therefore leading to an increase in the utilisation rate of the trailers in the two years ended 31 December 2018. The utilisation rate of the trailers subsequently decreased in the year ended 31 December 2019 due to the increase in the number of trailers and remained stable in the eight months ended 31 August 2020.

Where we have reached our maximum capacity, we will also engage independent subcontractors for the provision of certain trucking services. For further details, please refer to the paragraph headed "Cost of services" in this section.

Freight forwarding

Our freight forwarding services refer to the one-stop solution whereby we act as an agent to organise and coordinate the shipment for customers to get their goods from the origin to the final point of distribution. The end-customers are usually in industries like retail and manufacturing who have limited knowledge in supply chain and logistics. The point of origin or destination of the customers' shipments are usually in a foreign country and we are responsible for coordinating the entire shipment process from Singapore to the foreign country or vice versa, which may include transportation by air, sea and/or land. As such, we will have to liaise with a number of different service providers (including shipping companies, trucking companies, airlines, and overseas freight forwarding companies) in order to complete our customers' shipment orders. Our Directors take the view that the freight forwarding services complements our trucking services as our trucking services may be engaged for the part of the freight forwarding process which involves the container haulage in Singapore.

The diagram below shows the import and export work flow for our freight forwarding services.



(a) Receive enquires from customers

Customer will approach us via telephone or electronic mail if they require freight forwarding services and they provide us with the details of cargo, delivery method, and time of delivery. We will reach out to different logistics service providers to obtain quotations. We will then gather all the separate quotations and arrive at a final quotation for the customer's approval.

(b) Order confirmation

Upon the customer's confirmation, we will start arranging the shipments with the partners at the country of origin (or oversea partners). At the same time, we will communicate with our customers to update their order status.

Please refer to the paragraphs (c) to (e) below for import freight forwarding and paragraphs (f) to (h) for export freight forwarding.

(c) Overseas partner arrangement

For import freight forwarding, since we are primarily responsible for coordinating the logistics for the customer, we will engage overseas logistics service providers to assist with the delivery of cargo.

(d) Pre-alert

We will receive pre-alert documents from overseas partners and then notify the consignee and prepare relevant documents for customs clearance.

(e) Import processing / Closing of file

When the vessels arrive in Singapore, we will process with customs clearance and arrange for delivery in Singapore to the designated point of delivery. The job is complete when the cargo arrives at the customer's designated point of delivery.

(f) Operation processing

For export freight forwarding, we will arrange for trucking services in Singapore to the seaport or airport, as the case may be, after the customer has confirmed the order. We are also required to declare customs clearance and prepare shipping documents.

(g) Pre-alert

After the cargo has been loaded on the vessel, we will send pre-alert documents to overseas partners to remind them to arrange for the logistics transportation service in the foreign country.

(h) Closing of file

The job is complete when the cargo arrives at the designatory point of delivery and we will issue an invoice to our customer.

Value added transport services

Value added transport services refer to our open-yard storage services, stuffing and unstuffing services and trucking services between our logistics yards and our customers' designated pick up and/or delivery points.

Open-yard storage services

Open-yard storage services refer to the handling and storage of laden and empty containers and general cargo, either temporary or long-term at our logistics yards or any other locations designated by our customer(s).

In land scarce Singapore, our Directors believe that customers often have limited space within their own premises for the storage of containers and general cargo. As at the Latest Practicable Date, we offer our customers open-yard storage services at our three logistics yards, namely 15A Pioneer Crescent yard, 15B Pioneer Crescent yard and 15C Pioneer Crescent yard. Our logistics yards that we operated offer a total of approximately 38,240 sq. m. of open-yard storage space. We also have reach stackers and forklifts located at the logistics yards to assist with the provision of container lift-on, lift-off and general cargo handling services.

Our open-yard storage services for long-term storage allow our customers to adopt an asset-light business model whereby they do not have to purchase or maintain their own container storage facilities to cater for their own storage requirements. Our customers that require open-yard storage services are generally end-customers in industries like manufacturing and retail and those involved in the import and export of goods namely freight forwarders and logistics companies.

The following steps depict the general work flow for our open-yard storage services:

Incoming open-yard storage services:

(a) reach stacker or forklift operator will receive a work order from our operations department for the incoming containers and/or general cargo;

(b) reach stacker or forklift operator will allocate space required and await the arrival of the containers and/or general cargo; and

(c) when the containers and/or cargo arrive at the logistics yard, the reach stacker or forklift operator will lift the containers and/or general cargo off from the trailer and stack them to the space allocated in the logistics yard.

Outgoing open-yard storage services:

(a) reach stacker or forklift operator will receive a work order from the operations department with regards to the outgoing containers;

(b) reach stacker or forklift operator will locate the lot of outgoing containers and/or general cargo and ensure that there are no blockages; and

(c) when the driver arrives at the logistics yard, the reach stacker or forklift operator will lift the containers and/or general cargo onto the trailers.

During the Track Record Period, we provided open-yard storage services at various logistics yards, namely, 15A Pioneer Crescent yard, 15B Pioneer Crescent yard, 15C Pioneer Crescert yard, 39 Tuas View Crescent yard[Note 1] and Kian Teck Lane yard[Note 2]. The average utilisation rates of our logistics yards for the three years ended 31 December 2019 and the eight months ended 31 August 2020 were approximately 80.1%, 87.1%, 86.7% and 86.4%, respectively.[Note 3]

Stuffing and unstuffing services

While customers may instruct its own staff to conduct the stuffing and unstuffing of cargo to and from containers, if requested by our customers, we may also deploy our yard operators to perform the stuffing and unstuffing services.

Container haulage between our logistics yards and customers' designated pick up or delivery points

Container haulage between our logistics yards and customers' designated pick up or delivery points refer to the transportation of cargo from our customers' designated pick up points to our logistics yards for long-term storage or delivery of cargo from our logistics yards to our customers' designated delivery points.

Please refer to "Services and operations — Trucking services — Diagram 1: Export workflow" and "Diagram 2: Import workflow" in this section for more information on the workflow of our value added transport services and how it is integrated with our trucking services.

Notes:

(1) Our entire operation at 39 Tuas View Crescent yard has ceased after 16 August 2018 as the logistics yard has reverted back to JTC upon the expiration of the short-term lease pursuant to the Temporary Occupation Licence (TOL) scheme.

(2) Our entire operation at Kian Teck Lane yard has ceased after 26 July 2017 as the logistics yard has reverted back to JTC upon the expiration of the short-term lease pursuant to the Temporary Occupation Licence (TOL) scheme.

(3) The utilisation rates of the logistics yards are calculated by dividing the actual usage of the logistics yards in sq. m. by the total logistics yard space in sq. m.

Our Vehicles and Machinery

As at the Latest Practicable Date, our vehicles and machinery, some of which were still being financed under hire purchase agreements, are as follows:

Vehicle or Machinery Type	Average remaining useful life (years)	Units purchased (self-owned)	Units purchased (hire purchase)
Prime movers	4.2	51	5
Trailers	6.0	470	30
Flat vans	3.4	3	—
Reach stackers	0.0	2	—
Forklifts	0.8	2	—

Prime movers

A truck used for hauling trailers. Prime movers are used for hauling our trailers, which carry empty or laden containers, between seaports and our customers' designated pick up and/or delivery points.

Trailers

An unpowered vehicle hauled by our prime movers. Trailers carry empty or laden containers and are hauled by our prime movers between seaports and our customers' designated pick up and/or delivery points.

Reach stackers

A vehicle used for lifting, stacking and retrieving containers within our logistics yards.

Forklifts

An industrial lift truck equipped with a vertically elevating load carriage frame. Forklifts are used in our logistics yards for the handling of cargoes.

Flat vans

A vehicle used for transporting goods and/or people. Flat vans are used for the transportation of goods and people between our logistics yards and our office.

We intend to apply approximately 31.5% of total net proceeds from the issue of New Shares under the Share Offer to further increase our service capacity through the acquisition of new vehicles, namely 20 prime movers and 50 trailers. Further details on our vehicle expansion plan can be found in the section headed "Future Plans and Use of Proceeds — Use of proceeds" in this prospectus.

CUSTOMERS

Our customers range from logistics service providers along the supply chain and end-customers from different industries in Singapore. The cargo that we transport for our customers may include, amongst others, industrial materials, chemicals, and a wide range of consumer goods. Our customers are typically required to settle our invoices by cash upon delivery while some customers are given 30 to 90 days to settle the invoice.

General terms of agreement with customers

Trucking

For our trucking services, save for two of our five largest customers throughout the Track Record Period, namely, Customer A and Customer G, we generally do not enter into agreements with our customers. We typically send a price list to our customers at the beginning of each calendar year for their approval, and once approved, our charges for the trucking services will be based on the agreed price list until the next calendar year.

Pursuant to our trucking service agreements with Customer A and Customer G, the actual amount and nature of work required to be performed by us are subject to the customers' work orders from time to time during the contract period, which are charged according to the pre-agreed schedule of rates stated in the trucking service agreement. The agreement with Customer A will continue in force until terminated by either party while the agreement with Customer G is valid for a term of two years. The pre-agreed schedule of rates under the agreement with Customer A is subject to yearly renewal while the pre-agreed schedule of rates under the agreement with Customer G will remain valid throughout the entire term of the agreement. Invoices are issued monthly. The trucking service agreements generally contain the following terms:

Services

We are responsible for collecting, carrying and delivering the cargo in good order and condition in accordance with the instructions of the customer with such reasonable skill and care as would be expected of a professional carrier and shall operate in accordance with and comply with all laws and regulations in force and applicable to the services.

Under the agreement with Customer A, we shall use only suitably qualified and competent drivers and shall comply with Customer A's health and safety expectations as set out in the agreement. We shall provide the services in accordance with performance measures as set out in the agreement. Customer A shall have the right to conduct audits and inspections of our operations and facilities as required.

Under the agreement with Customer G, we shall perform the services in accordance with the specification and requirements of Customer G. The services shall be performed with due regard to all relevant safety environmental requirements imposed by the geographical territory in which the services are to be provided. The deliverables must be of such standard, quality and specification that must be fit for the purposes for which they were intended.

Subcontracting

Under the agreements with Customer A and Customer G, we shall not sub-contract the trucking services in whole or in part unless otherwise agreed in writing. Apart from our business dealings with Customer A and Customer G, we are not bound by such terms in our business dealings with other customers.

Liability

We agree to provide indemnity to the customer against all claims, demands and losses arising from or in connection with the services. Under the agreement with Customer A, we also agree to indemnify Customer A for Customer A's liability under the Convention on the Contract for the International Carriage of Goods by Road or any mandatory legislation, if any.

Insurance

We are generally required to obtain and keep in full force effect at all times the following insurance policies: employers' liability insurance, motor liability insurance, comprehensive general liability insurance and cargo liability insurance.

The agreement with Customer G requires that Customer G be named as an additional insured and the insurer(s) shall also give Customer G at least 60 days prior written notice of material change in or cancellation of such insurance(s).

Termination

The agreements may be terminated for convenience at any time by giving at least 60 days prior written notice of such termination.

As at the Latest Practicable Date, the trucking service agreements with Customer A and Customer G were valid and legally binding and our Directors believe that we do not expect material impediment in renewing the trucking service agreement under normal circumstances.

Freight forwarding

For our freight forwarding services, we generally do not enter into agreements with our customers. We typically issue a quotation to our customer for their approval before commencing our service.

Value added transport services

For our value added transport services, we generally enter into logistics service agreements with our customers which contain terms and conditions relating to the contract period, the scope and price of work and the payment terms.

In the logistics service agreements entered into between our customers and us, the customer is required to pay a certain sum of money as minimum monthly storage service charge. The actual amount and nature of work required to be performed by us are subject to the customers' work orders from time to time during the contract period, which are charged according to the pre-agreed schedules of rates stated in the logistics service agreements. The duration of these logistics service agreements ranges from 11 to 36 months. We will review these logistics service agreements as needed and we will amend the relevant clauses and schedule of rates if necessary.

Some of the logistics service agreements may also contain the following terms:

Services

The logistics services provided by us comprises logistics operations, storage and handling of general cargoes. We are to designate a certain minimum square footage of our logistics yard to the customer as exclusive storage area.

Liability

Some of our logistics service agreements include liability clauses which provides that we shall not be liable to our customers' employees, agents, licensees, visitors or others, who may be permitted to use our logistics yards, for any accidents or injuries sustained or any loss of or damage to cargoes, properties, goods or assets in our logistics yards. Also, we shall not be responsible and/or liable for any loss and/or damage with respect to our customers' cargo, properties, goods, chattels and assets.

Indemnity

Some of our logistics service agreements include indemnity clauses whereby the customer shall fully indemnify and keep us fully indemnified against any or all cost, penalties, liabilities, demands, expenses, losses or damages from the customer or any third parties arising out of or in connection with the performance of our services according to the logistics service agreement.

Insurance

Some of our logistics service agreements include insurance clauses whereby the customer shall procure all relevant insurance policies or coverage for vehicles, machineries, cargoes, properties, goods and/or assets belonging to the customer and we undertake no liability, such insurance policies includes public liability insurance, damage by fire and theft etc. We shall not be held liable for any loss of or damage to any of the customer's vehicles, machineries, cargoes, properties, goods and/or assets within our logistics yard.

Termination

Some of our logistics service agreements include termination clauses whereby the agreement shall be terminated and neither parties shall have any claims or demand against each other for costs, damages, compensation or otherwise should the landlord of the logistics yard and/or the government of Singapore for any reason disallow the agreement and/or the use of the logistics yard. We have a lien over the general cargoes of the customer for all arrears and outstanding charges owed to us. At the expiration of the agreement, the premises shall be restored to its original condition at the customer's expense.

Prohibited items and activities

Our logistics service agreements include a schedule containing a non-comprehensive list of prohibited items and activities that are strictly not permitted at our logistics yards. Some of these items and activities include the following:

— all pollutive trades

— all trades involving any liquids, goods, materials or things of an offensive, dangerous, toxic, corrosive, explosive or combustible nature

— storage of scrap metal, waste paper and other waste materials

— sand, grid and copper blasting

— repairing and servicing of motor vehicles, machinery or construction equipment

As at the Latest Practicable Date, the logistics service agreements were valid and legally binding and our Directors believe that we do not expect material impediment in renewing any of the logistics service agreements under normal circumstances.

Pricing Policy

In determining our pricing policy, we consider a variety of factors. Some of the material factors include:

Trucking	• Container size (20 or 40-foot containers) • Distance required for delivery (within Western Singapore) • Duration of waiting time • Volumetric weight of container • Prevailing market rates offered by other transport and storage service providers • Diesel prices and ease of passing on diesel cost changes to the customer • Cost analysis taking into account potential increase in wages or any third-party fees • Determination of a reasonable profit margin • Length of working relationship • Number of containers transported monthly

Freight forwarding	• Prevailing market rates offered by other freight forwarding service providers • Cost analysis taking into account the costs of engaging agents and subcontractors • Urgency and transit time • Determination of a reasonable profit margin • Volume of shipment • Length of working relationship
Value added transport services	• Container Size (20 or 40 foot containers) • Duration of container storage • Prevailing market rates offered by other transport and storage service providers • Cost analysis taking into account potential increase in any third-party fees • Service fees paid in relation to our logistics yard • Determination of a reasonable profit margin • Length of working relationship

Customer service

We recognise that excellent customer service is critical in upholding our reputation in the market and cultivating customer loyalty. As at the Latest Practicable Date, we had 21 employees in our customer service team. Our Directors confirm that we had not experienced any material complaints from our customers and did not have any disputes with them during the Track Record Period.

Our five largest customers during the Track Record Period

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, total revenue attributable to our five largest customers amounted to approximately S$6.9 million, S$7.1 million, S$6.2 million and S$5.2 million, respectively, representing approximately 18.9%, 17.5%, 14.3% and 19.6% of our total revenue, respectively. For the same periods, total revenue attributable to our largest customer amounted to approximately S$2.0 million, S$1.7 million, S$1.3 million and S$1.6 million, respectively, representing approximately 5.5%, 4.1%, 3.1% and 6.0% of our total revenue, respectively. We believe that any concentration risk among our five largest customers was not significant given their respective contributions to our total revenue.

The following tables set out a breakdown of our revenue from our five largest customers during the Track Record Period and their respective background information.

For the year ended 31 December 2017

Customer	Principal business nature	Nature of services provided by us	Settlement method	Business relationship since	Credit term	Revenue from the customers (S$'000)	Approximate % of our total revenue
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	Trucking and value added transport services	Electronic transfer	2011	30 days	2,016	5.5
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	Trucking and value added transport services	Electronic transfer	2015	Cash upon delivery	1,607	4.4
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	Trucking, freight forwarding and value added transport services	Electronic transfer	2014	45 days	1,383	3.8
Customer B	A subsidiary of a company listed on the Nasdaq Stock Market engaging in the provision of global logistics services including air freight and ocean freight and custom brokerage services	Trucking and value added transport services	Electronic transfer	2003	30 days	999	2.7
Customer H	A subsidiary of a company ranked first in terms of TEUs in the world's ocean freight market in the year 2016 listed on the SIX Swiss Exchange which principally engages in the provision of integrated logistics solution across customer's supply chain using its global logistics network	Trucking and value added transport services	Electronic transfer	2013	30 days	944	2.6
Total						6,949	18.9

For the year ended 31 December 2018

Customer	Principal business nature	Nature of services provided by us	Settlement method	Business relationship since	Credit term	Revenue from the customers (S$'000)	Approximate % of our total revenue
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	Trucking and value added transport services	Electronic transfer	2015	Cash upon delivery	1,653	4.1
Customer H	A subsidiary of a company ranked first in terms of TEUs in the world's ocean freight market in the year 2016 listed on the SIX Swiss Exchange which principally engages in the provision of integrated logistics solution across customer's supply chain using its global logistics network	Trucking, freight forwarding and value added transport services	Electronic transfer	2013	90 days *(Note 1)*	1,512	3.7
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	Trucking and value added transport services	Electronic transfer	2014	45 days	1,427	3.5
Customer I	A freight forwarding and logistics services provider based in Singapore	Trucking services	Cheque	2017	30 days	1,361	3.3
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	Trucking and value added transport services	Electronic transfer	2011	30 days	1,161	2.9
Total:						7,114	17.5

For the year ended 31 December 2019

Customer	Principal business nature	Nature of services provided by us	Settlement method	Business relationship since	Credit term	Revenue from the customers (S$'000)	Approximate % of our total revenue
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	Trucking and value added transport services	Electronic transfer	2014	60 days *(Note 2)*	1,334	3.1
Customer J	A Singapore based company principally engaging in the provision of cold food storage solutions with total storage capacity of more than 25,000 metric tonnes and presence in Malaysia, Indonesia, Thailand and the PRC	Trucking services	Cheque	2012	30 days	1,286	2.9
Customer H	A subsidiary of a company ranked first in terms of TEUs in the world's ocean freight market in the year 2016 listed on the SIX Swiss Exchange which principally engages in the provision of integrated logistics solution across customer's supply chain using its global logistics network	Trucking and value added transport services	Electronic transfer	2013	90 days	1,223	2.8
Customer I	A freight forwarding and logistics services provider based in Singapore	Trucking services	Cheque	2017	30 days	1,211	2.8
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	Trucking, freight forwarding and value added transport services	Electronic transfer	2011	30 days	1,171	2.7
Total						6,225	14.3

For the eight months ended 31 August 2020

Customer	Principal business nature	Nature of services provided by us	Settlement method	Business relationship since	Credit term	Revenue from the customers (S$'000)	Approximate % of our total revenue
Customer BP	A transportation and logistics company founded in Australia with strong presence in the Asia Pacific region with operations in road, rail, sea, air and warehousing and is currently a subsidiary of a company listed on the Tokyo Stock Exchange	Trucking, freight forwarding and value added transport services	Electronic transfer	2016	30 days	1,608	6.0
Customer BQ	A subsidiary of a PRC based logistics company headquartered in Qingdao with a registered capital of RMB 50 million and a network that covers more than 70 ports in 50 countries across the globe	Trucking services	Electronic transfer	2017	30 days	1,086	4.1
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	Trucking and freight forwarding services	Electronic transfer	2015	30 days *(Note 3)*	964	3.6
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	Trucking and value added transport services	Electronic transfer	2014	60 days	828	3.1
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	Trucking and value added transport services	Electronic transfer	2011	30 days	721	2.7
Total:						5,207	19.6

Notes:

1. The credit period offered to Customer H was revised from 30 days to 90 days with effect from 1 September 2018.
2. The credit period offered to Customer E was revised from 45 days to 60 days with effect from 1 January 2019.
3. The credit period offered to Customer G was revised from cash upon delivery to 30 days with effect from 1 June 2019

All of the above five largest customers of our Group for the three years ended 31 December 2019 and the eight months ended 31 August 2020 are Independent Third Parties and none of our Directors, their respective associates and our Shareholders who own more than 5% of the issued share capital of our Company had any interest in any of the above five largest customers of our Group during the Track Record Period and up to the Latest Practicable Date.

Our total revenue from Customer A declined during the Track Record Period where the total revenue from Customer A as a percentage of our total revenue decreased from approximately 5.5% for the year ended 31 December 2017 to approximately 2.9% for the year ended 31 December 2018, to approximately 2.7% for the year ended 31 December 2019 and remained stable at approximately 2.7% for the eight months ended 31 August 2020. Our Directors confirm that the decline in total revenue from Customer A was because of our re-allocation of resources to cater to the orders of other customers in order to achieve a better balance of revenue contribution from our customers and avoid customer concentration.

During the Track Record Period and up to the Latest Practicable Date, our Group had no dispute with or claims from our customers which would have had a material impact on our business, financial condition or results of operations.

The following tables set forth our ten largest customers for each of our business segments during the Track Record Period and their respective background information.

For the year ended 31 December 2017

Ten largest customers of the trucking services segment

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	2,016	5.5
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	1,607	4.4
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	1,382	3.8
Customer B	A subsidiary of a company listed on the Nasdaq Stock Market engaging in the provision of global logistics services including air freight and ocean freight and custom brokerage services	999	2.7
Customer H	A subsidiary of a company ranked first in terms of TEUs in the world's ocean freight market in the year 2016 listed on the SIX Swiss Exchange which principally engages in the provision of integrated logistics solution across customer's supply chain using its global logistics network	944	2.6
Customer I	A freight forwarding and logistics services provider based in Singapore	700	1.9

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer T	A subsidiary of a top ten global logistics services provider listed on the New York Stock Exchange, operating in 32 countries with more than 100,000 employees	610	1.7
Supplier F	A trucking and haulier services provider based in Singapore	464	1.3
Customer D	A subsidiary of a company principally engaging in the provision of freight forwarding and warehousing services for the fashion and retail sector, and which is headquartered in the United Kingdom with operations in over 100 countries	452	1.2
Customer L	A Singapore based company principally engaging in the trading of rice and other basic commodities	392	1.1
Total		9,566	26.2

Note: This amount represents total revenue from Customer E for the trucking services segment while the total revenue amount from Customer E set out in the paragraph headed "Our five largest customers during the Track Record Period — For the year ended 31 December 2017" in this section represents revenue from trucking and freight forwarding services.

Ten largest customers of the freight forwarding services segment

Customer	Principal business nature and scale of operations	Amount (*S$'000*)	Approximate % of our total revenue
Customer M	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of maintenance, repair and overhaul of turbine engine components	657	1.8
Customer N	A subsidiary of a company listed on the London Stock Exchange principally engaging in the provision of innovative marine solutions and specialised engineering services worldwide	476	1.3
Customer AI	A Singapore based company principally engaging in the design and supply of building materials for housing and commercial development	416	1.1
Customer AJ	A subsidiary of a company in the United States principally engaging in the manufacturing and sales of mattress and bed products with retail points all over the world	395	1.1
Customer AK	A Singapore based company with presence across North America, Australia, South America and Asia principally engaging in the manufacturing of gas and oil related products and provision of related solutions	368	1.0
Customer AL	A Singapore based company principally engaging in the importing, warehousing, distribution and trading of specialty chemicals and polymers	334	1.0
Customer AM	A Singapore based company principally engaging in the storage, processing and distribution of chilled and frozen meat in Singapore	268	0.7
Customer AN	A Singapore based company principally engaging in the distribution and marketing of health, beauty and fast-moving consumer goods managing more than 24 brands in Singapore	261	0.7

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer AO	A subsidiary of a company listed on the Singapore Stock Exchange principally engaging in the distribution of equipment for oil and gas, chemical and power industries	231	0.6
Customer AP	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of mission critical products and services to customers in the biopharma, healthcare, education & government, and advanced technologies & applied materials industries	227	0.6
Total		3,633	9.9

Ten largest customers of the value added transport services segment

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer AQ	A Singapore based company principally engaging in the provision of building and civil engineering construction services and are being recognised as an A1 General Building Contractor	617	1.7
Customer AR	A Singapore based company principally engaging in the trading and rental of building and construction materials and equipment	563	1.5
Customer C	A logistics and management service provider in the marine and offshore industry based in Singapore	559	1.5
Customer AS	A Singapore based company principally engaging in the provision of logistics services to the oil and gas, petrochemical and power and construction industries	456	1.2
Customer AT	A subsidiary of a company listed on the main market of Bursa Malaysia principally engaging in the provision of foundation works including piling, sub-structure construction and manufacturing of metal containers across Singapore and Malaysia	288	0.8
Customer AU	A Singapore based company principally engaging in the provision of construction services and pilling works and are being accredited with grade L5 by the Building and Construction Authority of Singapore	189	0.5
Customer W	A subsidiary of a company listed on the Dubai Financial Market and Kuwait Stock Exchange principally engaging in the provision of freight forwarding services and real estate development	158	0.4
Customer AV	A Singapore based company principally engaging in the provision of building construction services	104	0.3

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer AW	A Singapore based company principally engaging in the provision of construction services and pilling works	96	0.3
Customer AX	A Singapore based company principally engaging in the provision of foundation works and bored piling	66	0.2
Total		3,096	8.4

Note: The above customers of the value added transport services segment represent those customers that have signed a logistics service agreement with our Group.

For the year ended 31 December 2018

Ten largest customers of the trucking services segment

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	1,653	4.1
Customer H	A subsidiary of a company ranked first in terms of TEUs in the world's ocean freight market in the year 2016 listed on the SIX Swiss Exchange which principally engages in the provision of integrated logistics solution across customer's supply chain using its global logistics network	1,512	3.7
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	1,427	3.5
Customer I	A freight forwarding and logistics services provider based in Singapore	1,361	3.3
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	1,161	2.9
Customer B	A subsidiary of a company listed on the Nasdaq Stock Market engaging in the provision of global logistics services including air freight and ocean freight and custom brokerage services	935	2.3
Customer T	A subsidiary of a top ten global logistics services provider listed on the New York Stock Exchange, operating in 32 countries with more than 100,000 employees	628	1.5

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer D	A subsidiary of a company principally engaging in the provision of freight forwarding and warehousing services for the fashion and retail sector, and which is headquartered in the United Kingdom with operations in over 100 countries	580	1.4
Customer AY	A subsidiary of a company listed on the Tokyo Stock Exchange with more than 25,000 employees and more than 10 overseas operating base in Asia and North America principally engaging in the provision of freight forwarding, trucking and warehousing services	478	1.2
Customer AZ	A subsidiary of a bioscience company principally engaging in the manufacturing of food ingredients and additives headquartered in the United States and serving customers in more than 120 countries	456	1.1
Total		10,191	25.0

Ten largest customers of the freight forwarding services segment

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer AI	A Singapore based company principally engaging in the design and supply of building materials for housing and commercial development	429	1.1
Customer M	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of maintenance, repair and overhaul of turbine engine components	415	1.0
Customer AK	A Singapore based company with presence across North America, Australia, South America and Asia principally engaging in the manufacturing of gas and oil related products and provision of related solutions	384	0.9
Customer AM	A Singapore based company principally engaging in the storage, processing and distribution of chilled and frozen meat in Singapore	367	0.9
Customer AL	A Singapore based company principally engaging in the importing, warehousing, distribution and trading of specialty chemicals and polymers	360	0.9
Customer BA	A Columbia based company principally engaging in the provision of international transport and custom clearing services with offices across America, Europe and Asia	341	0.8
Customer BB	A subsidiary of a company listed on the Singapore Stock Exchange principally engaging in the wholesale of pharmaceuticals and medical supplies in Singapore	320	0.8
Customer AJ	A subsidiary of a company in the United States principally engaging in the manufacturing and sales of mattress and bed products with retail points all over the world	317	0.8
Customer BC	A subsidiary of a company listed on the Tokyo Stock Exchange with presence in 120 countries principally engaging in the manufacturing and distribution of beauty products with revenue of more than US$9.0 billion in 2018	308	0.8

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer BD	A subsidiary of a private company in the United States which ranked first in terms of revenue among all private companies in the United States in 2019 principally engaging in the manufacturing and distribution of process and pollution control equipment	293	0.7
Total		3,534	8.7

Ten largest customers of the value added transport services segment

Customer	Principal business nature and scale of operations	Amount[Note] (S$'000)	Approximate % of our total revenue
Customer AQ	A Singapore based company principally engaging in the provision of building and civil engineering construction services and are being recognised as an A1 General Building Contractor	617	1.5
Customer AR	A Singapore based company principally engaging in the trading and rental of building and construction materials and equipment	552	1.4
Customer AS	A Singapore based company principally engaging in the provision of logistics services to the oil and gas, petrochemical and power and construction industries	456	1.1
Customer AW	A Singapore based company principally engaging in the provision of construction services and pilling works	192	0.5
Customer AT	A subsidiary of a company listed on the main market of Bursa Malaysia principally engaging in the provision of foundation works including piling, sub-structure construction and manufacturing of metal containers across Singapore and Malaysia	170	0.4
Customer AU	A Singapore based company principally engaging in the provision of construction services and pilling works and are being accredited with grade L5 by the Building and Construction Authority of Singapore	164	0.4

Customer	Principal business nature and scale of operations	Amount[Note] (S$'000)	Approximate % of our total revenue
Customer BE	A Singapore based company principally engaging in the wholesale of mineral fuels and lubricants	135	0.3
Customer W	A subsidiary of a company listed on the Dubai Financial Market and Kuwait Stock Exchange principally engaging in the provision of freight forwarding services and real estate development	79	0.2
Customer AV	A Singapore based company principally engaging in the provision of building construction services	75	0.2
Customer AX	A Singapore based company principally engaging in the provision of foundation works and bored piling	39	0.1
Total		2,479	6.1

Note: The above customers of the value added transport services segment represent those customers that have signed a logistics service agreement with our Group.

For the year ended 31 December 2019

Ten largest customers of the trucking services segment

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	1,334	3.1
Customer J	A Singapore based company principally engaging in the provision of cold food storage solutions with total storage capacity of more than 25,000 metric tonnes and presence in Malaysia, Indonesia, Thailand and the PRC	1,286	2.9
Customer H	A subsidiary of a company ranked first in terms of TEUs in the world's ocean freight market in the year 2016 listed on the SIX Swiss Exchange which principally engages in the provision of integrated logistics solution across customer's supply chain using its global logistics network	1,223	2.8
Customer I	A freight forwarding and logistics services provider based in Singapore	1,211	2.8
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	1,171	2.7

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	1,129	2.6
Customer BF	A Singapore based company principally engaging in the provision of general warehousing services	1,111	2.5
Customer B	A subsidiary of a company listed on the Nasdaq Stock Market engaging in the provision of global logistics services including air freight and ocean freight and custom brokerage services	1,079	2.5
Customer S	A Singapore based supply chain solution company with logistics hubs in more than 100 cities across the PRC, South Korea, Australia and Southeast Asia	822	1.9
Supplier F	A trucking and haulier services provider based in Singapore	748	1.7
Total		11,114	25.5

Ten largest customers of the freight forwarding services segment

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer BD	A subsidiary of a private company in the United States which ranked first in terms of revenue among all private companies in the United States in 2019 principally engaging in the manufacturing and distribution of process and pollution control equipment	557	1.3
Customer AM	A Singapore based company principally engaging in the storage, processing and distribution of chilled and frozen meat in Singapore	459	1.1
Customer AI	A Singapore based company principally engaging in the design and supply of building materials for housing and commercial development	409	0.9
Customer BG	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of packaging solutions for food, e-commerce, electronics and industrial market	407	0.9
Customer AL	A Singapore based company principally engaging in the importing, warehousing, distribution and trading of specialty chemicals and polymers	397	0.9
Customer AP	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of mission critical products and services to customers in the biopharma, healthcare, education & government, and advanced technologies & applied materials industries	359	0.8
Customer M	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of maintenance, repair and overhaul of turbine engine components	284	0.7

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer BH	A subsidiary of a company listed on the Euronext Paris Market with more than 200,000 employees across the globe principally engaging in the production, transport and storage of infrastructures for the oil and gas and other energy market	276	0.6
Customer AJ	A company in the United States principally engaging in the manufacturing and sales of mattress and bed products with retail points all over the world	252	0.6
Customer AN	A Singapore based company principally engaging in the distribution and marketing of health, beauty and fast-moving consumer goods managing more than 24 brands in Singapore	250	0.6
Total		3,650	8.4

Largest customers of the value added transport services segment

Customer	Principal business nature and scale of operations	Amount[Note] (S$'000)	Approximate % of our total revenue
Customer AQ	A Singapore based company principally engaging in the provision of building and civil engineering construction services and are being recognised as an A1 General Building Contractor	512	1.2
Customer AS	A Singapore based company principally engaging in the provision of logistics services to the oil and gas, petrochemical and power and construction industries	456	1.0
Customer AR	A Singapore based company principally engaging in the trading and rental of building and construction materials and equipment	453	1.0
Customer AW	A Singapore based company principally engaging in the provision of construction services and pilling works	196	0.4
Customer AU	A Singapore based company principally engaging in the provision of construction services and pilling works and are being accredited with grade L5 by the Building and Construction Authority of Singapore	98	0.2
Customer BI	A Singapore based company principally engaging in the sales and rental of new or old refurnished containers	84	0.2
Customer BE	A Singapore based company principally engaging in the wholesale of mineral fuels and lubricants	45	0.1
Total		1,844	4.1

Note: The above customers of the value added transport services segment represent those customers that have signed a logistics service agreement with our Group.

For the eight months ended 31 August 2020

Ten largest customers of the trucking services segment

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer BP	A transportation and logistics company founded in Australia with strong presence in the Asia Pacific region with operations in road, rail, sea, air and warehousing and is currently a subsidiary of a company listed on the Tokyo Stock Exchange	1,608	6.0
Customer BQ	A subsidiary of a PRC based logistics company headquartered in Qingdao with a registered capital of RMB 50 million and a network that covers more than 70 ports in 50 countries across the globe	1,086	4.1
Customer G	A subsidiary of a company previously listed on the Singapore Stock Exchange principally engaging in the provision of logistics services with more than 90 locations across the Asia Pacific, North America and Europe	944 [Note]	3.5
Customer E	A subsidiary of a company ranked second in terms of turnover in the world's freight forwarding market in the year 2019 listed on Nasdaq Copenhagen and principally engaging in the provision of supply chain solutions	828	3.1
Customer A	A subsidiary of a company ranked second in terms of TEUs in the world's ocean freight market in the year 2016 listed on the Frankfurt Stock Exchange principally engaging in freight forwarding services	721	2.7
Customer H	A subsidiary of a company ranked first in terms of TEUs in the world's ocean freight market in the year 2016 listed on the SIX Swiss Exchange which principally engages in the provision of integrated logistics solution across customer's supply chain using its global logistics network	625	2.3
Customer B	A subsidiary of a company listed on the Nasdaq Stock Market engaging in the provision of global logistics services including air freight and ocean freight and custom brokerage services	562	2.1

Customer	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total revenue
Customer S	A Singapore based supply chain solution company with logistics hubs in more than 100 cities across the PRC, South Korea, Australia and Southeast Asia	454	1.7
Customer AY	A subsidiary of a company listed on the Tokyo Stock Exchange with more than 25,000 employees and more than 10 overseas operating bases in Asia and North America principally engaging in the provision of freight forwarding, trucking and warehousing services	360	1.4
Customer BR	A subsidiary of a company listed on the Tokyo Stock Exchange with more than 7,700 employees principally engaging in the production and distribution of alcoholic beverages, food and soft drinks in Asia, Europe and North America. and the development of real estate in Japan	355	1.3
		7,543	28.2

Note: This amount represents total revenue from Customer G for the trucking services segment while the total revenue amount from Customer G set out in the paragraph headed "Our five largest customers during the Track Record Period — For the eight months ended 31 August 2020" in this section represents revenue from trucking and freight forwarding services.

Ten largest customers of the freight forwarding segment

Customer	Principal business nature and scale of operations	Amount (*S$'000*)	Approximate % of our total revenue
Customer BD	A subsidiary of a private company in the United States which ranked first in terms of revenue among all private companies in the United States in 2019 principally engaging in the manufacturing and distribution of process and pollution control equipment	491	1.8
Customer AP	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of mission critical products and services to customers in the biopharma, healthcare, education & government, and advanced technologies & applied materials industries	323	1.2
Customer AM	A Singapore based company principally engaging in the storage, processing and distribution of chilled and frozen meat in Singapore	309	1.2
Customer BG	A subsidiary of a company listed on the New York Stock Exchange principally engaging in the provision of packaging solutions for food, e-commerce, electronics and industrial market	283	1.1
Customer BL	A Singapore based corrugator plant focusing on the manufacturing of high performance packaging materials with two factory premises in Singapore	275	1.0
Customer AL	A Singapore based company principally engaging in the importing, warehousing, distribution and trading of specialty chemicals and polymers	263	1.0
Customer BB	A subsidiary of a company listed on the Singapore Stock Exchange principally engaging in the wholesale of pharmaceuticals and medical supplies in Singapore	203	0.8
Customer AN	A Singapore based company principally engaging in the distribution and marketing of health, beauty and fast-moving consumer goods managing more than 24 brands in Singapore	194	0.7

Customer	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total revenue
Customer AI	A Singapore based company principally engaging in the design and supply of building materials for housing and commercial development	163	0.6
Customer BN	A subsidiary of a Chinese state-owned engineering enterprise focusing in the field of water, hydropower, new energy and infrastructure with more than 30 branches worldwide	152	0.6
Total		2,656	10.0

Largest customers of the value added transport services segment

Customer	**Principal business nature and scale of operations**	**Amount**[Note] *(S$'000)*	**Approximate % of our total revenue**
Customer BO	A Singapore based company principally engaging in the manufacturing and exporting of vegetable oil and their derivatives	304	1.1
Customer AQ	A Singapore based company principally engaging in the provision of building and civil engineering construction services and are being recognised as an A1 General Building Contractor	238	0.9
Customer AR	A Singapore based company principally engaging in the trading and rental of building and construction materials and equipment	210	0.8
Customer AW	A Singapore based company principally engaging in the provision of construction services and pilling works	119	0.4
Customer BI	A Singapore based company principally engaging in the sales and rental of new or old refurnished containers	84	0.3
Customer BS	A Singapore based company principally engaging in the manufacturing of fabricated metal products	80	0.3
Customer AU	A Singapore based company principally engaging in the provision of construction services and pilling works and are being accredited with grade L5 by the Building and Construction Authority of Singapore	68	0.3
Total		1,103	4.1

Note: The above customers of the value added transport services segment represent those customers that have signed a logistics service agreement with our Group.

None of our Directors and/or Shareholders who own more than 5% of the issued share capital of our Company had any interest in any of the above largest customers of our Group during the Track Record Period and up to the Latest Practicable Date.

COST OF SERVICES

During the Track Record Period, the main costs of our Group's business included staff cost, port and depot charges, vehicle cost, diesel cost, logistics yard cost, freight forwarding cost and miscellaneous cost. Staff cost, primarily wages to our transportation (drivers), are dependent on the number of trips made and the trip distance. Port and depot charges are incurred due to the use of port and depot facilities, and such costs are charged back to our customers as these are costs related to the transportation of their containers. Vehicle cost are not readily passed on to our customers as they include motor vehicle insurance, maintenance, repairs and depreciation. Diesel cost refers to the cost of petrol and diesel required to run our vehicles. Logistics yard cost refer to the cost of license fees paid to licensors for the use of the logistics yards. Freight forwarding cost refers to the costs incurred as a result of our engagement of other logistics service providers and overseas freight forwarders as part of our freight forwarding services. Miscellaneous cost includes subcontracting costs and other vehicle-related expenses. Our ability in passing this cost to our customers depends on our quotations provided to them. Our quotations generally include a clause that allows for changes in our quoted pricing based on changes in the consumer price index and new government policies that affect our industry, diesel, tyres and insurance prices subject to our customer being given a one-month notice period.

	Year ended 31 December						Eight months ended 31 August			
	2017		2018		2019		2019		2020	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*
							(unaudited)			
Staff cost	2,572,118	11.1	3,003,792	11.4	2,998,051	11.3	1,954,446	11.2	1,891,047	10.9
Port and depot charges	4,614,934	19.8	4,732,313	18.0	5,130,729	19.3	3,463,582	19.9	4,819,461	27.8
Vehicle cost	2,289,243	9.8	2,118,025	8.1	2,477,127	9.3	1,607,635	9.3	1,468,291	8.5
Diesel cost	1,094,633	4.7	1,491,504	5.7	1,638,886	6.2	1,073,102	6.2	805,634	4.6
Logistics yard cost	2,564,384	11.0	2,002,789	7.6	1,391,870	5.2	921,321	5.3	873,793	5.0
Freight forwarding cost	9,291,920	39.9	11,759,005	44.8	12,085,659	45.4	7,698,514	44.3	6,857,939	39.6
Miscellaneous cost	842,615	3.7	1,149,470	4.4	911,048	3.3	660,152	3.8	621,706	3.6
Total cost of services	23,269,847	100.0	26,256,898	100.0	26,633,370	100.0	17,378,752	100.0	17,337,871	100.0

Our suppliers mainly include providers of port operation services, logistics yards, repair and maintenance, tyres and diesel for our fleet and logistics services in Singapore. Save for the valid and legally binding license agreements we entered into with Supplier B for the provision of logistics yards, we generally do not enter into agreements with our suppliers but instead, we obtain quotations from them. We are typically required to settle the invoices by cash upon delivery while some suppliers give us 30 days to settle the invoice. Please refer to the paragraph headed "Properties" in this section for more information on the license agreements we entered into with Supplier B.

Our five largest suppliers during the Track Record Period

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, the cost of services from our five largest suppliers amounted to approximately S$6.9 million, S$6.9 million, S$6.8 million and S$4.6 million, respectively, representing approximately 29.6%, 26.2%, 25.5% and 26.6% of our total cost of services, respectively. For the same periods, the cost of services from our largest supplier amounted to approximately S$2.8 million, S$2.8 million, S$2.7 million and S$2.4 million respectively, representing approximately 11.9%, 10.6%, 10.3% and 13.7% of our total cost of services, respectively. Our Directors believe that any concentration risk among our five largest suppliers was not significant given their respective contributions to our cost of services set out in the table below.

The following tables set out a breakdown of the cost of services from our five largest suppliers during the Track Record Period and their respective background information.

For the year ended 31 December 2017

Supplier	Principal business nature	Nature of services provided to us	Settlement method	Business relationship since	Credit term	Cost of services (S$'000)	Approximate % of our total cost of services
Supplier A	The central agency responsible for managing and developing the ports of Singapore	Provision of port operation and related services	Electronic transfer	1995	Cash upon delivery	2,766	11.9
Supplier B	The lead agency in Singapore to spearhead the planning, promotion and development of a dynamic industrial landscape	Provision of logistics yards	Electronic transfer	2013	Cash upon delivery	2,564	11.0
Supplier E	A petroleum products provider based in Singapore	Provision of diesel for our fleet	Cheque	2015	Cash upon delivery	674	2.9
R&S Engineering Works Pte. Ltd.	Motor vehicle repair and maintenance workshop	Provision of repair and maintenance for our fleet	Cheque	2012	30 days	448	1.9
Supplier F	A trucking and haulier services provider based in Singapore	Provision of trucking services	Cheque	2016	Cash upon delivery	447	1.9
Total						6,899	29.6

For the year ended 31 December 2018

Supplier	Principal business nature	Nature of services provided to us	Settlement method	Business relationship since	Credit term	Cost of services (S$'000)	Approximate % of our total cost of services
Supplier A	The central agency responsible for managing and developing the ports of Singapore	Provision of port operation and related services	Electronic transfer	1995	Cash upon delivery	2,782	10.6
Supplier B	The lead agency in Singapore to spearhead the planning, promotion and development of a dynamic industrial landscape	Provision of logistics yards	Electronic transfer	2013	Cash upon delivery	2,003	7.6
Supplier E	A petroleum products provider based in Singapore	Provision of diesel for our fleet	Cheque	2015	Cash upon delivery	1,152	4.4
R & S Engineering Works Pte. Ltd.	Motor vehicle repair and maintenance workshop	Provision of repair and maintenance for our fleet	Cheque	2012	30 days	495	1.9
Supplier G	A trucking and haulier services provider based in Singapore	Provision of trucking services	Cheque	2013	Cash upon delivery	459	1.7
Total						6,891	26.2

For the year ended 31 December 2019

Supplier	Principal business nature	Nature of services provided to us	Settlement method	Business relationship since	Credit term	Cost of services (S$'000)	Approximate % of our total cost of services
Supplier A	The central agency responsible for managing and developing the ports of Singapore	Provision of port operation and related services	Electronic transfer	1995	Cash upon delivery	2,741	10.3
Supplier E	A petroleum products provider based in Singapore	Provision of diesel for our fleet	Cheque	2015	Cash upon delivery	1,515	5.7
Supplier B	The lead agency in Singapore to spearhead the planning, promotion and development of a dynamic industrial landscape	Provision of logistics yards	Electronic transfer	2013	Cash upon delivery	1,440	5.4
R & S Engineering Works Pte. Ltd.	Motor vehicle repair and maintenance workshop	Provision of repair and maintenance for our fleet	Cheque	2012	30 days	616	2.3
Supplier G	A trucking and haulier services provider based in Singapore	Provision of trucking services	Cheque	2013	Cash upon delivery	487	1.8
Total						6,799	25.5

For the eight months ended 31 August 2020

Supplier	Principal business nature	Nature of services provided to us	Settlement method	Business relationship since	Credit term	Cost of services (S$'000)	Approximate % of our total cost of services
Supplier A	The central agency responsible for managing and developing the ports of Singapore	Provision of port operation and related services	Electronic transfer	1995	Cash upon delivery	2,383	13.7
Supplier B	The lead agency in Singapore to spearhead the planning, promotion and development of a dynamic industrial landscape	Provision of logistics yards	Electronic transfer	2013	Cash upon delivery	953	5.5
Supplier E	A petroleum products provider based in Singapore	Provision of diesel for our fleet	Cheque	2015	Cash upon delivery	628	3.6
R & S Engineering Works Pte. Ltd.	Motor vehicle repair and maintenance workshop	Provision of repair and maintenance for our fleet	Cheque	2012	30 days	389	2.2
Supplier G	A trucking and haulier services provider based in Singapore	Provision of trucking services	Cheque	2013	Cash upon delivery	274	1.6
Total						4,627	26.6

Relationship with JH Tyres & Batteries Pte. Ltd.

JH Tyres & Batteries Pte. Ltd. principally engages in the distribution of tyres and accessories for vehicles and it is owned as to 70% by Mr. Ng. As Mr. Ng is one of our Controlling Shareholders, chairman of our Board and executive Director, he is a connected person of our Group for the purpose of the Listing Rules.

We started our business relationship with JH Tyres & Batteries Pte. Ltd. in 2011. During the Track Record Period, we engaged JH Tyres & Batteries Pte. Ltd. to provide tyres and tyre installation services and other related services for our fleet of vehicles which amounted to approximately S$0.4 million, S$0.4 million, S$0.4 million and S$0.2 million, respectively, representing approximately 1.8%, 1.7%, 1.6% and 1.4% of our total cost of services for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. We expect to have further transactions with JH Tyres & Batteries Pte. Ltd. after Listing. For details of the connected transactions between JH Tyres & Batteries Pte. Ltd. and our Group, please refer to the section headed "Connected Transactions — Non-exempt continuing connected transactions" in this prospectus.

Relationship with R&S Engineering Works Pte. Ltd.

R&S Engineering Works Pte. Ltd. principally engages in the repair and maintenance of motor vehicles and it is owned as to 60% by Mr. Ng. As Mr. Ng is one of our Controlling Shareholders, chairman of the Board and executive Director, he is a connected person of our Group for the purpose of the Listing Rules.

We started our business relationship with R&S Engineering Works Pte. Ltd. since 2012. During the Track Record Period, we engaged R&S Engineering Works Pte. Ltd. to provide repair and maintenance services and other related services for some of our fleet of vehicles. For the three years ended 31 December 2019 and eight months ended 31 August 2020, our cost of services to R&S Engineering Works Pte. Ltd. amounted to approximately S$0.4 million, S$0.5 million, S$0.6 million and S$0.4 million, respectively, representing approximately 1.9%, 1.9%, 2.3% and 2.2% of our total cost of services, respectively. We expect to have further transactions with R&S Engineering Works Pte. Ltd. after Listing. For details of the connected transactions between R&S Engineering Works Pte. Ltd. and our Group, please refer to the section headed "Connected Transactions — Non-exempt continuing connected transactions" in this prospectus.

Save as disclosed in this prospectus, none of our Directors, their respective close associates and our shareholders who, to the best knowledge and belief of our Directors, owned more than 5% of our issued share capital, had any interest in any of our five largest suppliers during the Track Record Period and up to the Latest Practicable Date. Our Directors confirm that each of our five largest suppliers, except for R&S Engineering Works Pte. Ltd., is an Independent Third Party.

During the Track Record Period and up to the Latest Practicable Date, our Group had no dispute with or claims from our suppliers which would have had a material impact on our business, financial condition or results of operations.

The following tables set forth our ten largest suppliers for our freight forwarding services segment during Track Record Period and their respective background information.

For the year ended 31 December 2017

Freight forwarding supplier	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total cost of services
Supplier F	A trucking and haulier services provider based in Singapore	352	1.5
Supplier I	A subsidiary of a PRC based shipping company which is listed on the Singapore Stock Exchange and the Stock Exchange of Hong Kong and together with Supplier R, ranked third among all shipping lines in the world in as at February 2020 terms of TEUs capacities	279	1.2
Supplier G	A trucking and haulier services provider based in Singapore	261	1.1
Supplier J	A PRC based company principally engaging in the provision of international freight forwarding services and warehousing services with a registered capital of RMB6 million as at February 2020	210	0.9
Supplier K	A subsidiary of a South Korean based shipping company which is listed on the Korea Exchange and ranked tenth among all shipping lines in the world as at February 2020 in terms of TEUs capacities	208	0.9
Supplier L	A subsidiary of a company listed on the Tokyo Stock Exchange principally engaging in the provision of logistics and property management services with revenue of more than 200 billion yen in the year 2018	202	0.9
Supplier M	A Taiwan based shipping company listed on the Taiwan Stock Exchange and ranked eighth among all shipping lines in the world as at February 2020 in terms of TEU capacities	201	0.9

Freight forwarding supplier	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total cost of services
Supplier N	A Singapore based company principally engaging in the provision of trucking and land transport services	200	0.9
Supplier O	A Singapore based shipping company ranked ninth among all shipping lines in the world as at February 2020 in terms of TEUs capacities	166	0.7
Supplier D	A freight forwarding service provider based in the United States	163	0.7
Total		2,242	9.7

For the year ended 31 December 2018

Freight forwarding supplier	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total cost of services
Supplier G	A trucking and haulier services provider based in Singapore	459	1.7
Supplier Q	A Singapore based company principally engaging in the provision of air cargo handling and related freight forwarding services	413	1.6
Supplier K	A subsidiary of a South Korean based shipping company which is listed on the Korea Exchange and ranked tenth among all shipping lines in the world as at February 2020 in terms of TEUs capacities	387	1.5
Supplier I	A subsidiary of a PRC based shipping company which is listed on the Singapore Stock Exchange and the Stock Exchange of Hong Kong and together with Supplier R, ranked third among all shipping lines in the world as at February 2020 in terms of TEUs capacities	347	1.3
Supplier H	A subsidiary of a company listed on the Korea Exchange which primarily engages in the provision of logistics services	266	1.0
Supplier R	A subsidiary of a company listed on the Stock Exchange of Hong Kong with more than 370 offices over 80 countries and regions and together with Supplier I, ranked third among all shipping lines in the world as at February 2020 in terms of TEU capacities	264	1.0

Freight forwarding supplier	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total cost of services
Supplier P	A Hong Kong based company principally engaging in the provision of freight forwarding services with branches in Shanghai and Shenzhen	222	0.8
Supplier S	A United States based company principally engaging in the provision of international freight forwarding and warehousing services	210	0.8
Supplier T	A PRC based company principally engaging in the provision of international freight forwarding services with registered capital of RMB10 million as at February 2020	204	0.8
Supplier F	A trucking and haulier services provider based in Singapore	191	0.7
Total		2,963	11.2

For the year ended 31 December 2019

Freight forwarding supplier	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total cost of services
Supplier G	A trucking and haulier services provider based in Singapore	487	1.8
Supplier K	A subsidiary of a South Korean based shipping company which is listed on the Korea Exchange and ranked tenth among all shipping lines in the world as at February 2020 in terms of TEUs capacities	397	1.5
Supplier H	A subsidiary of a company listed on the Korea Exchange which primarily engages in the provision of logistics services	391	1.5
Supplier I	A subsidiary of a PRC based shipping company which is listed on the Singapore Stock Exchange and the Stock Exchange of Hong Kong and together with Supplier R, ranked third among all shipping lines in the world as at February 2020 in terms of TEUs capacities	326	1.2
Supplier M	A Taiwan based shipping company listed on the Taiwan Stock Exchange and ranked eighth among all shipping lines in the world as at February 2020 in terms of TEU capacities	309	1.2
Supplier U	A joint venture shipping company which is ranked sixth among all shipping lines in the world as at February 2020 in terms of TEU capacities	293	1.1
Supplier D	A freight forwarding service provider based in the United States	232	0.9
Supplier R	A subsidiary of a company listed on the Stock Exchange of Hong Kong with more than 370 offices over 80 countries and regions and together with Supplier I, ranked third among all shipping lines in the world as at February 2020 in terms of TEUs capacities	220	0.8

Freight forwarding supplier	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total cost of services
Supplier V	A Hong Kong based company principally engaging in the provision of freight forwarding services	217	0.8
Supplier Q	A Singapore based company principally engaging in the provision of air cargo handling and related freight forwarding services	207	0.8
Total		3,079	11.6

For the eight months ended 31 August 2020

Ten largest suppliers of the freight forwarding services segment

Freight forwarding supplier	Principal business nature and scale of operations	Amount *(S$'000)*	Approximate % of our total cost of services
Supplier G	A trucking and haulier services provider based in Singapore	274	1.6
Supplier H	A subsidiary of a company listed on the Korea Exchange which primarily engages in the provision of logistics services	253	1.5
Supplier U	A joint venture shipping company which is ranked sixth among all shipping lines in the world as at February 2020 in terms of TEU capacities	239	1.4
Supplier I	A subsidiary of a PRC based shipping company which is listed on the Singapore Stock Exchange and the Stock Exchange of Hong Kong and together with Supplier R, ranked third among all shipping lines in the world as at February 2020 in terms of TEUs capacities	181	1.0
Supplier X	A logistics company based in India principally engaging in the provision of customised supply chain solutions	180	1.0
Supplier Q	A Singapore based company principally engaging in the provision of air cargo handling and related freight forwarding services	140	0.8
Supplier Z	A Singapore based company principally engaging in the provision of warehousing services	137	0.8
Supplier AD	A Singapore based company with more than 220 employees principally engaging in the provision of air and sea freight forwarding services and warehousing and distribution solutions	133	0.8

Freight forwarding supplier	Principal business nature and scale of operations	Amount (S$'000)	Approximate % of our total cost of services
Supplier T	A PRC based company principally engaging in the provision of international freight forwarding services with registered capital of RMB10 million as at February 2020	130	0.7
Supplier V	A Hong Kong based company principally engaging in the provision of freight forwarding services	129	0.7
Total		1,796	10.3

None of our Directors and/or Shareholders who own more than 5% of the issued share capital of our Company had any interest in any of the above ten largest suppliers of our Group's freight forwarding segment during the Track Record Period and up to the Latest Practicable Date.

OVERLAPPING OF OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, to the best knowledge and belief of our Directors, six of our largest customers were also our suppliers and two of our largest suppliers were also our customers. Our Directors confirm that the sales and purchases from such overlapping customers and suppliers are not inter-related and/or inter-conditional. To the best knowledge and belief of our Directors, save for R&S Engineering Works Pte. Ltd., the rest of the entities and their ultimate beneficial owners are Independent Third Parties. Please refer to the paragraphs headed "Cost of services — Relationship with R&S Engineering Works Pte. Ltd." in this section for more information on R&S Engineering Works Pte. Ltd.

Our five largest customers who were also our suppliers

For the year ended 31 December 2017

Customer	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Gross profit margin %
Customer A	Trucking and value added transport services	2,016	5.5	Freight forwarding services	16	0.1	31.3
Customer B	Trucking and value added transport services	999	2.7	Freight forwarding services	11	*	34.9
Customer E	Trucking, freight forwarding and value added transport services	1,383	3.8	Freight forwarding services	9	*	46.5
Customer H	Trucking and value added transport services	944	2.6	Freight forwarding services	12	*	69.5
Customer BP	Trucking and value added transport services	240	0.7	Freight forwarding services	2	*	37.7
Customer BQ	Trucking services	8	*	Freight forwarding services	34	0.2	37.6
Total		5,590	15.3		84	0.4	

For the year ended 31 December 2018

Customer	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Gross profit margin %
Customer A.	Trucking and value added transport services	1,161	2.9	Freight forwarding services	15	0.1	40.4
Customer B.	Trucking and value added transport services	935	2.3	Freight forwarding services	15	0.1	39.9
Customer E.	Trucking and value added transport services	1,427	3.5	Freight forwarding services	10	*	50.2
Customer H.	Trucking, freight forwarding and value added transport services	1,512	3.7	Freight forwarding services	21	0.1	42.6
Customer BP	Trucking and freight forwarding services	242	0.6	Freight forwarding services	Nil	Nil	37.2
Customer BQ	Trucking services	34	0.1	Freight forwarding services	31	0.1	41.8
Total		5,311	13.1		92	0.4	

* Negligible

For the year ended 31 December 2019

Customer	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Gross profit margin %
Customer A	Trucking, freight forwarding and value added transport services	1,171	2.7	Freight forwarding services	13	*	44.2
Customer B	Trucking and value added transport services	1,079	2.5	Freight forwarding services	5	*	41.8
Customer E	Trucking and value added transport services	1,334	3.1	Freight forwarding services	4	*	49.5
Customer H	Trucking and value added transport services	1,223	2.8	Freight forwarding services	16	0.1	41.9
Customer BP	Trucking and value added transport services	199	0.5	Freight forwarding services	3	*	32.6
Customer BQ	Trucking services	161	0.4	Freight forwarding services	31	0.1	30.4
Total		5,167	12.0		72	0.3	

* Negligible

For the eight months ended 31 August 2020

Customer	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Gross profit margin %
Customer A.	Trucking and value added transport services	721	2.7	Freight forwarding services	7	*	28.6
Customer B.	Trucking and value added transport services	562	2.1	Freight forwarding services	5	*	28.0
Customer E.	Trucking services and value added transport services	828	3.1	Freight forwarding services	3	*	32.4
Customer H.	Trucking and value added transport services	625	2.3	Freight forwarding services	10	0.1	26.1
Customer BP	Trucking, freight forwarding and value added transport services	1,608	6.0	Freight forwarding services	2	*	38.0
Customer BQ	Trucking services	1,086	4.1	Freight forwarding services	15	0.1	39.6
Total		5,430	20.3		42	0.2	

* Negligible

Our five largest suppliers who were also our customers

For the year ended 31 December 2017

Supplier	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Gross profit margin %
R&S Engineering Works Pte. Ltd. .	Provision of repair and maintenance work for our fleet	448	1.9	Trucking and value added transport services	6	*	15.0
Supplier F	Provision of trucking services	447	1.9	Trucking and value added transport services	464	1.3	40.0
Total		895	3.8		470	1.3	

For the year ended 31 December 2018

Supplier	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Gross profit margin %
R&S Engineering Works Pte. Ltd. .	Provision of repair and maintenance work for our fleet	495	1.9	Trucking and value added transport services	8	*	10.0
Supplier F	Provision of trucking services	405	1.5	Trucking and value added transport services	374	0.9	39.0
Total		900	3.4		382	0.9	

For the year ended 31 December 2019

Supplier	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Gross profit margin %
R&S Engineering Works Pte. Ltd.	Provision of repair and maintenance for our fleet	616	2.3	Trucking and value added transport services	9	*	10.0
Supplier F	Provision of trucking services	120	0.5	Trucking and value added transport services	748	1.7	28.7
Total		736	2.8		757	1.7	

* Negligible

For the eight months ended 31 August 2020

Supplier	Nature of services provided to us	Cost of services (S$'000)	Approximate % of our total cost of services	Nature of services provided by us	Revenue from the customer (S$'000)	Approximate % of our total revenue	Gross profit margin %
R & S Engineering Works Pte. Ltd.	Provision of repair and maintenance for our fleet	389	2.2	Trucking and value added transport services	5	*	5.6
Supplier F	Provision of trucking services	39	0.2	Trucking and value added transport services	156	0.6	33.6
Total		428	2.4		161	0.6	

* Negligible

A majority of our five largest customers and suppliers are in the logistics industry. According to the Converging Knowledge Report, it is common for customers and suppliers in the logistics industry to overlap as industry players have expanded their service offerings in order to transform into one-stop service providers.

Subcontracting arrangement

We do not subcontract any of our freight forwarding services and value added transport services to subcontractors. Also, under the agreements with Customer A and Customer G, we do not subcontract the trucking services in whole or in part unless otherwise agreed in writing. According to our Directors, we typically only subcontract our trucking services to Independent Third Parties, such as Supplier F, Supplier AC and Supplier AE who are trucking service providers based in Singapore, when we have reached our maximum capacity and these arrangements are typically ad-hoc in nature. Such services generally involve the haulage, primarily containers, between seaports and our customers' designated pick up and/or delivery points within Singapore. According to our Directors, we do not have long term subcontracting arrangements and do not enter into agreements with our subcontractors. Our total subcontracting costs were approximately 2.1%, 3.5%, 2.6% and 2.7%, of our total cost of services for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively and have remained relatively stable which is consistent with the relative stability of the utilisation rates of our prime movers during the Track Record Period. Our Directors take the view that such subcontracting costs are minimal and do not expect such costs to fluctuate materially over the course of our Group's progressive expansion of vehicle fleet size as trucking services are only subcontracted to Independent Third Parties when we have reached maximum capacity. We have an internal list of approved suppliers which includes subcontractors, please refer to the paragraph headed "Risk management" in this section for more information.

SEASONALITY

The demand for our services fluctuate in tandem with the demand for our customer's services. Accordingly, our sales and operating results have been, and are expected to continue to be, subject to fluctuations in different periods.

Trucking services and freight forwarding services

Our business volume is higher in the months from October to February, due to higher shipment demand from Christmas to the Chinese New Year.

Value added transport services

Our business volume in relation to our value added transport services are not affected by seasonal factors.

SALES AND MARKETING

Our strength lies in the strength of our relationship with our customers who have been associated with us for a long period. Our sales and marketing personnel, through their experience and good rapport with clients, play an instrumental role in creating and expanding the work platform for us.

Our Directors confirm that our sales are primarily achieved through referrals and recommendations from existing customers as well as direct marketing to potential customers through telemarketing and door-to-door canvassing. In relation to our freight forwarding services, we will also attend overseas conferences to meet new freight forwarding agents and develop new businesses with existing freight forwarding agents. Upon receiving enquiries about our services, the relevant sales and marketing personnel will discuss with potential customers to better understand (i) their delivery plan, including the required delivery schedule, point of delivery and/or budget, and (ii) their warehousing plan as to whether and how much storage space is required for their containers. This allows us to customise our services to meet the unique requirements of each customer and also facilitates the advanced planning of the transport and storage process to ensure efficient flow of services.

INFORMATION TECHNOLOGY

We utilise our information technology ("**IT**") system for various operation and functional needs, including delivery planning, cargo receiving, tracking and work order management. Our IT system aims to integrate our customer service, operations and accounting functions. We intend to purchase a new accounting and operations system. Please refer to the section headed "Future Plans and Use of Proceeds — Use of proceeds" in this prospectus for more information.

During the Track Record Period and up to the Latest Practicable Date, we had not experienced any failure in our IT system which caused material disruptions to our operations.

INTELLECTUAL PROPERTY

Please refer to the paragraph headed "Statutory and General Information — B. Further information about the business — 2. Intellectual property rights" in Appendix VI to this prospectus for more information.

Our Directors confirm that our Group had not experienced any infringement to our intellectual properties during the Track Record Period which had a material adverse effect on our business, results of operations, financial conditions and prospects. During the Track Record Period and up to the Latest Practicable Date, our Group was not involved in any disputes or litigation relating to the infringement of the intellectual property rights, nor is our Group aware of any such claims either pending or threatened.

PROPERTIES

Owned properties

As at the Latest Practicable Date, we owned the following properties.

Location of property	Gross area (sq. m.)	Nature	Usage	Tenure
1 Commonwealth Lane #06-24 to 06-27, Singapore 149544	624	Factory	Investment property[Note]	Leasehold 30 years commencing from 1 March 2008
2 Buroh Crescent #09-04 ACE@BUROH Singapore 627546	334	Factory	Investment property[Note]	Leasehold 30 years commencing from 22 July 2013
No. 55 Serangoon North Avenue 4, #01-07, S9, Singapore 555859	254	Industrial	Investment property[Note]	Leasehold 58 years commencing from 2 July 2012

Note: Please refer to the paragraph headed "Accountant's Report — Notes to the historical financial information — 16. Investment properties" in Appendix I to this prospectus for more information.

Leased properties

As at the Latest Practicable Date, we entered into the following lease agreements with various Independent Third Parties.

Address	Lessor	Gross area (sq. m.)	Use of property	Key terms of the tenancy agreement
#04-28/29 19 Loyang Way Changi Logistics Centre Singapore 508724	Independent Third Party	234.39	Packing / Unpacking, relabelling of garments and books and ancillary office	Term: 17 July 2019 to 16 July 2021 Rent and service charge: S$6,087.11 plus GST at prevailing rate per month Early termination: N/A
7 Keppel Road #03-20 to 24 Tanjong Pagar Complex Singapore 089053	Independent Third Party	179.10	Administrative office in conjunction with business in container services and general warehousing	Term: 1 September 2020 to 31 August 2022 Rent and service charge: S$6,245.22 plus GST at prevailing rate per month Early termination: Lessor can terminate the agreement by 3 months' notice
7 Keppel Road #03-40 to 42 Tanjong Pagar Complex Singapore 089053	Independent Third Party	107.01	Administrative office in conjunction with business in logistics services and general warehousing	Term: 1 September 2020 to 31 August 2022 Rent and service charge: S$3,731.44 plus GST at prevailing rate per month Early termination: Lessor can terminate the agreement by 3 months' notice
7 Keppel Road #03-43 to 44 Tanjong Pagar Complex Singapore 089053	Independent Third Party	72.74	Administrative office in conjunction with its business in Valued added Logistics provider	Term: 1 September 2020 to 31 August 2022 Rent and service charge: S$2,536.44 plus GST at prevailing rate per month Early termination: Lessor can terminate the agreement by 3 months' notice

Address	Lessor	Gross area (sq. m.)	Use of property	Key terms of the tenancy agreement
7 Keppel Road #03-48 Tanjong Pagar Complex Singapore 089053	Independent Third Party	35.67	Administrative office in conjunction with business in logistics services and general warehousing	Term: 1 September 2020 to 31 August 2022 Rent and service charge: S$1,243.81 plus GST at prevailing rate per month Early termination: Lessor can terminate the agreement by 3 months' notice
2D Jalan Papan #01-67 Singapore 619415	Independent Third Party	(Maximum no. of persons permitted) 16 persons	Dormitory for the housing of employees	Term: 1 August 2019 to 31 July 2021 Rent and service charge: S$3,680.00 plus GST at prevailing rate per month Relocating tenant to other unit(s): Lessor has the right to relocate the tenant at any time during the term by issuing a relocation notice. Early termination: The tenant can prematurely terminate the tenancy and are required to yield up the premises to the lessor within two months

Licensed properties

During the Track Record Period and as at the Latest Practicable Date, we entered into the following license agreements with various Independent Third Parties for the use of our logistics yards.

Address	Licensor	Gross land area (sq. m.)	Use of the property	Key terms of the license agreement
15A Pioneer Crescent, Singapore 628551 Pte Lot A3007977 Note 1	Independent Third Party	16,995	Storage of general cargoes, containers, crane boom, construction equipment accessories only	Term: 1 May 2016 to 28 February 2017, 1 March 2017 to 28 February 2018, 1 March 2018 to 30 September 2018, 1 October 2018 to 30 September 2019, 1 October 2019 to 30 September 2022 License fee: S$83,133.88 plus GST at prevailing rate per month (1 March 2016 to 28 February 2017); S$60,482.50 plus GST at prevailing rate per month (1 March 2017 to 28 February 2018); and S$57,933.25 plus GST at prevailing rate per month (1 March 2018 to 30 September 2019); S$91,433 plus GST at prevailing rate per month (1 October 2019 to 30 September 2022) Early termination: N/A
15B Pioneer Crescent, Singapore 628551 Pte Lot A3007605 Note 1	Independent Third Party	8,684	Storage of general cargoes, crane booms and construction equipment accessories only	Term: 29 March 2016 to 28 March 2019, 29 March 2019 to 28 March 2022 License fee: S$75,686.00 plus GST at prevailing rate per month (29 March 2016 to 28 March 2019); S$46,720 plus GST at prevailing rate per month (29 March 2019 to 28 March 2022) Early termination: – the licensor may terminate the license agreement by giving one month prior notice in writing – within one year from the commencement of the term, the licensee may seek the licensor's consent to terminate the license agreement but the licensee shall pay the licensor the license fees for the entirety of the term

Address	Licensor	Gross land area (sq. m.)	Use of the property	Key terms of the license agreement
15C Pioneer Crescent, Singapore 628551 Pte Lot A3008731 [Note 1]	Independent Third Party	12,561	Storage of general cargoes, containers, construction accessories and parking of vehicles, trailers and equipment	Term: 22 June 2020 to 21 June 2023[Note 2] License fee: S$54,062.4 plus GST at prevailing rate per month Early termination: – the licensor may terminate the license agreement by giving one month prior notice in writing – within one year from the commencement of the term, the licensee may seek the licensor's consent to terminate the license agreement under the terms and conditions solely determined by the licensor
39 Tuas View Crescent, Singapore 628551 Pte Lot A3004894[Note 3]	Independent Third Party	12,811	Storage of general cargoes, crane booms and construction equipment accessories	Term: 2 August 2016 to 1 August 2018 (extended to 16 August 2018) License fee: S$52,382.00 plus GST at prevailing rate per month Early termination: – the licensor may terminate the license agreement by giving one month prior notice in writing – within one year from the commencement of the term, the licensee may seek the licensor's consent to terminate the license agreement but the licensee shall pay the licensor the license fees for the entirety of the term

Address	Licensor	Gross land area (sq. m.)	Use of the property	Key terms of the license agreement
Kian Teck Lane, Singapore[Note 4] Pte Lot A3003033	Independent Third Party	8,281	Storage of cargoes, construction equipment (e.g. excavators, crawler dozers, crane booms) and accessories (e.g. drilling machines)	Term: 27 May 2014 to 26 May 2017 License fee: S$37,423.00 plus GST at prevailing rate per month Early termination: – the licensor may terminate the license agreement by giving one month prior notice in writing – within one year from the commencement of the term, the licensee may seek the licensor's consent to terminate the license agreement but the licensee shall pay the licensor the license fees for the entirety of the term First renewal Term: 27 May 2017 to 26 June 2017 License fee: S$37,423.00 plus GST at prevailing rate per month Early termination: N/A Second renewal Term: 27 June 2017 to 26 July 2017 License fee: S$37,423.00 plus GST at prevailing rate per month Early termination: N/A

Notes:

1. Our Directors confirm that we intend to continue our operations in the logistics yards after the warehouse commences operations pursuant to our expansion plan.
2. Operations at 15C Pioneer Crescent commenced on 1 August 2020.
3. The license agreement has expired after 16 August 2018. The logistics yard was reverted to the licensor and was not launched for bidding.
4. The license agreement has expired after 26 July 2017 and was reverted to the licensor. The logistics yard was launched for bidding to which we submitted a tender on 12 June 2017, however, the logistics yard was ultimately not awarded to us or any other party.

INSURANCE

Our insurance policies as at the Latest Practicable Date are as follows:

- work injury compensation policies, as required under the WICA that is administered by the MOM, and are renewed annually, where we are required, as employers, to maintain work injury compensation insurance for all our employees;
- foreign worker medical insurance, as stipulated by the MOM, renewed annually;
- business insurance which covers fire, loss of money, work injury and business interruption;
- fleet insurance that covers our fleet of prime movers and trailers including loss or damage from accidental causes, fire, theft, damage to third party property, death or injury to third party, repairs etc.;
- bailee liability which covers the goods and containers being transported or stored by our Group; and
- public liability insurance which covers legal liability to pay compensation for third-party property damage and/or bodily injury, including death, arising from accidents due to acts of negligence of our employees or representatives in the course of our business.

Our Directors believe that the insurance coverage taken out by us is adequate and consistent with industry norm, having regard to our current operations and the normal commercial practice of the industry. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, our total insurance premiums were approximately S$0.1 million, S$0.1 million, S$0.3 million and S$53,000, respectively.

Certain risks disclosed in the section headed "Risk Factors" in this prospectus, such as risks in relation to our ability to obtain new businesses, suppliers' availability and performance, significant increases in labour costs, etc., are generally not covered by insurance because they are either uninsurable or it is not cost justifiable to insure against such risk. Please refer to the paragraph headed "Risk management" in this section for further details.

Save as disclosed in the paragraph headed "Litigation and compliance" in this section, our Directors have confirmed that we were not subject to any material insurance claims or liabilities arising from our operations during the Track Record Period and we did not make any material insurance claims during the Track Record Period.

AWARDS, CERTIFICATIONS & MEMBERSHIP

We have been a member of the Singapore Logistics Association since November 2016 and the X2 Logistics Networks since 2013. In relation to our freight forwarding services business, we have been awarded the Loyalty & Commitment award in 2016, the Best Operations award in 2017 and the Best Sales award in 2018 by the X2 Logistics Networks. We have also received a top service provider award in the year 2016 from Customer B in recognition and appreciation for our support and a service provider of the year award in the year 2017 from Customer B in recognition of our excellence in technology.

LICENSES, PERMITS & APPROVALS

Apart from corporate business licenses, the licenses and permits which are required for our business are set out in the table below.

Trucking services

Type	Nature	Granted by	Granted to	Date of expiration
License	License to operate in PSA's restricted areas	PSA Corporation Limited	Rejoice Container Services (Pte) Ltd	31 March 2024
License	Petroleum and flammable materials transportation license	Commissioner of the Singapore Civil Defence Force	Rejoice Container Services (Pte) Ltd[Note 1]	31 July 2021 and 31 October 2021[Note 2]

Notes:

1. The petroleum and flammable materials transportation license is granted to the specific prime mover or trailer of our Group. As at the Latest Practicable Date, the license has been granted to seven of our prime movers and two of our trailers.
2. Out of the nine petroleum and flammable materials transportation licenses granted to our Group in relation to our prime movers and trailers, two of the licenses will expire on 31 July 2021 and seven of the licenses will expire on 31 October 2021.

Freight forwarding services

We are not required to obtain any material licenses, consents, certificates, permits and/or approvals for our freight forwarding services.

Value added transport services

We are not required to obtain any material license, consents, certificates, permits and/or approvals for our value added transport services.

Our Directors confirm that during the Track Record Period and up to the Latest Practicable Date, our Group had obtained all necessary permits, approvals and licences to operate its existing business in Singapore from relevant regulatory bodies.

EMPLOYEES

We have a total of 144 full-time employees as at the Latest Practicable Date. A breakdown of our full-time employees by function as at the Latest Practicable Date is set forth below.

	As at the Latest Practicable Date
Directors	6
Transportation (drivers)	52
Operations	22
Yard operators	8
Sales and business development	9
Customer service	21
Finance and administration	25
Information technology	1
Total	144

As at the Latest Practicable Date, our full-time employees consist of 75 local employees and 69 foreign workers.

Relationship with staff

We maintain a good working relationship with our staff. Our Directors believe that our working environment and benefits offered to our employees have contributed to building good staff relations and thus maintain a healthy retention rate. During the Track Record Period, we have not experienced any labour dispute with our staff which had a material effect on our business or results of operations.

Recruitment

We recognise that our success in the transport and storage service industry is highly dependent on our employees, we recruit our employees based on their past employment, academic information and relevant skills. Reference checks are carried out before the final confirmation of an employment offer. We usually publish hiring information in job searching platforms, our Company website, and/or through social recruiting and referrals.

In order to attract and retain valuable employees, we appraise the performance of our employees annually and such performance appraisals would be taken into account to facilitate the granting of bonuses, salary increments and promotion.

Remuneration and benefits

We generally pay our employees a fixed salary and a performance based bonus. Our drivers are paid a basic salary in addition to transportation and parking allowances, trip incentives in accordance with the number of trips made in a given month, morning incentives in accordance with the number of trips made in the early morning, extra incentives for not taking medical leaves and double incentives for working during public holidays. For foreign workers, we provide medical insurance coverage, accommodation and air-tickets for them to return to their place of origin once during each contractual period. Our Directors confirm that we also make the necessary contributions to the Central Provident Fund of Singapore in respect of our employees. Our total staff cost, excluding directors' remuneration, amounted to approximately S$6.7 million, S$7.5 million, S$8.3 million and S$5.4 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively.

INTERNAL CONTROL

In preparation for the Listing, we have engaged an internal control consultant to conduct an evaluation of our internal control systems and to review, amongst others, our management of business operations, finance, human resource and IT risks and review and follow up the effectiveness of our enhanced internal control measures. The initial review was completed on 27 April 2018.

Based on the internal control consultant's review and recommendations, we have adopted measures and policies to improve its internal control systems and to ensure its compliance with the applicable laws and regulations in Singapore. In addition, we have also established and implemented the following on-going process for identifying, evaluating and managing the significant risks faced by us:

i. our Board will set up and review business objective, strategy and plan on an annual basis;

ii. risk identification and assessments are undertaken throughout the year and will be reviewed and monitored by our management and Audit Committee; and

iii. independent assessment procedures on the effectiveness of our strategies will be formally developed, and carried out regularly by senior management annually.

The internal control consultant conducted and completed their follow up review on 1 June 2018 and they have not identified any material deficiencies over our internal control mechanism.

Taking into account the fact that (i) no findings of material deficiencies in our internal control system were identified by the internal control consultant; and (ii) we have properly implemented the enhanced internal control measures and policies as recommended by the internal control consultant, our Directors are of the view that we have taken reasonable steps to establish an internal control system and procedures to enhance our control on both working and management levels. The Sponsor has reviewed the internal control and follow-up reports prepared by the internal control consultant, discussed with the internal control consultant on the design effectiveness of the enhanced internal control measures and concurred with the Directors' view that our enhanced internal control measures and policies could sufficiently and effectively ensure that we have a proper internal control system in place.

During the Track Record Period, our fleet was involved in certain motor accidents. In order to prevent the recurrence of such motor accidents, the Group has implemented the following enhanced internal control measures:

- On top of possessing the required licenses before being authorized to operate the Group's vehicles, drivers are required to take relevant courses to further enhance their operating competency as well as familiarizing themselves with safe driving rules;

- Drivers are provided with a drivers' handbook comprising details such as drivers' responsibilities, safety protocols, helpline & key company contact, procedures in case of accidents and daily vehicle checklist etc. We will conduct onboarding programs and refresher trainings to ensure that drivers are familiar with the stipulations within the drivers' handbook;

- The Group has a strict routine servicing and maintenance regime put in place by the operations team to ensure that vehicles are in tip top operating condition which minimizes the risk of mechanical failure related accidents. All vehicles are subjected to daily mechanical check-ups to ensure that all faults and safety concerns are rectified before being allowed on the roads; and

- The operations director constantly reminds and instils in drivers the importance of safety on an ongoing basis.

RISK MANAGEMENT

In the course of conducting our business, we are exposed to various types of risks, including market risks, operational risks, and regulatory risks, the details of which have been disclosed under the sections headed "Risk Factors" and "Financial Information — Financial risks" in this prospectus.

We have established a set of risk management measures to identify, evaluate and manage risk arising from our Group's operations. The following table sets out some of the primary risks our Group faces that may materially and adversely affect our Group's business, financial condition and results of operation and our risk management measures:

Risks	Risk management measures
Risk of increase in diesel prices and labour cost	It is expected that the risk would be mitigated by passing on the cost to our customers as we adopt the following measures for each of our service segments:

Risks	Risk management measures
	– for our trucking services, we review our price list and will amend the price list as needed; – for our freight forwarding services, we price our services on a cost-plus basis; and – for our value added transport services, we review the logistics service agreements and will amend the schedule of rates as needed
Risk of shortage of foreign workers	To ensure that we are able to maintain a steady pool of foreign workers, we offer our foreign workers competitive compensation packages. We also intend to increase our headcount of local Singaporean employees in order to increase our quota to hire more foreign workers to assume various positions of our Group, including transportation (drivers) and yard operators.
Risk of unsatisfactory performance or unavailability of our suppliers	We maintain a list of internally approved supplier list which is reviewed annually and approved by our Directors. The evaluation criteria of the list include (i) responsiveness and turnaround time of the supplier; (ii) pricing (with attached quotation); (iii) quality of product and/or service provided by the supplier; (iv) the supplier's credibility and market reputation; and (v) the paid-up capital of the supplier.
Risk of accidents during the transportation process	Please refer to the paragraph headed "Environmental protection, health and work safety" in this section for information on our traffic accident policy and safety courses for drivers.
Risk in relation to collection of trade receivables	We have a credit policy in place which is summarised below. Finance personnel may recommend that credit terms granted to an existing customer be reviewed, based on length of relationship, payment history, frequency of transactions, transaction sizes, upon approval by the Director. Customer service staff will discontinue services to customers who have exceeded their credit limits, unless approved by the Director.

Risks	Risk management measures
	Taking into consideration the payment history, frequency and size of transactions, and feedback from customer service, our finance staff will recommend amendments to the credit limits where necessary. For new customers, our finance staff will propose that credit terms be granted to all new customers based on their understanding of the customer and transaction size. The chief financial officer is responsible for monitoring accounts receivables. For overdue amounts, we may secure payment by, among others, engaging a debt collector, negotiating and implementing payment plan arrangements. The collectability of trade receivables is reviewed on a yearly basis.
Risk in relation to any services we provide to certain countries that are, or become subject to, sanctions administered by the United States, the European Union, the United Nations, Australia and other relevant sanctions authorities	We maintain a list of countries that are sanctioned by the United States, the European Union, the United Nations, Australia and other relevant sanctions authorities. The list is reviewed by our chief financial officer on an ongoing basis and any updates will be disseminated to relevant employees. We have established a legal compliance committee responsible for, among other things, monitoring our exposure to sanctions risks and our implementation of the related internal control procedures. The legal compliance committee will meet on a quarterly basis to discuss compliance activities and to monitor our exposure to sanctions risks (if any). The legal compliance committee will periodically review our internal control policies and procedures with respect to sanctions matters. As and when the risk management committee considers necessary, we will retain external international legal counsel with necessary expertise and experience in sanctions matters for recommendations and advice. We will conduct due diligence on new customers where the results will be documented and reviewed and approved by our chief financial officer.

Risks	Risk management measures
	Where non-compliances occur, an investigation committee will be formed to investigate the non-compliances.

QUALITY CONTROL

We consider that the ability to maintain the quality of our logistics services is crucial to the long-term growth and counts this ability as one of our competitive advantages.

Our quality control policy mainly includes the following processes:

(i) Pre-trip commencement vehicle inspection

Before our drivers commence their first trip each day, they are required to perform a routine check on their vehicle. We have provided them with a vehicle checklist which they are required to complete satisfactorily before using the vehicle. The purpose of the checklist is to ensure that all vehicles in our fleet are in a roadworthy condition such that our drivers can operate in a safe working environment.

(ii) Regular vehicle inspection

To ensure vehicular safety, we have implemented a regular vehicle maintenance regime for our vehicles. All vehicles in our fleet are subject to regular inspection as regulated by the Land and Transport Authority (LTA) with the view that vehicles which are not roadworthy can be a potential hazard to other road users and that regular inspections help to minimise vehicular breakdowns and road accidents. We have spent approximately S$1.1 million, S$1.2 million, S$1.3 million and S$0.7 million on vehicle maintenance for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively.

(iii) Vehicle selection

The selection of the brand and model of vehicles to purchase is important as it impacts upon our ability to deliver reliable trucking services to our customers. We will typically take into consideration factors such as the vehicle's capacity, reliability, diesel consumption, cost of spare parts and road worthiness. All these factors will affect the our ability to provide reliable trucking services to the customers in a timely manner and concurrently provide a safe working environment for our drivers.

ENVIRONMENTAL PROTECTION, HEALTH AND WORK SAFETY

Due to the nature of our business, we do not directly generate industrial pollutants and did not incur any cost of compliance with applicable environmental protection rules and regulations during the Track Record Period. During the Track Record Period and as at the Latest Practicable Date, we did not have any material non-compliance issues in respect of any applicable laws and regulations on environmental protection.

The Euro VI emission standard for new diesel vehicles has come into force in Singapore from 1 January 2018. As part of the National Environment Agency's continued effort to further improve air quality and safeguard public health in Singapore, this latest and more stringent standard will serve to further reduce the emission of air pollutants such as fine particulate matter and nitrogen oxides emission from diesel vehicles. Singapore requires that new diesel vehicles registered on or after 1 January 2018 comply with the Euro VI emission standard. Existing diesel vehicles registered before 1 January 2018 are not affected and are not required to comply with this Euro VI emission standard. As advised by our Singapore Legal Advisers, according to the National Environmental Agency of Singapore, every motor vehicle being driven in Singapore, when using diesel, must only use Euro V diesel that conforms with the standards prescribed in the regulations. Moreover, all vehicles are required to undergo inspections regularly to meet roadworthiness and emission standards. The frequency of such inspection depends on the type and age of the vehicles. The inspection officers would then advise on any changes needed for the relevant vehicle, including any required changes to comply with emission standards if necessary.

As at the Latest Practicable Date, the Group has a total of 56 prime movers and three flat vans. According to the Singapore Legal Advisers, 49 of the prime movers and the three flat vans were registered before 1 January 2018 and are therefore not required to comply with the Euro VI emission standard in relation to diesel vehicles registered on or after 1 January 2018. Nevertheless, such prime movers and flat vans comply with their corresponding emission standards in limiting emissions and reducing air pollution and such prime movers and flat vans had always been approved for usage by the inspection officers. The remaining seven of the prime movers were purchased in the years 2018 and 2019 and were registered after 1 January 2018, hence are required to, and do comply with Euro VI emission standard in relation to diesel vehicles registered on or after 1 January 2018.

As part of our fleet expansion plan, our Group intends to purchase more environmentally-friendly vehicles by purchasing prime movers which comply with Euro VI emission standard. Further details on our vehicle expansion plan can be found in the section headed "Future Plans and Use of Proceeds — Use of proceeds" in this prospectus. As for our existing prime movers and flat vans registered before 1 January 2018, according to our Directors, we have no plans to update or change them to newer models which comply with the Euro VI emission standard.

Given the following: (i) our existing prime movers and flat vans registered before 1 January 2018 are only required to, and do comply with their corresponding emission standards; (ii) our prime movers purchased in the years 2018 and 2019 and registered on or after 1 January 2018 are required to, and do comply with Euro VI emission standard; and (iii) during the Track Record Period and as at the Latest Practicable Date, the Company had been sending its prime movers and flat vans for regular inspections and according to our Directors, such prime movers and flat vans had always been approved for usage by the inspection officers, our Directors take the view that there has been no bearing on our environmental, social and corporate governance reporting requirements.

We have established procedures to ensure that all our staff are provided with a safe and healthy working environment by setting out a series of work safety rules in the staff manual for our staff to follow. In addition, we provide new employees with an employee handbook which allows them to be familiarised with the working environment and enhance their awareness of safety issues.

We have a traffic accident policy and procedure in-place to ensure that all drivers and relevant departments are aware of the actions required in the event the drivers in our vehicles are involved in an accident. The following are the procedures that our drivers have been instructed to adhere to, in the event of a traffic accident:

(i) in the event of a breakdown, the driver is to move the vehicle to a safe location whenever possible;

(ii) driver is to stay with the vehicle until road service arrives to ensure there is no tampering with the container in the trailer if loaded container;

(iii) driver is to call the office to report the break-down;

(iv) if there is any damage to the loaded container, the office will arrange another prime mover to collect the container so that the content of the container can be inspected for quality issue;

(v) in the event of a minor accident, the driver is to exchange vehicle registration details and contact number; and

(vi) in the event of major or life-threatening accidents, the driver is to call the police and ambulance for assistance and a police report and insurance report must be made.

As our drivers are responsible for operating heavy vehicles like the prime movers and machineries such as reach stackers and forklifts, we require all drivers to attend relevant safety courses. We also have standards of practice in place which are to be followed by all of our drivers. Our customers and suppliers may also conduct their own safety courses for our drivers who operate within their premises. For example, the port operator conducts regular training courses to train new drivers so they would be able to manoeuvre the prime movers safely inside the port.

Hygienic working environment

In view of the outbreak of COVID-19 in Singapore, our Group has adopted certain measures in February 2020 and we also follow the guidelines provided by the Ministry of Health to protect our staff from the outbreaks of infectious diseases.

Pursuant to our measures adopted in light of the outbreak of COVID-19, our staff shall take all practicable steps in our workplace to maintain a hygienic working environment in the interest of all personnel who may be present including our employees, drivers, customers, suppliers and members of the public. Our management have decided to impose the following preventive measures:

- Temperature screening for our staff and visitors

- Hand sanitising

- Personal protection control (respiratory protection such as wearing face masks, etc.)

- Staff control (Work from home policy and contact tracing for our employees, etc.)

Accordingly, all staff including our transportation (drivers) are required to familiarise themselves with the above preventive measures. We will provide training to our staff on the proper use of the personal protective equipment and we will check whether such equipment are functional, clean and that our staff are using them correctly.

CORPORATE GOVERNANCE MEASURES

We recognise the value and importance of achieving high corporate governance standards to enhance corporate performance, transparency and accountability, earning the confidence of shareholders and the public. In order to comply with the requirements under the Listing Rules, in particular, the code provisions contained in the corporate governance code and corporate governance report as set out in Appendix 23 (the "**Code**") of the Listing Rules, we have adopted the following measures as at the Latest Practicable Date:

(i) we have established the audit committee, remuneration committee and nomination committee with respective written terms of reference in accordance with the code provisions contained in the Code. The section headed "Directors and Senior Management" in this prospectus set out further information;

(ii) our Board has adopted the terms of reference with regard to corporate governance and a shareholders' communication policy in accordance with the code provisions of the Code;

(iii) we have appointed three independent non-executive Directors representing more than one third of the Board and at least one of them has accounting expertise;

(iv) our Directors will operate in accordance with the Articles which, unless otherwise provided in the Articles, require an interested Director not to vote (nor be counted in the quorum) on any resolution of our Board approving any contract or arrangement or other proposal in which he/she or any of his/her close associates is materially interested;

(v) pursuant to the Code, our Directors, including our independent non-executive Directors, will be able to seek independent professional advice from external parties in appropriate circumstances at our cost;

(vi) our Company will consider engaging an independent internal control consultant to perform regular review on corporate governance to ensure on-going compliance after Listing; and

(vii) our Directors will attend professional development seminar including the corporate governance to ensure on-going compliance after Listing.

LITIGATION AND COMPLIANCE

During the Track Record Period and up to the Latest Practicable Date, there are four (4) outstanding cases filed on 23 August 2019, 20 February 2020, 12 August 2020 and 27 November 2020 against the Group and employees of the Group for motor accident negligence of the motorist as liquidated claims for an estimated sum of S$69,276.79 and unliquidated claims for a sum of S$4,430.91 with cost and damages to be assessed (the "**Claim**"). As advised and confirmed by our Singapore Legal Advisers, the Claim falls within the coverage of insurance policies maintained by Rejoice at the time of the incident and barring any unforeseen circumstances, Rejoice will not be liable in respect of the Claim.

Save as disclosed above, during the Track Record Period and up to the Latest Practicable Date, we had not been involved in any litigation, claim, administrative action or arbitration or pending or threatened litigation, claim, administrative action or arbitration which had or would have a material adverse effect on our operations or financial condition.

As advised by our Singapore Legal Advisers, our Directors confirm that we were in compliance with all material applicable laws and regulations which are relevant to our business during the Track Record Period and up to the Latest Practicable Date.

BUSINESS ACTIVITIES IN COUNTRIES SUBJECT TO INTERNATIONAL SANCTIONS

During the Track Record Period, we provided certain services in relation to shipments of goods on behalf of our customers to or from Countries subject to International Sanctions. These included Iran and Syria, which are subject to comprehensive sanctions, and Sudan, which was comprehensively sanctioned until 12 October 2017. In addition, we provided these services on behalf of our customers to or from the Balkans, Belarus, Democratic Republic of Congo, Cote D'Ivoire (Ivory Coast), Egypt, Guinea, Haiti, Iraq, Lebanon, Myanmar, Russia, Slovenia, Ukraine and Zimbabwe, which are subject to more targeted sanctions programs. Russia in particular has been subject to a variety of additional sanctions measures since its actions in Crimea were deemed to be illegal by the governments of many Western countries and various governmental organizations, including additional sanctions measures adopted by the United States in 2018 and 2019. The United States government continues to consider implementing increased sanctions targeting Russia. Further, Russia has annexed the region of Crimea, and considers it to be a part of the Russian Federation. The Crimea region is subject to comprehensive international sanctions. During the Track Record Period, whilst we did provide services related to each of Russia and Ukraine, we did not provide any services which related to the region of Crimea. During the Track Record Period, revenue generated from services relating to the Countries subject to International Sanctions was approximately, S$0.2 million, S$0.3 million, S$0.2 million and S$0.1 million for each of the three years ended 31 December 2019 and eight months ended 31 August 2020, representing approximately 0.5%, 0.6%, 0.6% and 0.4% of our total revenue during the same period.

Hogan Lovells, our International Sanctions Legal Advisers, performed the following procedures to evaluate our risk of exposure to penalties imposed under International Sanctions laws and regulations:

(a) reviewed documents provided by us about our Group, our business operations, revenues, contracts and customer lists in respect of deliveries to or from the Balkans, Belarus, Democratic Republic of Congo, Cote D'Ivoire (Ivory Coast), Egypt, Guinea, Haiti, Iran, Iraq, Lebanon, Myanmar, Russia, Sudan, Syria, Ukraine and Zimbabwe.

(b) reviewed our list of customers who used our freight forwarding services for deliveries to or from the Balkans, Belarus, Democratic Republic of Congo, Cote D'Ivoire (Ivory Coast), Egypt, Guinea, Haiti, Iran, Iraq, Lebanon, Myanmar, Russia, Sudan, Syria, Ukraine and Zimbabwe during the Track Record Period against the lists of persons and organisations subject to International Sanctions, and confirmed that they are not on such lists;

(c) received written confirmation from us that except as otherwise disclosed in this prospectus, neither our Group nor any of our affiliates (including any representative office, branch, subsidiary or other entity which forms part of our Group) conducted during the Track Record Period any business dealings in or with any other countries or persons that are subject to International Sanctions; and

(d) received confirmation from us that 1) in respect of deliveries of goods from Countries subject to International Sanctions, our Company's involvement was limited to assisting in the customs clearance of such goods in Singapore, and if requested by our customers, onward delivery of such goods to customers within Singapore; 2) in respect of deliveries of goods to Countries subject to International Sanctions, our Company's involvement was limited to either arranging for delivery of goods to the port of unloading, or engaging third party agents to deliver the goods to the port of unloading on the client's behalf; and 3) in respect of payments related Iran, Syria and Sudan, payments related to Iran and Syria were not made in US dollars, and a single payment related to Sudan were made in US dollars in 2018, after the OFAC restrictions were lifted.

As advised by our International Sanctions Legal Advisers after performing the procedures and receiving the factual confirmations set out above, our activities during the Track Record Period do not implicate restrictions under International Sanctions. Further, given the scope of our Share Offer and the expected use of proceeds as set out in this prospectus, our International Sanctions Legal Advisers are of the view that the involvement by parties in the Share Offer will not implicate any applicable International Sanctions on such parties, including our Company, our Company's investors, shareholders, the Stock Exchange and its listing committee and group companies, or any person involved in the Share Offer and accordingly, the sanction risk exposure to our Company, our investors and shareholders, and persons who might, directly or indirectly, be involved in permitting the listing, trading and clearing of our Company's shares (including the Stock Exchange, its listing committee and related group companies) is very low.

Our Directors confirm that we have not been notified of that any International Sanctions will be imposed on us for our deliveries to the Countries subject to International Sanctions during the Track Record Period. The customers who used our freight forwarding services to deliver goods to or from the Balkans, Belarus, Democratic Republic of Congo, Cote D'Ivoire (Ivory Coast), Egypt, Guinea, Haiti, Iran, Iraq, Lebanon, Myanmar, Russia, Sudan, Syria, Ukraine and Zimbabwe are not identified on the Specially Designated Nationals and Blocked Persons List maintained by OFAC or other restricted parties lists maintained by the European Union, Australia and the United Nations and therefore would not be deemed as sanctioned targets. Such deliveries do not involve industries or sectors that are currently subject to International Sanctions and therefore are not deemed to be prohibited activities under the relevant International Sanctions. Our Company's activities in respect of arranging deliveries to or from Iran, Syria and Sudan are also not restricted by OFAC's comprehensive sanctions due to the limited scope of activities actually conducted by our Company that did not involve any US nexus.

Our undertakings and internal control procedures

We have undertaken to the Stock Exchange that we will not use the proceeds from the Share Offer, as well as any other funds raised through the Stock Exchange, to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, any Countries subject to International Sanctions or any other government, individual or entity sanctioned by the U.S., the European Union, the United Nations or Australia, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions.

In addition, we have undertaken not to enter into any future business that would cause us, the Stock Exchange, HKSCC, HKSCC Nominees or our Shareholders and investors to violate or become a target of sanctions laws by the U.S., the European Union, the United Nations or Australia. We will also disclose on the respective websites of the Stock Exchange and our Group if we believe that the transactions our Group entered into in Countries subject to International Sanctions or with Sanctioned Persons would put our Group or our Shareholders and investors to risks of being sanctioned, and in our annual reports or interim reports our efforts on monitoring our business exposure to sanctions risk, the status of future business, if any, in Countries subject to International Sanctions and with Sanctioned Persons and our business intention relating to Countries subject to International Sanctions and with Sanctioned Persons. If we were in breach of such undertakings to the Stock Exchange, we would be subject to the risk of possible delisting of our Shares on the Stock Exchange.

We have adopted know your client and other internal control and risk management measures to help us continuously monitor and evaluate our business and take measures to protect the interest of our Group and our Shareholders from economic sanctions risks. The following measures have been implemented as at the Latest Practicable Date:

- we have set up and maintained a separate bank account, which is designated for the sole purpose of the deposit and deployment of the proceeds from the Share Offer or any other funds raised through the Stock Exchange;

- to further enhance our existing internal risk management functions, our Board has established a risk and compliance committee. The members of such committee comprise of the following: Mr. Ng, our chairman, chief executive officer, executive Director and one of our Controlling Shareholders, Mr. KH Ng, our executive Director, Mr. Yuen Jia Feng, Leonard, our chief financial officer and members of the Audit Committee, namely, Mr. Yeo Teck Chuan, Mr. Ho Wing Sum and Mr. Wong Kwun Ho, and their responsibilities include, among other things, monitoring our exposure to sanctions risks and our implementation of the related internal control procedures. Our risk and compliance committee will meet on a quarterly basis to discuss compliance activities and monitor our exposure to sanctions risks;

- we will evaluate the sanctions risks prior to determining whether we should embark on any business opportunities in Countries subject to International Sanctions and with Sanctioned Persons. According to our internal control procedures, our customer service officer will need to review all relevant business transaction documentation from customers or potential customers from Countries subject to International Sanctions and with Sanctioned Persons. In particular, the customer service officer will review the information (such as identity and nature of business as well as its ownership) relating to the counterparty to the contract along with the draft business transaction documentation. The customer service officer will check the counterparty against the various lists of restricted parties and countries maintained by the U.S., the EU, UN or Australia, including, without limitation, any government, individual or entity that is the subject of any OFAC-administered sanctions which lists are publicly available, and determine whether the counterparty is, or is owned or controlled by, a person located in Countries subject to International Sanctions or a Sanctioned Person. The completed checks will be documented and forwarded to the risk and compliance committee for review and approval. If any potential sanctions risk is identified, we will seek advice from reputable external international legal counsel with necessary expertise and experience in International Sanctions matters;

- our Directors will continuously monitor the use of proceeds from the Share Offer, as well as any other funds raised through the Stock Exchange, to ensure that such funds will not be used to finance or facilitate, directly or indirectly, activities or business with, or for the benefit of, Countries subject to International Sanctions or Sanctioned Persons where this would be in breach of International Sanctions;

- the risk and compliance committee will periodically review our internal control policies and procedures with respect to sanctions matters. As and when the risk and compliance committee considers necessary, we will retain external international legal counsel with necessary expertise and experience in sanctions matters for recommendations and advice; and

- if necessary, external international legal counsel will provide training programs relating to the sanctions to our Directors, our senior management and other relevant personnel to assist them in evaluating the potential sanctions risks in our daily operations. Our external international legal counsel will provide current list of Countries subject to International Sanctions and Sanctioned Persons to our Directors, senior management and other relevant personnel, who will in turn disseminate such information throughout our domestic operations and overseas offices and branches.

Our International Sanctions Legal Advisers have reviewed and evaluated these internal control measures and are of the view that these measures are adequate and effective for the Company to comply with our undertaking to the Stock Exchange.

Having taken the above advice of our International Sanctions Legal Advisers into account, our Directors are of the view that our measures provide a reasonably adequate and effective internal control framework to assist us in identifying and monitoring any material risk relating to sanctions laws so as to protect the interests of our Shareholders and us. After undertaking the relevant due diligence, and subject to the full implementation and enforcement of such measures, the Sponsor is of the view that these measures will provide a reasonably adequate and effective internal control framework to assist the Company in identifying and monitoring any material risk relating to sanction laws.

Subject to our strict adherence to the internal control measures that we have implemented, including the active involvement of our risk and compliance committee, we intend to continue our international business transactions in the countries where we have operated during the Track Record Period, including but not limited to Countries subject to International Sanctions, provided that we will not deal with, directly or indirectly, any individuals, entities or organizations that are designated on the SDN List or similar lists maintained by the European Union, Australia and the United Nations or relating to comprehensive sanctioned countries, namely Crimea, Cuba, Iran, North Korea and Syria.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Our Board consists of five Directors, of whom two are executive Directors and three are independent non-executive Directors. The powers and duties of our Board include convening general meetings and reporting our Board's work at our Shareholders' meetings, determining our business and investment plans, preparing our annual financial budgets and final reports, formulating proposals for profit distributions as well as exercising other powers, functions and duties as conferred by our Memorandum and Articles of Association. We have entered into a service contract with each of our executive Directors and a letter of appointment with each of our independent non-executive Directors. Our Directors are supported by our senior management in the day-to-day management. Our Board is responsible and has general powers for the management and conduct of our business. The following table sets out certain information in respect of our Directors:-

Name	Age	Date of joining our Group	Present position(s)	Principal responsibilities	Date of appointment as Director	Relationship with other Directors or senior management
Mr. Ng Choon Eng (黃春興)	57	1 March 1995	Chairman, Executive Director and Chief Executive Officer	Responsible for the management and formulating the overall strategic direction of our Group	20 June 2018	Father of Mr. Ng Kong Hock
Mr. Ng Kong Hock (黃康福)	28	30 September 2015	Executive Director	Responsible for the management and formulating the overall strategic direction of the Group; serving as member of the nomination committee and remuneration committee	20 June 2018	Son of Mr. Ng Choon Eng
Mr. Yeo Teck Chuan (楊德泉)	52	18 December 2020	Independent non-executive Director	Providing independent advice to the Board; serving as Chairman of the audit committee, member of the nomination committee and remuneration committee	18 December 2020	N/A

Name	Age	Date of joining our Group	Present position(s)	Principal responsibilities	Date of appointment as Director	Relationship with other Directors or senior management
Mr. Wong Kwun Ho (黃冠豪)	36	18 December 2020	Independent non-executive Director	Providing independent advice to the Board; serving as Chairman of the nomination committee, member of the audit committee and remuneration committee	18 December 2020	N/A
Mr. Ho Wing Sum (何永深)	37	18 December 2020	Independent non-executive Director	Providing independent advice to the Board; serving as Chairman of the remuneration committee, member of the audit committee and the nomination committee	18 December 2020	N/A

Our senior management is responsible for the day-to-day management of our business. The following table sets out certain information in respect of our senior management members:-

Name	Age	Date of joining our Group	Present position(s)	Principal responsibilities	Date of appointment	Relationship with other Directors or senior management
Mr. Koh Char Boh . .	64	1 March 1995	Chief Operating Officer	Operations and driver management of our Company	6 July 2018	N/A
Mr. Stephen Yeo Teck Nan (楊得男) . . .	40	22 March 2013	Chief Marketing Officer	Strategic direction, operations, sales and customer service of our Company	6 July 2018	N/A
Mr. Yuen Jia Feng, Leonard (Yuan Jiafeng) (袁家澧) .	33	3 January 2018	Chief Financial Officer	Overseeing and managing the financial matters of our Group	3 January 2018	N/A

Executive Directors

Mr. Ng Choon Eng (黃春興), aged 57, is our chairman, chief executive officer, executive Director, one of our Controlling Shareholders and the father of Mr. KH Ng. Mr. Ng is primarily responsible for management and formulating the overall strategic direction of our Group. He joined our Group in 1 March 1995. Mr. Ng has more than 36 years of experience in the logistics industry particularly in the area of trucking, freight forwarding and value added transport services. Prior to joining our Group, he worked as a wharf clerk with Lotango Forwarders (Pte) Ltd from 1983 to 1987, an assistant operation manager with Huk Seng Container Pte Ltd from 1987 to 1991, and an assistant operations manager with SH Cogent Logistics Pte Ltd from 1991 to 1995, a company which engaged in logistics business, and was responsible for container trucking operations.

Mr. Ng was a director and shareholder of the following private companies (the "**Relevant Companies**") incorporated in Singapore prior to their respective strike off/application for strike off.

Name of company	Principal business activity immediately before strike off/application for strike off	Date of strike off/application for strike off	Status	Reasons for strike off
1st Transport Alliance Pte. Ltd.	Transportation support activities; and container services (excluding rental of containers)	10 October 2017	Struck off	Cessation of operation
Reliance Freight Forwarding Pte. Ltd.	Value added logistics providers; and general warehousing	1 February 2008	Struck off	Cessation of operation
Republic Logistic Services Pte. Ltd.	Freight transport by road; and freight forwarding, packing and crating services	12 May 2015	Struck off	Cessation of operation
Republic Shipping Line Pte. Ltd.	Freight forwarding, packing and crating services; and general warehousing	10 February 2012	Struck off	Cessation of operation
Rider Services Pte. Ltd.	Repair and maintenance of motor vehicles (including installation of parts & accessories)	7 June 2013	Struck off	Cessation of operation
RST Logistics Pte. Ltd.	Freight forwarding, packing and crating services; and general warehousing	6 November 2017	Struck off	Cessation of operation
Rejoice Logistics Services Pte. Ltd.	Freight forwarding, packing and crating services; and freight transport by road	8 October 2018	Struck off	Cessation of operation
R&G Shipping Pte. Ltd.	Freight forwarding, packing and crating services and general warehousing	6 May 2019	Struck off	Cessation of operation

Mr. Ng has confirmed that (i) the strike off of each of the Relevant Companies was a commercial decision and was not related to winding up by creditors or indebtedness of its accounts. Each of Relevant Companies struck off or applied to be struck off during the Track Record Period did not form the subject of any material non-compliance incidents, claims, litigations or legal proceedings during the Track Record Period and up to the Latest Practicable Date. Each of the Relevant Companies was solvent prior to their respective date of strike off/application for strike off; and (ii) there was no wrongful action or omission on his part leading to the strike off of each of the Relevant Companies and that his involvement in each of the Relevant Companies was in relation to his appointment as director or shareholder and that no misconduct or misfeasance on his part had been involved in the strike off.

Mr. Ng Kong Hock (黃康福), aged 28, is our executive Director and the son of Mr. Ng. Mr. KH Ng is primarily responsible for management and formulating the overall strategic direction of our Group. He joined our Group on 30 September 2015. Mr. KH Ng has more than four years of experience in the logistics industry particularly in the area of trucking, freight forwarding and value added transport services. Prior to joining our Group, he worked as an inventory supervisor at Bollore Logistics (Singapore) Pte Ltd from November 2014 to February 2016. Mr. KH Ng obtained a diploma in logistics management and diploma plus certificate in international freight forwarding & eLogistics in Ngee Ann Polytechnic in Singapore in May 2012.

Independent non-executive Directors

Mr. Yeo Teck Chuan (楊德泉), aged 52, is our independent non-executive Director. He joined our Group on 18 December 2020. He has more than 28 years of experience in accounting, auditing and financial management. Prior to joining our Group, from June 1992 to January 1995, he worked as an auditor at Pricewaterhouse. He worked for Arthur Andersen as an audit manager in Beijing from January 1995 to December 1998 and in Singapore from January 1999 to July 2002. From July 2002 to March 2007, he was the financial service director for South and South East Asia for BOC Asia Limited (Singapore). From July 2007 to May 2015, he worked at Deloitte Touche Tohmatsu and his last position was audit partner. From May 2015 to October 2017, he worked as an audit partner at Shanghai branch of Rui Hua Certified Public Accountants LLP. He worked as a managing director of Laos Rui Hua CPA Co., Ltd. from December 2016 to August 2019. He was a managing director of Beijing Quan Rui Certified Public Accountants LLP from October 2017 to July 2018. He has been a legal representative of Nanchang Yeo Seng Heng Financial Advisory Co. Ltd since August 2015. From July 2018, he has joined SBA Stone Forest Corporate Advisory (Shanghai) Co., Ltd as an advisory partner. He obtained a bachelor degree of accountancy from Nanyang Technological University in Singapore with second class honours (upper division) in May 1992 and has been a certified internal auditor awarded by The Institute of Internal Auditors and a chartered accountant of Singapore admitted by Institute of Singapore Chartered Accountants since May 2005 and July 2013 respectively. He has been emplaced in the ASEAN chartered professional accountant in Singapore since May 2017.

Mr. Wong Kwun Ho (黃冠豪), aged 36, is our independent non-executive Director. He joined our Group on 18 December 2020. Mr. Wong has more than 11 years of experience in financial management and public offering transactions. Prior to joining our Group, from September 2008, he was an associate in the Assurance Department at PricewaterhouseCoopers and was promoted to the position of senior associate in October 2010. He left PricewaterhouseCoopers in May 2011. From August 2011 to September 2013, Mr. Wong worked as assistant manager (corporate finance) at Fortune Financial Capital Limited, a subsidiary of China Fortune Financial Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 290). During the period from September 2013 to April 2017, Mr. Wong had been working in Guotai Junan (Hong Kong) Limited (corporate finance) at Guotai Junan Capital Limited, a subsidiary of Guotai Junan International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1788) and his last position was assistant vice president in the corporate finance department. From April 2017 to December 2017, he worked as vice president (corporate finance) at CCB International Capital Limited, a subsidiary of China Construction Bank, a company listed on the Main Board of the Stock Exchange (stock code: 939). Mr. Wong worked as an associate director (corporate finance) at Zhongtai International Management Limited from January 2018 to December 2018. Mr. Wong has been appointed as an executive director at Zhongtai International Management Limited since January 2019. Mr. Wong was the independent non-executive director of Ascent International Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 264), from August 2018 to September 2019. Mr. Wong has been appointed as the independent non-executive director of Contel Technology Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1912) with effect from June 2019. Mr. Wong is a licensed representative to carry on Type 1 (dealings in securities) and a responsible officer of Type 6 (advising on corporate finance) regulated activities under the SFO.

Mr. Wong obtained a bachelor degree in Business Administration from The City University of Hong Kong in November 2008. He became a member of the Hong Kong Institute of Certified Public Accountants in February 2012.

Mr. Ho Wing Sum (何永深), aged 37, is our independent non-executive Director. He joined our Group on 18 December 2020. Mr. Ho has more than 11 years of experience in account and client management. Prior to joining our Group, from March 2004 to August 2006, he worked as an assistant accountant at Cheng & Cheng Limited. From August 2006 to October 2011, he worked as an assurance associate of Marcum Bernstein & Pinchuk LLP. From February 2012 to present, he has been the director of OnPoint Business Solutions Limited. From June 2014 to December 2018, he was the general manager of Lacubus CPA. From September 2014 and October 2017 to present, he has been the director of Unique Corporate Services Limited and the general manager of Unique & Partners CPA respectively. Since October 2018, Mr. Ho has been the director of Plutus AF Limited. In addition, Mr. Ho has been the director of Insight Power Investments Limited since January 2019. Mr. Ho has been the director of Wang Fu Consultant Company Limited since June 2020. Since July 2020, Mr. Ho has been the director of 88M Global Limited and Jupica Limited.

Mr. Ho obtained a bachelor degree in accounting from Napier University in January 2008 in Edinburgh, United Kingdom. He has been a certified public accountant recognised by Delaware Board of Accountancy since November 2011.

Mr. Ho was a director of the following companies incorporated in Hong Kong, which were dissolved, the details of which are as follows:

Name of company	Principal business activity immediately before dissolution	Nature of proceedings	Date of dissolution	Reason for dissolution
Leo Wong Dental Care Limited	Has never commenced business	Deregistration *(Note)*	26 May 2017	Dormant
Golden International Immigration Consultants Limited . .	Provision of business consultation services	Deregistration *(Note)*	18 April 2019	Cessation of business

Note:

Under section 750 of the Companies Ordinance, an application for deregistration can only be made if: (a) all members of the company agree to such deregistration; (b) the company has not commenced operation or business, or has not been in operation or carried on business during the three months immediately before the application; (c) such company has no outstanding liabilities; (d) such company is not a party to any legal proceedings; (e) such company's assets do not consist of any immovable property situate in Hong Kong; and (f) if such company is a holding company, none of its subsidiary's assets consist of any immovable property situate in Hong Kong.

Mr. Ho confirms that, to the best of his knowledge: (a) each of the dissolved companies was solvent and had no outstanding claims or liabilities immediately prior to and at the time of its dissolution; (b) there was no fraudulent or wrongful act or misfeasance on his part leading to the dissolution of the companies; (c) he was not aware of any actual or potential claim that has been or will be made against him as a result of dissolution of the companies; and (d) each of the dissolved companies was not involved in any material non-compliance incidents, disputes or litigations during the time he was a director of the company.

Save as disclosed above and elsewhere in this prospectus, as at the Latest Practicable Date, each of our Directors confirmed with respect to himself that: (i) he did not hold any other directorships in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years prior to the Latest Practicable Date; (ii) he did not hold any other positions in our Company or other members of our Group; (iii) he is independent from and not related to any of our Directors, senior management, substantial shareholder or Controlling Shareholders; (iv) save as disclosed in "Appendix VI — Statutory and General Information — C. Further information about substantial shareholders, directors and experts" to this prospectus, he does not have any interests in the Shares within the meaning of Part XV of the SFO; and (v) he does not have any interests in any business apart from business of our Group which competes or is likely to compete, either directly or indirectly, with the business of our Group which is discloseable under Rule 8.10 of the Listing Rules.

Save as disclosed above and elsewhere in this prospectus, 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 paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules as at the Latest Practicable Date.

Senior Management

Mr. Koh Char Boh, aged 64, is the chief operating officer of our Group. He is primarily responsible for the operations and driver management of our Group. He joined our Group on 1 March 1995. Mr. Koh has more than 26 years of experience in the logistics industry. Prior to joining our Group, he worked as a supervisor at SH Cogent Logistics Pte Ltd, a company which engages in logistics business from 1993 to 1997, and was responsible for supervising its container trucking operations. Mr. Koh obtained a diploma from Singapore Technical Institute in Singapore in 1974.

Mr. Stephen Yeo Teck Nan (楊得男), aged 40, is the chief marketing officer of our Group. He is primarily responsible for strategic direction, sales, and financial and performance review of our Group. He joined our Group on 22 March 2013. He has more than 15 years of experience in the logistics industry. Prior to joining our Group, he worked as an operations executive in Vanguard Logistics Services (S) Pte Limited from August 2004 to February 2006. He worked as a sales consultant in Atlantic Forwarding from April 2006 to December 2006. He worked as a sales executive and assistant sales manager in AGI Logistics (S) Pte Limited from 2007 to 2010. From 2010 to 2013, he worked as a business development manager of ASM logistics (S) Pte Limited and a sales director of Triton Multimodal Logistics Co., Ltd. He obtained a Diploma in Commerce (Logistics and Supply Chain Management) from Kaplan Higher Education Institute in Singapore in February 2016.

Mr. Yuen Jia Feng, Leonard (Yuan Jiafeng) (袁家灃), aged 33, is the chief financial officer of our Group. He is primarily responsible for overseeing and managing the financial matters of our Group. He joined our Group on 3 January 2018. Prior to joining our Group, he worked as an audit associate and senior audit associate in BDO LLP from 1 August 2012 to 4 March 2014. From November 2014 to November 2017, he worked in Deloitte & Touche LLP and his last position was audit assistant manager.

Mr. Yuen obtained a diploma in biomedical sciences from the Republic Polytechnic in Singapore in March 2007, and a bachelor degree in commerce from The University of Newcastle, Australia in September 2011. He has been a member of CPA Australia since June 2017 and Institute of Singapore Chartered Accountants since February 2019.

Save as disclosed above, none of our members of senior management has any relationship with any other Director, member of senior management, substantial Shareholder or Controlling Shareholder of our Company, and none of our member of senior management has held any directorship in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

COMPANY SECRETARY

Mr. Man Yun Wah (文潤華), aged 37, was appointed as the company secretary of our Company on 16 July 2018. Mr. Man is an ordinarily resident in Hong Kong. Mr. Man has more than 11 years of experience in corporate secretarial and management. From August 2008 to July 2015, he worked in Dominic K.F. Chan & Co. where he was responsible for handling company secretarial matters and his last position was principal of corporate services. Since July 2015, he has been appointed as a director and head of Company Secretary Division of RHT Corporate Advisory (HK) Limited, a company which provides company secretarial services. He is responsible for assisting listed companies in professional company secretarial work.

Mr. Man graduated from the University of Huddersfield in England with a Bachelor of Arts in business administration and management by distance learning in March 2010 and he further obtained a degree of Master of Corporate Governance (part time) from the Open University of Hong Kong in November 2014. He has been an associate member of The Hong Kong Institute of Chartered Secretaries since March 2015.

Mr. Man has not been a director of any publicly listed company in the three years immediately preceding the Latest Practicable Date.

BOARD COMMITTEES

We have established the following committees in our Board, of which the operation is in accordance with terms of reference established by our Board:

Audit committee

We established an audit committee on 18 December 2020 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the audit committee are to, among other things, review and approve our Group's financial reporting process and internal control and risk management system, oversee our audit process and perform other duties and responsibilities as assigned by our Board. The audit committee consists of three independent non-executive Directors, being Mr. Yeo Teck Chuan, Mr. Ho Wing Sum and Mr. Wong Kwun Ho. Mr. Yeo Teck Chuan, who holds the appropriate professional qualification as required under Rules 3.10 (2) and 3.21 of the Listing Rules, is the chairman of the audit committee.

Remuneration committee

We established a remuneration committee on 18 December 2020 with written terms of reference in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to, among other things, formulate our remuneration policy, review and determine the terms of remuneration packages of our Directors and senior management and review and approve performance-based remuneration with reference to our corporate goals and objectives resolved by our Board from time to time. The remuneration committee consists of three independent non-executive Directors and one executive Director, being Mr. Ho Wing Sum, Mr. Yeo Teck Chuan, Mr. Wong Kwun Ho and Mr. Ng Kong Hock. Mr. Ho Wing Sum is the chairman of the remuneration committee.

Nomination committee

We established a nomination committee on 18 December 2020 with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee are to annually review the structure, size and composition of the Board on a regular basis; identify individuals suitably qualified to become Board members; assess the independence of independent non-executive Directors; and make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors. The nomination committee consists of three independent non-executive Directors and one executive Director, being Mr. Wong Kwun Ho, Mr. Ho Wing Sum, Mr. Yeo Teck Chuan and Mr. Ng Kong Hock. Mr. Wong Kwun Ho is the chairman of the nomination committee.

CORPORATE GOVERNANCE

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, we will comply with the code provisions set out in the Corporate Governance Code as set out in Appendix 14 to the Listing Rules after the Listing.

Our Company has adopted the code provisions stated in the Corporate Governance Code. Our Company is committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board, which can effectively exercise independent judgment.

Mr. Ng is currently performing the roles of Chairman of the Board and chief executive officer of our Company. Under code provision A.2.1 of the Corporate Governance Code, the roles of Chairman and chief executive officer should not be performed by the same individual. Taking into account Mr. Ng has been operating and managing our Group since 1995, our Board believes that it is in the best interest of our Group to have Mr. Ng taking up both roles for effective management and business development. Therefore, our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance. In order to maintain good corporate governance and fully comply with such code provision, our Board will regularly review the need to appoint different individuals to perform the roles of Chairman and chief executive officer separately.

Our Directors are aware that upon Listing, we are expected to comply with such code provision. Any such deviation shall however be carefully considered, and the reasons for such deviation shall be given in the interim report and the annual report in respect of the relevant period. We are committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders as a whole. Save as disclosed in the above, we will comply with the code provisions set out in the Corporate Governance Code after the Listing.

Our Company has 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 Company's business and development. Pursuant to our board diversity policy, selection of Board candidates will be based on a number of objective factors, including gender, age, cultural and educational background or professional skills and experience. In forming its perspective on diversity, our Company took into account factors based on our business model and specific needs from time to time. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. Our nomination committee will disclose the composition of the Board annually in the corporate governance report and monitor the implementation of the board diversity policy by regularly reviewing the board diversity policy and assessing its effectiveness, and where necessary, make any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

Our Board consists of two executive Directors and three independent non-executive Directors with diverse backgrounds in terms of ages, nationalities, education, professional experience and other attributes. Our Directors have a balanced mix of experiences, including but not limited to experiences in logistics, accounting, audit, financial management, corporate finance and client management. Our Company is of the view that the existing independent non-executive Directors have sufficient diversity in terms of expertise and experience to allow them to discharge their responsibilities effectively and have the relevant logistics industry experience. Mr. Yeo Teck Chuan is a chartered accountant in Singapore and currently a partner of an advisory firm and has extensive experience in accounting, auditing and financial management. He was an audit partner in-charge of engagement for several logistics and shipping companies in the PRC and a managing director of accounting firms. Mr. Wong Kwun Ho is a licensed representative to carry on Type 1 (dealings in securities) and a responsible officer of Type 6 (advising on corporate finance) regulated activities under the SFO and has substantial experience in financial management and public offering transactions. He gained the logistics industry experience through his involvement in a listing project in which the listing applicant carried on the freight forwarding business. Mr. Ho Wing Sum is a certified public accountant recognised by Delaware Board of Accountancy and is a director or general manager of a group of companies engaging in accounting and corporate services and has substantial experience in account and client management. Mr. Ho obtained an in depth understanding of internal control and logistics procedures of a company in his previous audit engagement. In addition, our Board members have a wide range of age, ranging from 28 years old to 57 years old. Taking into account our Company's business model and the backgrounds and abilities of our Directors, the composition of the Board satisfies the board diversity policy, despite the lack of gender diversity.

We recognise that gender diversity at the Board level can be improved given its current composition of all-male Directors. We will strive to take steps to promote gender diversity at all levels of our Company and ensure that gender diversity is achieved.

To enhance our corporate governance by promoting gender diversity at the Board, our Company has set out the following targets and policies:

- Our nomination committee will use its best efforts, within three years from the Listing Date, to identify and recommend suitable female candidates to our Board for its consideration. Our Board will use its best efforts to appoint at least one female member on and achieve not less than 10% female representation in our Board by the end of 2023, subject to our Directors (i) being satisfied with the competence and experience of the relevant candidate after a reasonable review process based on reasonable criteria; and (ii) fulfilling their fiduciary duties to act in the best interest of the Company and the Shareholders as a whole when making the relevant appointment(s).

- Upon the Listing, our Company is committed to provide career development opportunities for female staff and ensure that there is gender diversity when recruiting staff at mid to senior levels so that our Company will have a pipeline of female senior management in future. Our Group will emphasise on training senior female staff who have long and relevant experience in our business, including but not limited to logistics and financial management. Our Directors believe that this policy will provide the required manpower resources to better achieve gender diversity in our Board.

By utilising the Directors' extensive experience in their respective fields, as mentioned above, our Directors will be able to assist with important management matters and oversee business execution. Our Company endeavours to ensure that our Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of our business strategy and to maximise our Board's effectiveness. In view of the above, our Company's corporate governance practices have complied with the Corporate Governance Code in terms of the requirement of the diversity of the Board to ensure there are sufficient checks and balances in place.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Our Directors receive remuneration in the form of director fees, discretionary bonuses, and/or other benefits in kind. Our Group regularly reviews and determines the remuneration and compensation packages of our Directors and senior management by reference to, among others, market level of remuneration paid by comparable companies and their respective performance, duties and competence.

After the Listing, the remuneration packages of our executive Directors, independent non-executive Directors and senior management will be linked more closely to the performance of our Group and the return to its Shareholders.

The aggregate amount of remuneration paid by us to our Directors (including fees, discretionary bonuses, housing and other allowances and other benefits in kind) for the three years ended 31 December 2019 and eight months ended 31 August 2020 were S$804,750, S$843,770, S$916,600 and S$599,850 respectively. Further information on the remuneration of each Director during the Track Record Period is set out in Note 12 of the Accountants' Report of our Company as set out in Appendix I to this prospectus.

The aggregate amount of remuneration paid by us to the five highest paid individuals excluded the Directors of our Company (including fees, discretionary bonuses, housing and other allowances and other benefits in kind) for the three years ended 31 December 2019 and eight months ended 31 August 2020 were S$534,574, S$598,589, S$621,902 and S$381,262 respectively.

No remuneration has been paid to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office during the Track Record Period. Further, none of our Directors had waived any remuneration during the same period.

Our Company has conditionally adopted the Share Award Scheme as a share incentive scheme on 18 December 2020. For a summary of the principal terms of the Share Award Scheme, please refer to the sections headed "Statutory and General Information — D. Adoption of Share Award Scheme" in Appendix VI to this prospectus.

COMPLIANCE ADVISER

In accordance with Rule 3A.19 of the Listing Rules, we have appointed Ample Capital Limited as our compliance adviser, who will have access to all relevant records and information relating to us as it may reasonably require to properly perform its duties. Pursuant to Rule 3A.23 of the Listing Rules, the compliance adviser will advise us on the following circumstances:

(1) before the publication of any announcements, circulars or financial reports;

(2) where a transaction, which might be a notifiable transaction or connected transaction as defined in Chapters 14 and 14A of the Listing Rules, is contemplated, including share issues and share repurchases;

(3) where we propose to use the proceeds of the Share Offer in a manner different from that detailed in this prospectus or if our Company's business activities, developments or results deviate from any forecast, estimate or other information in this prospectus; and

(4) if the Stock Exchange makes an inquiry of our Company under Rule 13.10 of the Listing Rules.

The term of the appointment shall commence on the Listing Date and end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

OVERVIEW

Immediately following completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the grant of Shares under the Share Award Scheme), Mirana Holdings will be beneficially interested in approximately 75% of the issued Shares. Mirana Holdings is wholly-owned by Mr. Ng. As (i) Mirana Holdings is entitled to exercise 30% or more of the voting power at general meetings of our Company; and (ii) Mr. Ng is entitled to, through Mirana Holdings, control the exercise of 30% or more of the voting power at general meeting of our Company. Both Mirana Holdings and Mr. Ng are regarded as our Controlling Shareholders for the purpose of the Listing Rules.

OUR BUSINESS

As at the Latest Practicable Date, our Group principally engages in providing trucking, freight forwarding and value added transport services in Singapore. For further details of our principal business, please see the section headed "Business" in this prospectus.

During the Track Record Period, save as disclosed in this prospectus, our Directors confirmed that our Group did not have any business dealings with the companies associated with or controlled by our Controlling Shareholders and there was no overlapping of business between our Group and our Controlling Shareholders and their respective close associates.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Having considered the following factors, our Directors believe that our Group is capable of carrying on our Group's business independently from our Controlling Shareholders and their close associates after the Share Offer.

Management and administrative independence

The Board consists of five Directors, of whom two are executive Directors, and the remaining three are independent non-executive Directors. Mr. Ng, the executive Director, chairman, chief executive officer and one of our Controlling Shareholders is also the sole director of Mirana Holdings. Each of our Directors is aware of his fiduciary duties as a Director which require, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interest. 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 meetings of the Board in respect of such transactions and shall not be counted in the quorum.

The three independent non-executive Directors will also bring independent judgement to the decision-making process of the Board. Senior management of our Company have undertaken supervisory responsibilities in the business of our Group. The responsibilities of the senior management team of our Company include dealing with operational and financial matters, making general capital expenditure decisions and the daily implementation of the business strategy of our Group. This ensures the independence of the daily management and operations of our Group. Further details of our Directors and senior management are set out in the section headed "Directors and Senior Management" in this prospectus.

Operational independence

Our Group has established our own organisational structure made of individual departments, each with specific areas of responsibilities. We have a clear business delineation with our Controlling Shareholders and save for the transactions as set out in the section headed "Connected Transactions" in this prospectus, as at the Latest Practicable Date, our Group did not share any operational resources, such as office premises, sales and marketing and general administration resources with our Controlling Shareholders and their respective close associates.

During the Track Record Period, our Group entered into certain transactions with companies controlled by our Controlling Shareholders. For further details, please refer to the section "Financial Information — Related Party Transactions" and Note 35 of the Accountants' Report set out in Appendix I to this prospectus. Our Directors (including our independent non-executive Directors) have confirmed that these related party transactions have been entered into in the ordinary and usual course of our business and are based on arm's length negotiation and on normal commercial terms that are in the interests of our Group and our Shareholders as a whole. Save as disclosed in the section headed "Connected Transactions" in this prospectus, none of the historical related party transactions with the connected persons as defined in the Listing Rules are expected to continue after the Listing.

Our Group has also established a set of internal control measures to facilitate the effective operations of its business. Our Group's customers and suppliers (save as those disclosed in the sections headed "Connected Transactions" and "Financial Information — Related Party Transactions" in this prospectus) are all independent from our Controlling Shareholders. Our Group does not rely on our Controlling Shareholders or their respective close associates and have its independent access to customers and suppliers. Our Directors consider that our operations do not depend on our Controlling Shareholders because our Group will not be relying on any guarantee provided by any of our Controlling Shareholders in respect of bank borrowings nor have our Group given any guarantee for the benefit of any of our Controlling Shareholders upon the Listing. On the basis of the matters disclosed above, our Directors believe that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective close associates.

Financial independence

Our Company has an independent financial system and accounting functions and makes financial decisions independently according to our Group's own business needs. Our Directors confirm that all guarantees provided by the Mr. Ng will be released and replaced by our guarantee or collateral upon the Listing. Our Directors believe that our Group is capable of obtaining financing from Independent Third Parties, if necessary, without reliance on our Controlling Shareholders after the Listing. Therefore, our Group will be financially independent from our Controlling Shareholders after the Listing.

RULE 8.10 OF THE LISTING RULES

The 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, or may compete, directly or indirectly, with our Group's business which requires disclosure under Rule 8.10 of the Listing Rules.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that he/it fully comprehends his/its obligations to act in the best interests of our Company and its Shareholders as a whole. To avoid potential conflicts of interest, our Group will implement the following measures:

(a) 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 Controlling Shareholders (or their associates), the interested Directors shall abstain from voting at the relevant Board meeting and shall not be counted in the quorum;

(b) the Board is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board which can effectively exercise independent judgement. Our Company has appointed three independent non-executive Directors. Our Directors believe that our independent non-executive Directors are of sufficient calibre, are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide impartial and professional advice to protect the interests of the minority Shareholders. Details of our independent non-executive Directors are set out in the section "Directors and Senior Management" in this prospectus;

(c) our Company has appointed Ample Capital Limited as the compliance adviser, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to directors' duties and internal controls. Please refer to the section "Directors and Senior Management — Compliance Adviser" in this prospectus for details in relation to the appointment of compliance adviser; and

(d) our Controlling Shareholders undertake to provide all information requested by our Group which is necessary for the annual review by our independent non-executive Directors.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Our Group has entered into the following transactions with its connected persons which are expected to continue after the Listing and which will, upon the Listing, constitute continuing connected transactions under Chapter 14A of the Listing Rules. These transactions when aggregated are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. Repair and maintenance services for some of our fleet of vehicles provided by R&S Engineering Works Pte. Ltd. ("**R&S**") to our Group

2. Supply of tyres and tyre installation services for our fleet of vehicles provided by JH Tyres & Batteries Pte. Ltd. ("**JH Tyres**") to our Group

PARTICULARS OF THE NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. Repair and maintenance services for some of our fleet of vehicles provided by R&S to our Group

Details of Connected Person

R&S is a company incorporated in Singapore on 17 April 2012 with limited liability and principally engages in the repair and maintenance of motor vehicles. R&S is owned as to 60% by Mr. Ng, one of our Controlling Shareholders, chairman, the chief executive officer and executive Director. As such, R&S is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions with R&S constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon the Listing.

Principal Terms

Pursuant to a master services agreement dated 18 December 2020 (the "**R&S Master Services Agreement**") entered into between our Group as purchaser and R&S as service provider, our Group agreed to purchase and R&S agreed to supply repair and maintenance services and other related services for some of our fleet of vehicles (the "**Repair Services**").

The R&S Master Services Agreement is for a term commencing from the Listing Date to 31 December 2022 unless terminated by our Group or R&S by giving to the other party by not less than three months' prior notice in writing and subject to termination provisions therein. The consideration of the transactions will be determined based on normal commercial terms agreed after arm's length negotiations between the parties with reference to the prevailing comparable service fee. Furthermore, the parties shall review and negotiate the service fees from time to time as a result of prevailing market rates of comparable nature and scale, which should be in any event no less favourable to our Group than is available to Independent Third Parties. Detailed descriptions of the services and other terms will be made in separate sub-agreement(s) (the "**R&S Sub-agreements**") to be entered into by the parties pursuant to the R&S Master Services Agreement.

Historical Transaction Amounts and Proposed Annual Caps

During the Track Record Period, R&S provided repair and maintenance services for some of our fleet of vehicles. The transaction amount between our Group to R&S for their services were approximately S$439,000, S$493,000, S$616,000 and S$389,000 for the three years ended 31 December 2019 and eight months ended 31 August 2020, respectively.

The pricing of the repair and maintenance for some of our fleet of vehicles is determined after negotiation on an arm's length basis and with reference to the prevailing market price of similar services. It is proposed that the annual caps for the services under the R&S Master Services Agreement shall not exceed the amount of S$640,000, S$690,000 and S$750,000 for the three years ending 31 December 2022, which is determined based on (i) historical transactions between our Group and R&S; (ii) the expected growing number of our fleet of vehicles; (iii) repairs and maintenance tend to be higher for older vehicles; and (iv) older vehicles tend to breakdown more often.

Pricing Policy

The service fees payable by our Group to R&S under the R&S Master Services Agreement (and the R&S Sub-agreements) will be determined after arm's length negotiation between the parties thereto with reference to the prevailing market price of similar services and scale, which should be in any event no less favourable to our Group than is available to Independent Third Parties. In order to ensure that the service fees we paid for the Repair Services are fair and reasonable and in line with market practices, we will keep ourselves abreast of the prevailing fee level in the market and the market conditions and obtain quotations from different potential vendors.

The entering into of the R&S Sub-agreements under the R&S Master Services Agreement shall be overseen by our senior management, and shall be approved by our Board pursuant to our policy on related party transaction. Upon the Listing, we shall adopt similar policy on connected transactions in accordance with the Listing Rules. As such, our Directors are of the view that there are adequate internal controls in place to ensure the entering into of the R&S Sub-agreements with terms and conditions in line with those of the R&S Master Services Agreement.

Our independent non-executive Directors and auditors will conduct annual review of our transactions under the R&S Master Services Agreement (including the fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the pricing policy.

A reliable supplier of repair and maintenance services for some of our fleet of vehicles is vital to avoid any disruption of our Group's services.

B. Supply of tyres and tyre installation services for our fleet of vehicles provided by JH Tyres to our Group

Details of Connected Person

JH Tyres is a company incorporated in Singapore with limited liability on 10 May 2011 and principally engages in distribution of tyres and accessories for vehicles. JH Tyres is owned as to 70% by Mr. Ng, one of our Controlling Shareholders, the chairman, chief executive officer and executive Director. As such, JH Tyres is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions with JH Tyres constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules upon the Listing.

Principal Terms

Pursuant to the master services agreement dated 18 December 2020 (the "**JH Master Services Agreement**") entered into between our Group as purchaser and JH Tyres as service provider, our Group agreed to purchase and JH Tyres agreed to supply tyres and provide tyre installation services and other related services for our fleet of vehicles (the "**Tyre Services**").

The JH Master Services Agreement is for a term commencing from the Listing Date to 31 December 2022 unless terminated by our Group or JH Tyres by giving to the other party by not less than three months' prior notice in writing and subject to termination provisions therein. The consideration of the transactions will be determined based on normal commercial terms agreed after arm's length negotiations between the parties with reference to the prevailing comparable service fee. Furthermore, the parties shall review and negotiate the service fees from time to time as a result of prevailing market rates of comparable nature and scale, which should be in any event no less favourable to our Group than is available to Independent Third Parties. Detailed descriptions of the supply and services and other terms will be made in separate agreement(s) (the "**JH Sub-agreements**") to be entered into by the parties pursuant to the JH Master Services Agreement.

Historical Transaction Amounts and Proposed Annual Caps

During the Track Record Period, JH Tyres supplied tyres and provided tyre installation services for our fleet of vehicles. The transaction amount between our Group to JH Tyres for their products and services were approximately S$415,000, S$437,000, S$434,000 and S$239,000 for the three years ended 31 December 2019 and eight months ended 31 August 2020, respectively.

The pricing of the supply of tyres and tyre installation services is determined after negotiation on an arm's length basis and with reference to the prevailing market price of similar products and services. It is proposed that the annual caps for the products and services under the JH Master Services Agreement shall not exceed the amount of S$660,000, S$710,000 and S$770,000 for the three years ending 31 December 2022, which is determined based on (i) historical transactions between our Group and JH Tyres; and (ii) the expected growing number of our fleet of vehicles.

Pricing policy

The consideration payable by our Group to JH Tyres under the JH Master Services Agreement (and the JH Sub-agreements) will be determined after arm's length negotiation between the parties thereto with reference to the prevailing market price of similar services and scale, which should be in any event no less favourable to our Group than is available to Independent Third Parties. In order to ensure that the fees we paid for the Tyre Services are fair and reasonable and in line with market practices, we will keep ourselves abreast of the prevailing fee level in the market and the market conditions and obtain quotations from different potential vendors.

The entering into of the JH Sub-agreements under the JH Master Services Agreement shall be overseen by our senior management, and shall be approved by our Board pursuant to our policy on related party transaction. Upon the Listing, we shall adopt similar policy on connected transactions in accordance with the Listing Rules. As such, our Directors are of the view that there are adequate internal controls in place to ensure the entering into of the JH Sub-agreements with terms and conditions in line with those of the JH Master Services Agreement.

Our independent non-executive Directors and auditors will conduct annual review of our transactions under the JH Master Services Agreement (including the fees charged in respect of the transactions) and provide annual confirmations in accordance with the Listing Rules that the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the pricing policy.

C. Reasons for and benefits of the transactions under the R&S Master Services Agreement and the JH Master Services Agreement

In light of the growing number of our fleet of vehicles owned by our Group, a reliable supplier of repair and maintenance services for some of our fleet of vehicles is vital to avoid any disruption of the Group's services. Also, in light of the growing number of our fleet of vehicles owned by our Group and the wear and tear nature of tyres from general usage, a reliable supplier of tyres and provision of tyre installation services for our fleet of vehicles is vital to avoid any disruption of the Group's services. R&S and JH Tyres have established a great foundation for mutual trust with the Group, and priority is also given to the Group in terms of availability of their staff and stock of specific tyres used by our fleet of vehicles. Hence, R&S and JH Tyres can provide their products and/or services to our Group with less communication costs and higher efficiency as the Group frequently needs these materials and services on an urgent basis.

LISTING RULES IMPLICATIONS ON THE AGGREGATION OF TRANSACTIONS UNDER RULES 14A.81 AND 14A.82

R&S and JH Tyres are owned as to 60% and 70% by Mr. Ng respectively, our Controlling Shareholder, the chairman and executive director and the transactions entered into by the Group with both R&S and JH Tyres (the "**Aggregated Transactions**") involve the supply of products and/or services to the Group. Therefore, the transactions with both R&S and JH Tyres shall be aggregated as if they were one transaction. The Aggregated Transactions are made in the ordinary and usual course of our business and on normal commercial terms and the relevant percentage ratios of the aggregated transaction value on an annual basis exceed 0.1% but are less than 5% and the annual aggregated transaction value for the Aggregated Transactions is more than HK$3.0 million. Accordingly, the Aggregated Transactions are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

WAIVER FROM STRICT COMPLIANCE WITH THE LISTING RULES

Pursuant to Rule 14A.105 of the Listing Rules, the Aggregated Transactions require reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver pursuant to Rule 14A.105 of the Listing Rules to exempt each of the R&S Master Services Agreement and the JH Master Services Agreement and the transactions contemplated thereunder from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules, subject to (i) our Directors' undertaking that we will comply the applicable requirements under Chapter 14A of the Listing Rules during the term of each of the R&S Master Services Agreement and the JH Master Services Agreement; and (ii) the aggregate value of each of the continuing connected transactions described above for each financial year ending 31 December 2022 not exceeding the relevant caps set forth above.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including the independent non-executive Directors) are of the view that (i) the Aggregated Transactions as contemplated in the R&S Master Services Agreement and the JH Master Services Agreement have been entered into in the ordinary and usual course of business of our Group, and are based on arm's length negotiations and on normal commercial terms or better from the perspective of our Group which are fair and reasonable and in the interests of our Group and our Shareholders as a whole; and (ii) the annual caps as set out above are fair and reasonable and in the interests of our Shareholders and our Group as a whole.

CONFIRMATION FROM THE SPONSOR

The Sponsor is of the view that (i) the Aggregated Transactions, the R&S Master Services Agreement and the JH Master Services Agreement have been entered into in the ordinary and usual course of business of our Group, and are based on arm's length negotiations and on normal commercial terms or better from the perspective of our Group which are fair and reasonable and in the interests of our Shareholders and our Group as a whole; and (ii) the annual caps as set out above are fair and reasonable and in the interests of our Shareholders and our Group as a whole.

EXEMPT CONTINUING CONNECTED TRANSACTIONS

During the Track Record Period, our Group has entered into below transactions with our connected persons in our ordinary and usual course of business, which are expected to continue after the Listing and which will, upon the Listing, constitute continuing connected transactions but will be exempt from the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules based on their transaction amounts. Set out below is a summary of these fully-exempt continuing connected transactions:

1. Employment contracts with certain connected persons with Mr. Ng (other than Mr. KH Ng) (the "**Connected Employees**")

2. Trucking and freight forwarding services provided by our Group to JH Tyres

3. Trucking and value added transport services provided by our Group to R&S

PARTICULARS OF THE EXEMPT CONTINUING CONNECTED TRANSACTIONS

A. Employment contracts with Connected Employees

Description of transaction

In addition to our Directors, our Group employs certain Connected Employees who holds various positions in our Group's departments. Each of these Connected Employees has entered into written employment contract with our Group. It is also expected that these Connected Employees will continue to be employed by our Group following the Listing.

Historical Transaction Amounts

The aggregate remuneration paid to our Connected Employees during the Track Record Period is set out as follows:

	For the Year ended 31 December			For the eight months ended 31 August
	2017	**2018**	**2019**	**2020**
	(S$)	*(S$)*	*(S$)*	*(S$)*
Aggregate remuneration paid to Connected Employees *(Note)*	245,600	218,555	200,935	146,871

Note : The Connected Employees are Ms. Liyani (spouse of Mr. Ng), Ms. Yvonne Ng (daughter of Mr. Ng), Mr. Ng Cheng Huat (brother of Mr. Ng), Mr. Ng Choon Huat (brother of Mr. Ng), Ms. Ng Ah Whatt (sister of Mr. Ng), Ms. Ng Ah Eng (sister of Mr. Ng), Mr. Kan Kwok Onn (brother-in-law of Mr. Ng), Ms. Ng Lay Hiang (sister-in-law of Mr. Ng) and Mr. Ng Cheng Hai (cousin of Mr. Ng). Other than Ms. Liyani who is a core connected person of Mr. Ng, the other Connected Employees are associates of Mr. Ng under the Listing Rules.

The remuneration paid to each Connected Employee was commensurate with his or her experience and position and did not exceed S$85,000 each year during the Track Record Period.

B. Trucking and freight forwarding services provided by our Group to JH Tyres

During the Track Record Period, our Group provided trucking and freight forwarding services to JH Tyres. The transaction amount between our Group by JH Tyres for our services were approximately S$17,000, S$17,000, S$25,000 and S$13,000 for the three years ended 31 December 2019 and eight months ended 31 August 2020 respectively.

The pricing of the trucking and freight forwarding services is determined after negotiation on an arm's length basis and with reference to the prevailing market price of similar services.

C. Trucking and value added transport services provided by our Group to R&S

During the Track Record Period, our Group provided trucking and value added transport services to R&S. The transaction amounts between our Group by R&S for our services were approximately S$8,000, S$8,000, S$9,000 and S$5,000 for the three years ended 31 December 2019 and eight months ended 31 August 2020 respectively.

The pricing of the trucking and value added transport services is determined after negotiation on an arm's length basis and with reference to the prevailing market price of similar services.

D. Listing Rules Implications

Since the annual remuneration expected to be paid to each Connected Employee is less than HK$3,000,000 and the applicable percentage ratios (other than the profits ratio) are less than 5%, each of these transactions constitute fully exempt continuing connected transactions pursuant to Rule 14A.76(1) of the Listing Rules.

Since fee for the trucking and freight forwarding services and value added transport service expected to be paid by JH Tyres and R&S respectively to our Group is less than HK$3,000,000 and the applicable percentage ratios (other than the profits ratio) are less than 5%, these transactions constitute fully exempt continuing connected transactions pursuant to Rule 14A.76(1) of the Listing Rules.

Our Directors (including the independent non-executive Directors) are of the view that the annual remuneration expected to be paid to each Connected Employee, the trucking and freight forwarding services and trucking and value added transport services have been entered into in the ordinary and usual course of business of our Group, and are based on arm's length negotiations and on normal commercial terms or better from the perspective of our Group which are fair and reasonable and in the interests of our Group and our Shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares which may be allotted and issued under the Over-allotment Option and the grant of Shares under the Share Award Scheme), the following persons will have interests or short positions in our Shares or underlying Shares which would fall to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be 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:

Our Company

		As at the date of this prospectus		Immediately after completion of the Share Offer and the Capitalisation Issue	
Name	**Capacity/ Nature of interest**	**Number of Shares held/ interested in**	**Percentage of shareholding**	**Number of Shares held/ interested in**	**Approximate percentage of shareholding**
Mirana Holdings *(Note 1)*	Beneficial owner	78,125,000	100%	937,500,000	75%
Mr. Ng *(Notes 1 & 2)*	Interest in controlled corporation	78,125,000	100%	937,500,000	75%
Ms. Liyani *(Note 2)*	Interest of Spouse	78,125,000	100%	937,500,000	75%

Notes:

1. These Shares were held by Mirana Holdings which is wholly-owned by Mr. Ng. Therefore, Mr. Ng is deemed, or taken to be interested in all the Shares held by Mirana Holdings for the purposes of the SFO. Mr. Ng is the sole director of Mirana Holdings.
2. Ms. Liyani is the spouse of Mr. Ng. Accordingly Ms. Liyani is deemed, or taken to be, interested in all the Shares in which Mr. Ng is interested for the purpose of the SFO.

Save as disclosed in the table above, we are not aware of any other person who will, immediately following the completion of the Share Offer and the Capitalisation Issue (taking no account of any Shares which may be allotted and issued under the Over-allotment Option and the grant of Shares under the Share Award Scheme), have an interest or a short position in our Shares or the underlying Shares which will fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or will be 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.

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 after completion of the Share Offer and the Capitalisation Issue (without taking into account any Shares to be issued upon exercise of the Over-allotment Option or pursuant to the grant of Shares under the Share Award Scheme):-

Authorised share capital

		HK$
2,000,000,000	Shares of par value of HK$0.01 each	20,000,000

Issued and to be issued, fully paid or credited as fully paid upon completion of the Share Offer and the Capitalisation Issue

		HK$
78,125,000	Shares in issue as of the date of this prospectus	781,250
937,500,000	Shares to be issued pursuant to the Capitalisation Issue	9,375,000
234,375,000	New Shares to be issued pursuant to the Share Offer	2,343,750
1,250,000,000	Shares in total	12,500,000

Assuming the Over-allotment Option is exercised in full and without taking into account any Shares which may be issued pursuant to the grant of Shares under the Share Award Scheme, our issued share capital immediately following the Share Offer and the Capitalisation Issue will be as follows:

Authorised share capital

2,000,000,000	Shares of par value of HK$0.01 each	20,000,000

Issued and to be issued, fully paid or credited as fully paid upon completion of the Share Offer and the Capitalisation Issue

78,125,000	Shares in issue as of the date of this prospectus	781,250
937,500,000	Shares to be issued pursuant to the Capitalisation Issue	9,375,000
234,375,000	New Shares to be issued pursuant to the Share Offer	2,343,750
46,875,000	Shares to be issued upon exercise of the Over-allotment Option in full	468,750
1,296,875,000		12,968,750

Assumptions

The above table assumes that the Share Offer becomes unconditional and the issue of Offer Shares pursuant thereto is made as described herein. It does not take into account: (i) any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option; (ii) any Shares which may be issued pursuant to the grant of Shares under the Share Award Scheme; (iii) any Shares which may be allotted and issued pursuant to the general mandate as mentioned in "General mandate to issue Shares" in this section below; or (iv) any Shares which may be repurchased by our Company pursuant to the repurchase mandate as mentioned in "General mandate to repurchase Shares" in this section below.

RANKING

The Offer Shares will be ordinary shares in the share capital of our Company and will rank *pari passu* in all respects with all of the 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 declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus save for the entitlement under the Capitalisation Issue.

CAPITALISATION ISSUE

Pursuant to the written resolutions of our Shareholders passed on 18 December 2020 and subject to the conditions set out therein, our Directors were authorised to allot and issue a total of 937,500,000 Shares credited as fully paid at par to the sole Shareholder whose name appears on the register of members of our Company at close of business on 18 December 2020, such Shares to be allotted and issued, as nearly as can be without involving any fractions, by way of capitalisation of the sum of HK$9,375,000 standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued under this resolution shall rank *pari passu* in all respects with the existing issued Shares. For further details, please see "Appendix VI — Statutory and General Information — A. Further information about our Company — 3. Written resolutions of our sole Shareholder passed on 18 December 2020" to this prospectus.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 8.08(1) of the Listing Rules, at the time of the Listing and at all times thereafter, our Company must maintain the minimum prescribed percentage of 25% of our Company's issued share capital in the hands of the public (as defined in the Listing Rules).

GENERAL MANDATE TO ISSUE SHARES

Assuming the Share Offer becomes unconditional, our Directors will be granted a general mandate to allot, issue and deal with Shares not exceeding:-

(a) 20% of the aggregate number of issued Shares of our Company immediately following the completion of the Share Offer and the Capitalisation Issue (without taking into account any Share which may be issued upon exercise of the Over-allotment Option and pursuant to the grant of Shares under the Share Award Scheme); and

(b) the total number of issued Shares repurchased by our Company under the mandate as mentioned in "General mandate to repurchase Shares" in this section below.

The general mandate is in addition to the powers of our Directors to allot, issue or deal with Shares under any rights issue, scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend in accordance with our Articles of Association, or pursuant to the exercise of any subscription rights attached to any warrants which may be issued by us from time to time, or the Capitalisation Issue. The general mandate does not include any Share which may be issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme.

This general mandate to issue Shares will remain in effect until the earliest of:-

(a) the conclusion of the next annual general meeting of our Company;

(b) the expiration of the period within which our Company is required by the Articles or any applicable laws of the Cayman Islands to hold its next annual general meeting; or

(c) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate.

Particulars of this general mandate to allot, issue and deal with Shares are set out in "Appendix VI — Statutory and General Information — A. Further information about our Company — 3. Written resolutions of our sole Shareholder passed on 18 December 2020" to this prospectus.

Our Company has also conditionally adopted the Share Award Scheme on 18 December 2020. A summary of the principal terms of the Share Award Scheme is set forth in the section headed "Statutory and General Information — D. Adoption of Share Award Scheme" in Appendix VI to this prospectus.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions stated in "Structure and Conditions of the Share Offer", our Directors will be granted a general mandate to exercise all our powers to repurchase Shares which represent up to 10% of the aggregate number of issued Shares of our Company immediately following the completion of the Share Offer and the Capitalisation Issue, excluding any Share which may be allotted and issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme.

This general mandate only relates 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), which are made in accordance with all applicable laws and the requirements of the Listing Rules. A summary of the relevant Listing Rules is set out in "Appendix VI — Statutory and General Information — A. Further information about our Company — 6. Repurchases of our Shares by our Company" to this prospectus.

The general mandate to repurchase Shares will remain in effect until the earliest of:-

(1) the conclusion of the next annual general meeting of our Company;

(2) the expiration of the period within which our Company is required by the Articles or any applicable laws of the Cayman Islands to hold its next annual general meeting; or

(3) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate.

CIRCUMSTANCES UNDER WHICH GENERAL MEETING IS REQUIRED

The circumstances under which general meeting is required are provided in the Articles, the summary of which is set out in Appendix V to this prospectus.

You should read the following discussion and analysis in conjunction with our combined financial information set out in the Accountants' Report included as Appendix I to this prospectus and selected historical combined financial data, in each case, together with the accompanying notes thereto included elsewhere in this prospectus. The financial information included in the Accountants' Report has been prepared in accordance with IFRSs.

Our financial information and the discussion and analysis below assume that our current structure had been in existence throughout the Track Record Period. For further information in relation to our Group structure, please refer to the section headed "History, Corporate Development and Reorganisation" in this prospectus. Additionally, the following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our future results may differ materially from information contained in the forward-looking statements as a result of a number of factors, including without limitation, the factors set out in the section headed "Risk Factors" and elsewhere in this prospectus.

Our financial year begins from 1 January and ends on 31 December. Any discrepancies in any table or elsewhere in this prospectus between totals and sums of amounts listed herein are due to rounding.

OVERVIEW

We are a well-established logistics service provider in Singapore offering trucking, freight forwarding and value added transport services to our customers. Trucking services refer to the haulage, primarily containers, between seaports and our customers' designated pick up and/or delivery points. Freight forwarding services refer to the one-stop solution whereby we organise the shipment for customers to get their goods from the origin to the final point of distribution. Value added transport services refer to our open-yard storage services, stuffing and unstuffing services and trucking services for the haulage, primarily containers, between our logistics yard and our customers' designated pick up and/or delivery points.

We recorded revenues of approximately S$36.7 million, S$40.7 million, S$43.7 million and S$26.6 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Revenue from our trucking services were approximately S$19.0 million, S$19.9 million, S$21.8 million and S$14.2 million, representing 51.8%, 49.0%, 50.0% and 53.5% of total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Revenue from our freight forwarding services was approximately S$13.3 million, S$16.6 million, S$17.4 million and S$9.9 million, representing 36.2%, 40.7%, 39.8% and 37.3% of total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Revenue from value added transport services was approximately S$4.4 million, S$4.2 million, S$4.4 million and S$2.4 million, representing 12.0%, 10.3%, 10.2% and 9.2% of total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

Our Group reported profit for the year of approximately S$6.0 million, S$3.6 million, S$6.1 million and S$3.4 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

BASIS OF PRESENTATION

Pursuant to the Reorganisation as more fully explained in the section headed "History, Corporate Development and Reorganisation — Our Reorganisation" in this prospectus, our Company became the holding company of the companies now comprising our Group on 2 April 2018. The companies now comprising our Group were under the common control of Mr. Ng (the "**Controlling Shareholder**") before and after the Reorganisation. Accordingly, for the purpose of this report, the historical financial information has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the Track Record Period.

The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Track Record Period include the results, changes in equity and cash flows of the companies comprising our Group 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, or since their respective date of incorporation, where this is a shorter period. The combined statements of financial position of our Group as at 31 December 2017, 2018, 2019 and 31 August 2020 have been prepared to present the assets and liabilities of the companies comprising our Group as if our Company had always been the holding company of our Group and the current group structure had been in existence at those dates taking into account the respective dates of incorporation, where applicable. No adjustments are made to reflect fair values, or recognise any new assets or liabilities as a result of the Reorganisation.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of our Group are eliminated in full on combination.

The historical financial information has been prepared based on the accounting policies set out in Appendix I which conform with International Financial Reporting Standards ("**IFRSs**") issued by the International Accounting Standards Board ("**IASB**"), the applicable disclosure requirements of the Main Board Listing Rules and the Companies Ordinance.

Our Group has adopted IFRS 9 *Financial Instruments* ("**IFRS 9**"), IFRS 15 *Revenue from Contracts with Customers* ("**IFRS 15**") and IFRS 16 *Leases* ("**IFRS 16**") consistently throughout the Track Record Period, except that the Group adopted (i) IFRS 9 since 1 January 2018 and IAS 39 *Financial Instruments: Recognition and Measurement* ("**IAS 39**") during the year ended 31 December 2017; and (ii) IFRS 16 since 1 January 2019 and IAS 17 *Leases* ("**IAS 17**") for the years ended 31 December 2017 and 2018. The adoption of IFRS 9, IFRS 15 and IFRS 16 did not have significant impact on our Group's financial position and performance throughout the Track Record Period when compared to those that would have been presented under IAS 39, IAS 18 and IAS 17 respectively.

Further details of the basis of preparation and presentation and adoption of new and amendments to IFRSs of our financial information are set out in Notes 2 and 3 of Appendix I to this prospectus.

SIGNIFICANT FACTORS AFFECTING THE RESULTS OF OPERATIONS

Our financial condition and results of operation have been and will continue to be affected by a number of factors, including those factors set out in the section headed "Risk Factors" in this prospectus. In particular:

International Market Demand

As our trucking services, freight forwarding services and value added transport services involve cargo and containers which have arrived from or are to be shipped to overseas destinations, our results of operations are therefore affected by global trade volume and export volume. The global trade volume and export volume are affected by changes or developments in global economic, financial and political conditions. We are also affected by economic cycles and changes in our customers' business cycles. Other extraneous factors, such as impositions of trade restrictions, sanctions, boycotts and other measures, trade disputes, currency appreciation, policy shifts of the relevant government, could adversely affect trade volume and export volume and lead to a material decline in the demand for our services and our results of operations may be adversely affected.

Market Demand in Singapore for logistics services

As a logistics services provider in Singapore, we are primarily engaged in the provision of trucking, freight forwarding and value added transport services to our customers to serve their needs along their respective supply chains. If our customers' sales in Singapore decline, such decline may likely lead to a corresponding decrease in demand for our logistics services. Adverse developments in our customers' business performance or strategies in Singapore could therefore materially and adversely affect our business, financial condition and results of operations.

Fluctuation in cost of services

Our cost of services mainly comprises of (i) staff cost, (ii) port and depot charges, (iii) vehicle cost, (iv) diesel cost, (v) logistics yard cost and (vi) freight forwarding cost. Our staff cost relates to the salaries and wages paid to our drivers and yard employees. Port and depot charges refers to the fees that the port and depot operators charge for the use of port and depot facilities respectively. Vehicle cost relates to the cost of repairing and maintaining our vehicles, vehicle insurance and vehicle depreciation expenses, and vehicle parking and road tax. Diesel cost refers to the cost of diesel and petrol related to the operations of our vehicle fleet. Any significant increase in global diesel prices will result in a direct increase in our operational costs. There can be no assurance that we will be able to pass on the increase in diesel prices to our customers or offset the effects of any future increase in diesel prices. Logistic yard costs refers to the license fees our Group incurred for the use of the logistics yards. Freight forwarding cost refers to the cost of organising the shipment for customers to get their goods from the origin to the final point of distribution. These expenses account for more than 90% of our Group's cost of services and any significant increases in such expenses will have an adverse impact on the financial performance and profitability of our Group.

SIGNIFICANT ACCOUNTING POLICIES, JUDGEMENTS AND ESTIMATES

Details of the principal accounting policies applied in the preparation of our financial information are set out in the Accountants' Report contained in Appendix I to this prospectus.

The preparation of our financial information in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires our management to exercise judgement in the process of applying the accounting policies of our Group. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following paragraphs summarise the critical accounting policies and estimates applied in the preparation of our Group's financial information.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to our Group and when the revenue can be measured reliably. The majority of revenue is derived from the provision of logistics services, such as trucking, freight forwarding and value added transport services of customers' goods.

Revenue from trucking services is recognised at a point in time upon delivering the cargo to the customers' designated delivery point.

Revenue from freight forwarding services is recognised over the period up to the delivering the goods to the customer's designated location.

Revenue from value added transport services is recognised over the respective service period based on the services provided as the customer simultaneously receives and consumes the services provided by our Group over the period.

Property and equipment

Property and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property and equipment less their residual values over their estimated useful lives, using the straight-line method. Property and equipment are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Machineries	—	5 years
Computer and office equipment	—	3-5 years
Leasehold buildings	—	Lease terms of 2-3 years
Leasehold improvement	—	Shorter of 5 years and lease term
Motor vehicles	—	10 years
Furnitures and fittings	—	3-5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property 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 disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

We also consider the following as our critical accounting judgments and estimates, the details of which are set out in Note 4 of Appendix I to this prospectus:

- impairment of financial assets; and
- investment properties.

RESULTS OF OPERATIONS

The following table sets forth our combined statements of profit or loss and other comprehensive income for the periods indicated, as derived from the Accountants' Report in Appendix I to this prospectus.

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Revenue	36,748,483	40,668,274	43,676,296	28,740,016	26,621,674
Cost of services	(23,269,847)	(26,256,898)	(26,633,370)	(17,378,752)	(17,337,871)
Gross profit	13,478,636	14,411,376	17,042,926	11,361,264	9,283,803
Other income	572,443	477,174	425,529	298,673	953,606
Other gains and losses	17,038	(311,952)	(443,702)	(251,020)	147,859
Selling expenses	(121,976)	(72,943)	(64,749)	(44,816)	(37,819)
Administrative expenses	(6,944,740)	(7,307,295)	(8,226,288)	(5,182,177)	(5,292,766)
Finance costs	(60,259)	(42,055)	(140,436)	(65,548)	(157,560)
Listing expenses	—	(2,474,678)	(1,032,245)	(631,764)	(695,417)
Profit before taxation	6,941,142	4,679,627	7,561,035	5,484,612	4,201,706
Income tax expense	(979,879)	(1,063,865)	(1,494,902)	(955,976)	(761,420)
Profit and other comprehensive income for the year/period	5,961,263	3,615,762	6,066,133	4,528,636	3,440,286

PRINCIPAL INCOME STATEMENT COMPONENTS

Revenue

Our Group is involved in the provision of logistics services in Singapore. Our services can be categorised into trucking services, freight forwarding services and value added transport services. Our total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020 amounted to approximately S$36.7 million, S$40.7 million, S$43.7 million and S$26.6 million respectively. The following table sets out our segmented revenue for the Track Record Period:

	Year ended 31 December						Eight months ended 31 August			
	2017		2018		2019		2019		2020	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*
							(unaudited)			
Trucking services	19,017,742	51.8	19,923,874	49.0	21,845,794	50.0	14,541,204	50.6	14,239,061	53.5
Freight forwarding services	13,312,750	36.2	16,550,548	40.7	17,399,097	39.8	11,115,041	38.7	9,934,940	37.3
Value added transport services	4,417,991	12.0	4,193,852	10.3	4,431,405	10.2	3,083,771	10.7	2,447,673	9.2
Total	36,748,483	100.0	40,668,274	100.0	43,676,296	100.0	28,740,016	100.0	26,621,674	100.0

Trucking services accounted for approximately 51.8%, 49.0%, 50.0% and 53.5% of our total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Freight forwarding services accounted for approximately 36.2%, 40.7%, 39.8% and 37.3% of our total revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Value added transport services accounted for the remaining 12.0%, 10.3%, 10.2% and 9.2% respectively.

Trucking services

Our Group's trucking services revenue was approximately S$19.0 million, S$19.9 million, S$21.8 million and S$14.2 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Trucking revenue consists of revenue from transportation fees in relation to the transportation of cargo.

Trucking services revenue primarily includes transportation fees, port and depot fees and other miscellaneous fees. Trucking services revenue is primarily driven by the number of trips made, the volume of goods transported, the average trucking rate, among other factors. The following table sets out the total number of trips undertaken by our Group and the average trucking rates per trip for the Track Record Period:

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
				(unaudited)	
Trucking services revenue (S$)	19,017,742	19,923,874	21,845,794	14,541,204	14,239,061
Total number of trips[(1)]	127,043	125,809	129,182	84,218	80,394
Average trucking rate per trip(S$)[(2)]	149.7	158.4	169.1	172.7	177.1

Notes:

(1) The number of trips made by our drivers in relation to operations.

(2) Average trucking rate per trip is inclusive of port and deport charges and other miscellaneous costs. If excluded the revenue generated from warehouse to warehouse services, the average trucking rate per trip (excluded warehouse to warehouse services) were approximately S$144.2, S$147.5, S$153.5 and S$173.4 for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

The total number of trips decreased by approximately 1.0% from 127,043 for the year ended 31 December 2017 to 125,809 for the year ended 31 December 2018. Our average trucking rate per trip increased by approximately 5.8% from approximately S$149.7 for the year ended 31 December 2017 to approximately S$158.4 for the year ended 31 December 2018. Our average trucking rate per trip increased by approximately 6.8% from approximately S$158.4 for the year ended 31 December 2018 to approximately S$169.1 for the year ended 31 December 2019. The total number of trips decreased by approximately 4.5% from 84,218 for the eight months ended 31 August 2019 to 80,394 for the eight months ended 31 August 2020. Our average trucking rate per trip increased by approximately 2.5% from S$172.7 for the eight months ended 31 August 2019 to S$177.1 for the eight months ended 31

August 2020. If excluded the revenue generated from warehouse to warehouse services, the average trucking rate per trip (excluded warehouse to warehouse services) were approximately S$144.2, S$147.5, S$153.5 and S$173.4 for the three years end 31 December 2019 and the eight months ended 31 August 2020 respectively. Trucking rates are driven by various factors such as trip distance, diesel cost and rates offered by our competitors. Please refer to "Period to period comparison of results of operations" in this section for further details.

Freight forwarding services

Our Group's revenue from freight forwarding services was approximately S$13.3 million, S$16.6 million, S$17.4 million and S$9.9 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Revenue from freight forwarding services consists of fees from import and export freight forwarding arrangement (by either air or sea), local trucking and haulage to and from airport/seaport and customers/warehouses, as well as other related services such as cargo permit declaration and crating. Such revenue is mainly driven by the volume of goods, type of services provided, type of cargoes, among other factors.

Revenue and shipment volume of our Group's air and sea freight forwarding services during the Track Record Period is set out in the table below:

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
				(unaudited)	
Air freight forwarding services					
Revenue *(S$)*	1,873,407	3,018,440	3,115,549	1,824,790	1,655,930
Shipment volume *(kg)*	474,266	514,474	624,915	367,389	242,916

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
				(unaudited)	
Sea freight forwarding services					
Revenue *(S$)*	11,439,343	13,532,108	14,283,548	9,290,251	8,279,010
Shipment volume *(TEUs)*	12,842	10,990	12,183	6,850	8,657

The major charging basis for air freight forwarding services and sea freight forwarding services is based on the weight/volume of the chargeable goods and distance between the origin and destination.

Value added transport services

Our Group's revenue from value added transport services was approximately S$4.4 million, S$4.2 million, S$4.4 million and S$2.4 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Revenue from value added transport services consists of open-yard storage fees, stuffing and unstuffing fees and transportation fees for the container haulage between our logistics yard and our customers' designated pick up and/or delivery points. Such revenue is primarily driven by land area that the containers are stored for.

The following table sets out the average land area of our logistics yard rented to our customers during the Track Record Period:

	Years ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	sq. m.	*sq. m.*	*sq. m.*	*sq. m.*	*sq. m.*
Average land area					
Rented	37,035	34,308	22,038	21,980	31,445

The average utilisation rates of our logistics yards for the three years ended 31 December 2019 and the eight months ended 31 August 2020 were approximately 80.1%, 87.1%, 86.7% and 86.4% respectively.

Cost of services

Our cost of services mainly represents the direct costs incurred for the provision of our trucking services, freight forwarding services and value added transport services.

Our Group's cost of services was approximately S$23.3 million, S$26.3 million, S$26.6 million and S$17.3 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. The following table sets out our segmented cost of services during the Track Record Period:

	Year ended 31 December						Eight months ended 31 August			
	2017		**2018**		**2019**		**2019**		**2020**	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*
							(unaudited)			
Trucking services	10,889,787	46.8	12,020,279	45.8	12,728,300	47.8	8,495,104	48.9	9,311,240	53.7
Freight forwarding services	9,291,920	39.9	11,759,005	44.8	12,085,659	45.4	7,698,515	44.3	6,857,938	39.6
Value added transport services	3,088,140	13.3	2,477,614	9.4	1,819,411	6.8	1,185,133	6.8	1,168,693	6.7
Total	23,269,847	100.0	26,256,898	100.0	26,633,370	100.0	17,378,752	100.0	17,337,871	100.0

Our Group's cost of services accounted for approximately 63.3%, 64.6%, 61.0% and 65.1% of our revenue for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

These direct costs primarily consist of staff cost, port and depot charges, vehicle cost, diesel cost, logistic yard costs and freight forwarding cost. The following table sets out the breakdown of our Group's cost of services during the Track Record Period:

	Year ended 31 December						Eight months ended 31 August			
	2017		2018		2019		2019		2020	
	S$	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*	*S$*	*%*
							(unaudited)			
Staff cost	2,572,118	11.1	3,003,792	11.4	2,998,051	11.3	1,954,446	11.2	1,891,047	10.9
Port and depot charges	4,614,934	19.8	4,732,313	18.0	5,130,729	19.3	3,463,582	19.9	4,819,461	27.8
Vehicle cost	2,289,243	9.8	2,118,025	8.1	2,477,127	9.3	1,607,635	9.3	1,468,291	8.5
Diesel cost	1,094,633	4.7	1,491,504	5.7	1,638,886	6.2	1,073,102	6.2	805,634	4.6
Logistics yard cost	2,564,384	11.0	2,002,789	7.6	1,391,870	5.2	921,321	5.3	873,793	5.0
Freight forwarding cost	9,291,920	39.9	11,759,005	44.8	12,085,659	45.4	7,698,514	44.3	6,857,939	39.6
Miscellaneous cost	842,615	3.7	1,149,470	4.4	911,048	3.3	660,152	3.8	621,706	3.6
Total cost of services	23,269,847	100.0	26,256,898	100.0	26,633,370	100.0	17,378,752	100.0	17,337,871	100.0

Staff cost

Staff cost refers to the salaries and wages paid to our drivers and yard employees. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, staff cost amounted to approximately S$2.6 million, S$3.0 million, S$3.0 million and S$1.9 million respectively, representing approximately 11.1%, 11.4%, 11.3% and 10.9% of our cost of services for the corresponding periods respectively.

Port and depot charges

Port and depot charges refers to the fees that the port and depot operators charge for the use of port and depot facilities respectively. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, port and depot charges amounted to approximately S$4.6 million, S$4.7 million, S$5.1 million and S$4.8 million respectively, representing approximately 19.8%, 18.0%, 19.3% and 27.8% of our cost of services for the corresponding periods respectively.

Vehicle cost

Vehicle cost refers to the cost of repairing and maintaining our vehicles, vehicle insurance and vehicle depreciation expenses, and vehicle parking and road tax. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, vehicle cost amounted to approximately S$2.3 million, S$2.1 million, S$2.5 million and S$1.5 million respectively, representing approximately 9.8%, 8.1%, 9.3% and 8.5% of our cost of services for the corresponding periods respectively.

Diesel cost

Diesel cost refers to the cost of diesel and petrol related to the operations of our vehicle fleet. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, diesel cost amounted to approximately S$1.1 million, S$1.5 million, S$1.6 million and S$0.8 million respectively, representing approximately 4.7%, 5.7%, 6.2% and 4.6% of our cost of services for the corresponding periods respectively.

Logistics yard cost

Logistics yard cost refers to the license fees our Group incurred for the use of logistics yards. During the Track Record Period, we have leased logistics yard from JTC to provide open-yard storage services to our customers. Please refer to the paragraph headed "Business—Licensed Properties" in this prospectus. The logistics yard costs amounted to approximately S$2.6 million, S$2.0 million, S$1.4 million and S$0.9 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively, representing approximately 11.0%, 7.6%, 5.2% and 5.0% of our cost of services for the corresponding periods.

Freight forwarding cost

Freight forwarding cost refers to the cost of organising the shipment for customers to get their goods from the origin to the final point of distribution. Our Group incurs such cost, including but not limited to international airlines, shipping companies, trucking companies and overseas freight forwarding companies at the rate depending on the destination and volume/weight, among other factors. Our Group charges our customers based on the cost quoted by the suppliers plus a reasonable profit margin. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, freight forwarding cost amounted to approximately S$9.3 million, S$11.8 million, S$12.1 million and S$6.9 million respectively, representing approximately 39.9%, 44.8%, 45.4% and 39.6% of our cost of services for the corresponding periods respectively.

SENSITIVITY ANALYSIS

The following sensitivity analysis illustrates the impact of hypothetical fluctuations of the major components of our cost of services on our profit before taxation during the Track Record Period.

Having taken into consideration of the historical fluctuations of cost of sales, which was approximately 12.8%, 1.4% and (0.2)% during the Track Record Period, respectively, our Directors are of the view that it is reasonable to adopt a percentage change of 11%, 12% and 13% in the sensitivity analysis for the fluctuations in (i) staff cost, (ii) port and depot charges, (iii) diesel cost, (iv) logistics yard cost and (v) freight forwarding cost.

	+/-11%	+/-12%	+/-13%
	S$' 000	*S$' 000*	*S$' 000*
Increase/decrease in profit before taxation			
Hypothetical fluctuations in staff cost			
Year ended 31 December 2017	+/- 283	+/- 309	+/- 334
Year ended 31 December 2018	+/- 330	+/- 360	+/- 390
Year ended 31 December 2019	+/- 330	+/- 360	+/- 390
Eight months ended 31 August 2020	+/- 208	+/- 227	+/- 246
Hypothetical fluctuations in port and depot charges			
Year ended 31 December 2017	+/- 508	+/- 554	+/- 600
Year ended 31 December 2018	+/- 521	+/- 568	+/- 615
Year ended 31 December 2019	+/- 564	+/- 616	+/- 667
Eight months ended 31 August 2020	+/- 530	+/- 578	+/- 627
Hypothetical fluctuations in diesel cost			
Year ended 31 December 2017	+/- 120	+/- 131	+/- 142
Year ended 31 December 2018	+/- 164	+/- 179	+/- 194
Year ended 31 December 2019	+/- 180	+/- 197	+/- 213
Eight months ended 31 August 2020	+/- 89	+/- 97	+/- 105
Hypothetical fluctuations in logistics yard cost			
Year ended 31 December 2017	+/- 282	+/- 308	+/- 333
Year ended 31 December 2018	+/- 220	+/- 240	+/- 260
Year ended 31 December 2019	+/- 153	+/- 167	+/- 181
Eight months ended 31 August 2020	+/- 96	+/- 105	+/- 114
Hypothetical fluctuations in freight forwarding cost			
Year ended 31 December 2017	+/- 1,022	+/- 1,115	+/- 1,208
Year ended 31 December 2018	+/- 1,293	+/- 1,411	+/- 1,529
Year ended 31 December 2019	+/- 1,329	+/- 1,450	+/- 1,571
Eight months ended 31 August 2020	+/- 754	+/- 823	+/- 892

Prospective investors should note that the above analysis on historical financials is based on assumptions and is for illustrative purpose only and should not be viewed as actual result.

Gross Profit and Gross Profit Margin

The following table sets out the breakdown of our gross profit and gross profit margin segment for the Track Record Period:

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*
Gross Profit					
Trucking services	8,127,955	7,903,595	9,117,494	6,046,100	4,927,821
Freight forwarding services	4,020,830	4,791,543	5,313,438	3,416,526	3,077,002
Value added transport services	1,329,851	1,716,238	2,611,994	1,898,638	1,278,980
Total	13,478,636	14,411,376	17,042,926	11,361,264	9,283,803
Gross Profit Margin					
Trucking services	42.7	39.7	41.7	41.6	34.6
Freight forwarding services	30.2	29.0	30.5	30.7	31.0
Value added transport services	30.1	40.9	58.9	61.6	52.3
Total	36.7	35.4	39.0	39.5	34.9

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, we recorded a gross profit of approximately S$13.5 million, S$14.4 million, S$17.0 million and S$9.3 million respectively. Trucking services accounted for approximately 60.3%, 54.8%, 53.5% and 53.1% of our total gross profit for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Freight forwarding services accounted for approximately 29.8%, 33.3%, 31.2% and 33.1% of our total gross profit for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Value added transport services accounted for approximately 9.9%, 11.9%, 15.3% and 13.8% of our total gross profit for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, we recorded a gross profit margin of approximately 36.7%, 35.4%, 39.0% and 34.9% respectively. Gross profit margin for trucking services were approximately 42.7%, 39.7%, 41.7% and 34.6% for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Gross profit margin for freight forwarding services were approximately 30.2%, 29.0%, 30.5% and 31.0% for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Gross profit margin for value added transport services were approximately 30.1%, 40.9%, 58.9% and 52.3% for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

Other income

Our Group reported other income of approximately S$0.6 million, S$0.5 million, S$0.4 million and S$1.0 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Other income mainly relates to government grants which mainly comprise of the Wage Credit Scheme, Productivity Innovation Credit, Temporary Employment Credit, Special Employment Credit, Jobs Support Scheme (JSS) and Foreign Worker Levy Rebates, interest income and rental income from investment properties. The Jobs Support Scheme (JSS) was launched to help businesses retain their local employees during the period of uncertainty caused by the outbreak of COVID-19 and the Group received grants under this scheme of nil, nil, nil and approximately S$560,000 for the three years ended 31 December 2019 and the eight months ended 31 August 2020. The following table sets out the breakdown of other income during the Track Record Period:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* (unaudited)	*S$*
Government grants	58,707	37,480	22,621	18,548	736,529
Interest income					
- from restricted bank deposit and bank balances	1,666	1,596	3,092	1,210	2,609
- from non-current trade receivable	54,527	—	—	—	—
- from directors of Richwell and Radiant	13,174	—	—	—	—
Rental income	352,449	383,049	337,748	242,706	184,302
Yard utilities income	80,832	31,466	34,171	21,066	11,423
Other	11,088	23,583	27,897	15,143	18,743
Total other income	572,443	477,174	425,529	298,673	953,606

Other gains and losses

Our Group reported other gains and losses of approximately S$17,000, S$(312,000), S$(444,000) and S$148,000 for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Other gains and losses relates to gain on disposal of property and equipment, loss on disposal of intangible assets, allowance for doubtful debts and net foreign exchange gains or losses. The following table sets forth the breakdown of other gains and losses during the Track Record Period:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* *(unaudited)*	*S$*
Gain on disposal of property and equipment, net	45,497	162,957	7,373	7,373	960
Loss on disposal of intangible assets	—	(709)	—	—	—
Allowance for doubtful debts/ allowance for impairment (recognised)/reversed on - trade receivables	(26,114)	(516,161)	(478,213)	(304,000)	127,530
Net foreign exchange (losses)/gains	(2,345)	45,185	27,138	45,607	19,369
Other	—	(3,224)	—	—	—
Total other gains and losses	17,038	(311,952)	(443,702)	(251,020)	147,859

Selling expenses

Our Group reported selling expenses of approximately S$122,000, S$73,000, S$65,000 and S$38,000 for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Selling expenses relates to advertising, marketing and transport reimbursement fees. The following table sets forth the breakdown of selling expenses during the Track Record Period:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* *(unaudited)*	*S$*
Advertising	4,505	5,818	2,094	456	1,677
Marketing	77,171	25,125	31,614	23,319	15,687
Transport reimbursement fee	40,300	42,000	31,041	21,041	20,455
Total	121,976	72,943	64,749	44,816	37,819

Administrative expenses

Our Group reported administrative expenses of approximately S$6.9 million, S$7.3 million, S$8.2 million and S$5.3 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Administrative expenses for our Group primarily consist of directors' remuneration cost, staff cost, depreciation and amortisation expenses and other miscellaneous expenses. Directors' remuneration cost includes Directors' remuneration. Staff cost includes office staff salary, CPF contribution and bonuses. Depreciation and amortisation expenses include property depreciation, office equipment depreciation and software amortisation. Miscellaneous expenses include office expenses such as utility expenses, insurance expenses and office rental expenses as well as professional expenses such as audit and secretarial fees and other expenses. The following table sets forth a breakdown of our administrative expenses during the Track Record Period:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* (*unaudited*)	*S$*
Directors' remuneration cost	804,750	843,770	916,600	526,400	599,850
Staff cost	3,985,060	4,225,271	5,300,254	3,048,191	3,471,055
Depreciation and amortisation expenses	572,938	473,428	425,336	263,143	331,354
Miscellaneous expenses	1,581,992	1,764,826	1,584,098	1,344,443	890,507
Total	6,944,740	7,307,295	8,226,288	5,182,177	5,292,766

Finance costs

Our Group reported finance costs of approximately S$60,000, S$42,000, S$140,000 and S$158,000 for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively. Finance costs represent interest on borrowings, finance leases and lease liabilities.

Income tax expense

As our operations are based in Singapore, our Group is liable to pay corporate income tax in accordance with the tax regulations of Singapore. Income tax expense of our Group amounted to approximately S$1.0 million, S$1.1 million, S$1.5 million and S$0.8 million for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

The statutory corporate tax rate in Singapore was 17% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, while our corresponding effective tax rates were approximately 14.1%, 22.7%, 19.8% and 18.1% respectively.

Our effective tax rate was lower than the statutory tax rate for the year ended 31 December 2017 mainly due to effect of tax concessions and partial tax exemption of approximately S$300,000 which were offset by tax effect of expenses not deductible for tax purpose of approximately S$96,000.

Our effective tax rate was higher than the statutory tax rate for the year ended 31 December 2018 mainly due to tax effect of expenses not deductible for tax purpose of approximately S$483,000 mainly related to listing expenses, which were offset by tax effects of tax concessions and partial tax exemption of approximately S$192,000.

Our effective tax rate was slightly higher than the statutory tax rate for the year ended 31 December 2019 mainly due to tax effect of expenses not deductible for tax purpose of approximately S$255,000 mainly related to listing expenses, which were offset by tax effects of tax concessions and partial tax exemption of approximately S$89,000.

Our effective tax rate was slightly higher than the statutory tax rate for the eight months ended 31 August 2020 mainly due to tax effect of expenses not deductible for tax purpose of approximately S$184,000 mainly related to listing expenses, which were offset by tax effects of tax concessions and partial tax exemption of approximately S$42,000 and tax effect of income not taxable for tax purpose of approximately S$95,000 mainly related to grants received under the Enhanced Jobs Support Scheme (JSS) which are non-taxable.

PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Eight months ended 31 August 2020 compared to eight months ended 31 August 2019

Revenue

Revenue decreased by approximately 7.3% from approximately S$28.7 million for the eight months ended 31 August 2019 compared to approximately S$26.6 million for the eight months ended 31 August 2020.

Trucking services

Revenue from trucking services decreased by approximately 2.1% from approximately S$14.5 million for the eight months ended 31 August 2019 to approximately S$14.2 million for the eight months ended 31 August 2020. This was largely due to a decrease in number of trips by approximately 4.5% from 84,218 trips for the eight months ended 31 August 2019 to 80,394 trips for the eight months ended 31 August 2020 but partially offset by the increase in average trucking rate per trip mainly due to the increase in port and depot charges. According to our Directors, some of our customers were not operating at full capacity during the circuit breaker period thus causing the delay in retrieving the containers from the port which incurred detention charges that are charged to our customers on a cost-to-cost basis, resulting in an increase in average trucking rate per trip from approximately S$172.7 to approximately S$177.1 between the respective periods.

Freight forwarding services

Revenue from freight forwarding service decreased by approximately 10.8% from approximately S$11.1 million for the eight months ended 31 August 2019 to approximately S$9.9 million for the eight months ended 31 August 2020.

The decrease was largely due to the decrease in revenue in both air freight forwarding and sea freight forwarding services.

The decrease in air freight forwarding services revenue of approximately S$0.1 million or approximately 5.6% for the eight months ended 31 August 2020 was due to the decrease in air freight forwarding shipment volume of approximately 33.9% from 367,389 kg for the eight months ended 31 August 2019 to 242,916 kg for the eight months ended 31 August 2020. This decrease outweighed the increase in air freight rates (i.e. air freight forwarding services revenue divided by air freight forwarding shipment volume) at approximately 36.0% reflecting the changes in relevant air freight costs.

The decrease in sea freight forwarding services revenue of approximately S$1.0 million or approximately 10.8% for the eight months ended 31 August 2020 was due to the decrease in sea freight rates (i.e. sea freight forwarding services revenue divided by sea freight forwarding shipment volume) of approximately 29.5% reflecting the changes in the relevant sea freight costs. The decrease outweighed the increase in sea freight forwarding shipment volume at approximately 26.4% from 6,850 TEUs for the eight months 31 August 2019 to 8,657 TEUs for the eight months ended 31 August 2020.

Value added transport services

Revenue from value added transport services decreased by approximately 22.6% from approximately S$3.1 million for the eight months ended 31 August 2019 to approximately S$2.4 million for the eight months ended 31 August 2020. This was mainly due to a decrease in ad-hoc storage service provided to customers such as refrigerated container plugin services. As we also provide ad-hoc storage services for our trucking customers, separate from trucking services, the decrease in ad-hoc storage services is mainly contributed by the decrease in number of trips as mentioned above.

Cost of services

Cost of services decreased by approximately 0.6% from approximately S$17.4 million for the eight months ended 31 August 2019 to approximately S$17.3 million for the eight months ended 31 August 2020. This was mainly due to an increase of approximately S$0.8 million from the trucking services segment and decrease of approximately S$0.8 million from the freight forwarding services segment while the value added transport services segment remained relatively stable. The fluctuations from these respective segments was mainly contributed by an increase in port and depot charges but offset by the decrease in vehicle cost, diesel cost and freight forwarding cost.

Port and depot charges increased by approximately S$1.3 million from approximately S$3.5 million for the eight months ended 31 August 2019 to approximately S$4.8 million for the eight months ended 31 August 2020 mainly due to the increase in detention charges. According to our Directors, some of our customers were not operating at full capacity during the circuit breaker period thus causing the delay in retrieving the containers from the port which incurred detention charges.

Vehicle cost decreased by approximately S$0.1 million from approximately S$1.6 million for the eight months ended 31 August 2019 to approximately S$1.5 million for the eight months ended 31 August 2020 due to the decrease in maintenance expenses of motor vehicles which was in line with the decrease in number of trips as mentioned above.

Diesel cost decreased by approximately S$0.3 million from approximately S$1.1 million for the eight months ended 31 August 2019 to approximately S$0.8 million for the eight months ended 31 August 2020, which was in line with the decrease in number of trips as mentioned above.

Freight forwarding cost decreased by approximately S$0.8 million or approximately 10.4% from approximately S$7.7 million for the eight months ended 31 August 2019 to approximately S$6.9 million for the eight months ended 31 August 2020. This was primarily due to the decrease in sea freight forwarding cost by approximately 10.9% from approximately S$6.4 million for the eight months ended 31 August 2019 to approximately S$5.7 million for the eight months ended 31 August 2020 while air freight forwarding cost remained relatively stable at approximately S$1.3 million and S$1.2 million for the eight months ended 31 August 2019 and 2020 respectively. The decrease in sea freight forwarding cost was mainly due to the decrease in sea freight forwarding export volume arising from the outbreak of COVID-19. According to our Directors, sea freight forwarding handling charges incurred are generally higher for cargoes of export nature, thus resulting in the decrease in sea freight forwarding cost per kg by approximately 30.2% from approximately S$938.8 per kg to approximately S$655.2 per kg.

Gross profit and gross profit margin

Gross profit decreased by approximately 18.4% from approximately S$11.4 million for the eight months ended 31 August 2019 to approximately S$9.3 million for the eight months ended 31 August 2020.

Gross profit from trucking services decreased by approximately 18.3% from approximately S$6.0 million for the eight months ended 31 August 2019 to approximately S$4.9 million for the eight months ended 31 August 2020. Gross profit margin for trucking services decreased from approximately 41.6% for the eight months ended 31 August 2019 to approximately 34.6% for the eight months ended 31 August 2020. This was mainly due to the decrease in revenue from trucking services as described above along with the increase in port and depot charges. According to our Directors, some of our customers were not operating at full capacity during the circuit breaker period thus causing the delay in retrieving the containers from the port which incurred detention charges.

Gross profit from freight forwarding services remained relatively stable at approximately S$3.4 million and S$3.1 million for the eight months ended 31 August 2019 and 2020 respectively. Gross profit margin for freight forwarding services remained relatively stable at approximately 30.7% and 31.0% for the eight months ended 31 August 2019 and 2020 respectively as we priced our services on a cost-plus basis.

Gross profit from value added transport services decreased by 31.6% from approximately S$1.9 million for the eight months ended 31 August 2019 to approximately S$1.3 million for the eight months ended 31 August 2020. Gross profit margin for value added transport services decreased from approximately 61.6% for the eight months ended 31 August 2019 to approximately 52.3% for the eight months ended 31 August 2020. This was mainly due to the decrease in revenue from value added transport services as described above.

Consequently, gross profit margin decreased from approximately 39.5% for the eight months ended 31 August 2019 to approximately 34.9% for the eight months ended 31 August 2020.

Other income

Other income increased by approximately 233.3% from approximately S$0.3 million for the eight months ended 31 August 2019 to approximately S$1.0 million for the eight months ended 31 August 2020. The increase was mainly due to Jobs Support Scheme (JSS) subsidy, which amounted to approximately S$0.6 million for the eight months ended 31 August 2020, received from the Singapore government in response to the outbreak of COVID-19.

Other gains and losses

Other gains and losses increased from a loss of approximately S$251,000 for the eight months ended 31 August 2019 to a gain of approximately S$148,000 for the eight months ended 31 August 2020. The increase was mainly due to the reversal of allowance for doubtful debts on trade receivables.

Selling expenses

Selling expenses decreased by approximately 15.6% from approximately S$45,000 for the eight months ended 31 August 2019 to approximately S$38,000 for the eight months ended 31 August 2020. This was largely due to the decrease in marketing expense spent.

Administrative expenses

Administrative expenses remained relatively stable at approximately S$5.2 million and S$5.3 million for the eight months ended 31 August 2019 and 2020 respectively.

Finance costs

Finance costs increased by approximately 139.4% from approximately S$66,000 for the eight months ended 31 August 2019 to approximately S$158,000 for the eight months ended 31 August 2020 due to lease liabilities recognised and lease of the new 15C Pioneer Crescent yard.

Listing expenses

Listing expenses increased from approximately S$0.6 million for the eight months ended 31 August 2019 to approximately S$0.7 million for the eight months ended 31 August 2020.

Profit before taxation

Profit before taxation decreased by approximately 23.6% from approximately S$5.5 million for the eight months ended 31 August 2019 to approximately S$4.2 million for the eight months ended 31 August 2020. The decrease was mainly due to the decrease in gross profit as described above.

Income tax expense

Income tax expense decreased by approximately S$0.2 million from approximately S$1.0 million for the eight months ended 31 August 2019 to approximately S$0.8 million for the eight months ended 31 August 2020 due to the decrease in profit before taxation with reasons mentioned in the above paragraph.

Profit for the period

As a result of the foregoing, profit for the period decreased by approximately S$1.1 million from approximately S$4.5 million for the eight months ended 31 August 2019 to approximately S$3.4 million for the eight months ended 31 August 2020. Net profit margin decreased from approximately 15.8% for the eight months ended 31 August 2019 to approximately 12.9% for the eight months ended 31 August 2020.

Year ended 31 December 2019 compared to year ended 31 December 2018

Revenue

Revenue increased by approximately 7.4% from approximately S$40.7 million for the year ended 31 December 2018 compared to approximately S$43.7 million for the year ended 31 December 2019.

Trucking services

Revenue from trucking services increased by approximately 9.5% from approximately S$19.9 million for the year ended 31 December 2018 to approximately S$21.8 million for the year ended 31 December 2019. This was largely due to the increase in average trucking rate per trip by approximately 6.8% from approximately S$158.4 for the year ended 31 December 2018 to approximately S$169.1 for the year ended 31 December 2019 mainly due to increase in depot handling charges charged to customers which lead to a higher average trucking rate per trip. In addition, there was an increase in revenue from Customer I, which included more warehouse to warehouse trucking services.

Freight forwarding services

Revenue from freight forwarding services increased by approximately 4.8% from approximately S$16.6 million for the year ended 31 December 2018 to approximately S$17.4 million for the year ended 31 December 2019.

The increase was largely due to the increase in revenue in both air freight forwarding and sea freight forwarding services.

The increase in air freight forwarding services revenue of approximately S$0.1 million or approximately 3.3% for the year ended 31 December 2019 was due to the increase in air freight forwarding shipment volume of approximately 21.5% from 514,474 kg for the year ended 31 December 2018 to 624,915 kg for the year ended 31 December 2019 outweighed the decrease in air freight rates (i.e. air freight forwarding services revenue divided by air freight forwarding shipment volume) at approximately 15.3% reflecting the changes in relevant air freight costs.

The increase in sea freight forwarding services revenue of approximately S$0.8 million or approximately 5.9% for the year ended 31 December 2019 was due to the increase in sea freight forwarding shipment volume at approximately 10.9% from 10,990 TEUs for the year ended 31 December 2018 to 12,183 TEUs for the year ended 31 December 2019 outweighed the decrease in sea freight rates (i.e. sea freight forwarding services revenue divided by sea freight forwarding shipment volume) at approximately 4.8% reflecting the changes in the relevant sea freight costs.

Value added transport services

Revenue from value added transport services increased by approximately 4.8% from approximately S$4.2 million for the year ended 31 December 2018 to approximately S$4.4 million for the year ended 31 December 2019. This was mainly due to an increase in ad-hoc storage services provided to customers and refrigerated container plugin services.

Cost of services

Cost of services increased by approximately 1.1% from approximately S$26.3 million for the year ended 31 December 2018 to approximately S$26.6 million for the year ended 31 December 2019. This was mainly due to an increase of approximately S$0.7 million from the trucking services segment and an increase of approximately S$0.3 million from the freight forwarding segment which was partially offset by the decrease of approximately S$0.7 million from the value added transport services segment. The fluctuations from these respective segments was mainly contributed by an increase in port and depot charges, vehicle cost and freight forwarding cost which was partially offset by the decrease in logistics yard cost.

Port and depot charges increased by approximately S$0.4 million from approximately S$4.7 million for the year ended 31 December 2018 to approximately S$5.1 million for the year ended 31 December 2019, which was in line with the increase in trucking services revenue.

Vehicle cost increased by approximately S$0.4 million from approximately S$2.1 million for the year ended 31 December 2018 to approximately S$2.5 million for the year ended 31 December 2019 due to increase in Vehicle Parking Certificate charges and motor vehicle insurance expenses as well as the increased depreciation expenses and maintenance expenses of motor vehicle.

Freight forwarding cost increased by approximately S$0.3 million or approximately 2.5% from approximately S$11.8 million for the year ended 31 December 2018 to approximately S$12.1 million for the year ended 31 December 2019. This was primarily due to an increase in sea freight forwarding cost by approximately 3.1% from approximately S$9.6 million for the year ended 31 December 2018 to approximately S$9.9 million for the year ended 31 December 2019. The increase in sea freight forwarding cost was due to the increase in sea freight forwarding shipment volume by approximately 10.9% as described above even though sea freight forwarding cost per TEUs decreased by 6.7% from approximately S$874.6 per TEUs to approximately S$816.3 per TEUs.

Logistics yard cost decreased by approximately S$0.6 million or approximately 30.0% from approximately S$2.0 million for the year ended 31 December 2018 to approximately S$1.4 million for the year ended 31 December 2019. This was mainly due to the expiry of leasing the 39 Tuas View Crescent yard and the decrease in logistics yard cost from approximately S$8.7 per sq. m. to approximately S$6.2 per sq. m. for 15B Pioneer Crescent yard due to renewal leasing of agreement on 28 March 2019.

Gross profit and gross profit margin

Gross profit increased by approximately 18.1% from approximately S$14.4 million for the year ended 31 December 2018 to approximately S$17.0 million for the year ended 31 December 2019.

Gross profit from trucking services increased by approximately 15.2% from approximately S$7.9 million for the year ended 31 December 2018 to approximately S$9.1 million for the year ended 31 December 2019. Gross profit margin for trucking services remained relatively stable at approximately 39.7% and 41.7% for the year ended 31 December 2018 and 2019 respectively.

Gross profit from freight forwarding services increased by approximately 10.4% from approximately S$4.8 million for the year ended 31 December 2018 to approximately S$5.3 million for the year ended 31 December 2019. Gross profit margin for freight forwarding services remained relatively stable at approximately 29.0% and 30.5% for the year ended 31 December 2018 and 2019 respectively as we priced our services on a cost-plus basis.

Gross profit from value added transport services increased by 52.9% from approximately S$1.7 million for the year ended 31 December 2018 to approximately S$2.6 million for the year ended 31 December 2019. Gross profit margin for value added transport services increased from approximately 40.9% for the year ended 31 December 2018 to approximately 58.9% for the year ended 31 December 2019. This was mainly due to the expiry of leasing the 39 Tuas View Crescent yard on 16 August 2018 and the decrease in logistics yard cost from approximately S$8.7 per sq.m. to approximately S$6.2 per sq.m. for 15B Pioneer Crescent yard due to renewal leasing of agreement on 28 March 2019, all of which lowered our logistics yard cost by approximately 30.0% in addition to the increase in revenue from ad-hoc storage services and refrigerated container plugin services with higher fees charged.

Consequently, gross profit margin increased from approximately 35.4% for the year ended 31 December 2018 to approximately 39.0% for the year ended 31 December 2019.

Other income

Other income remained relatively stable at approximately S$0.5 million and S$0.4 million for the year ended 31 December 2018 and 2019 respectively.

Other gains and losses

Other losses increased by approximately 42.3% from a loss of approximately S$312,000 for the year ended 31 December 2018 to a loss of approximately S$444,000 for the year ended 31 December 2019. This was mainly due to the decrease in gain on disposal of property and equipment.

Selling expenses

Selling expenses decreased slightly by approximately 11.0% from approximately S$73,000 for the year ended 31 December 2018 to approximately S$65,000 for the year ended 31 December 2019. This was largely due to the decrease in transport reimbursement fee.

Administrative expenses

Administrative expenses increased by approximately 12.3% from approximately S$7.3 million for the year ended 31 December 2018 to approximately S$8.2 million for the year ended 31 December 2019. This was largely due to the increase in staff cost of approximately S$0.6 million as a result of the increase in total number of administrative staff.

Finance costs

Finance costs increased by approximately 233.3% from approximately S$42,000 for the year ended 31 December 2018 to approximately S$140,000 for the year ended 31 December 2019 due to lease liabilities recognised.

Listing expenses

Listing expense decreased by approximately 60.0% from S$2.5 million for the year ended 31 December 2018 to approximately S$1.0 million for the year ended 31 December 2019 due to majority of listing expenses being incurred in the prior year.

Profit before taxation

Profit before taxation increased by approximately 61.7% from approximately S$4.7 million for the year ended 31 December 2018 to approximately S$7.6 million for the year ended 31 December 2019. The increase was mainly due to the increase in gross profit as described above.

Income tax expense

Income tax expense increased by approximately S$0.4 million from approximately S$1.1 million for the year ended 31 December 2018 to approximately S$1.5 million for the year ended 31 December 2019 due to the increase in profit before taxation with reasons mentioned in the above paragraph.

Profit for the year

As a result of the foregoing, profit for the year increased by approximately S$2.5 million from approximately S$3.6 million for the year ended 31 December 2018 to approximately S$6.1 million for the year ended 31 December 2019. Net profit margin increased from approximately 8.9% for the year ended 31 December 2018 to approximately 13.9% for the year ended 31 December 2019.

Year ended 31 December 2018 compared to year ended 31 December 2017

Revenue

Revenue increased by approximately 10.9% from approximately S$36.7 million for the year ended 31 December 2017 compared to approximately S$40.7 million for the year ended 31 December 2018.

Trucking services

Revenue from trucking services increased by approximately 4.7% from approximately S$19.0 million for the year ended 31 December 2017 to approximately S$19.9 million for the year ended 31 December 2018. This was largely due to the increase in average trucking rate per trip by approximately 5.8% from approximately S$149.7 for the year ended 31 December 2017 to approximately S$158.4 for the year ended 31 December 2018 due to trucking trips which involved trucking of overweight cargoes that led to a higher average trucking rate per trip. In addition, there was an increase in revenue from Customer I, which included more warehouse to warehouse trucking services.

Freight forwarding services

Revenue from freight forwarding services increased by approximately 24.8% from approximately S$13.3 million for the year ended 31 December 2017 to approximately S$16.6 million for the year ended 31 December 2018.

The increase was largely due to the increase in revenue from both air freight forwarding and sea freight forwarding services.

The increase in air freight forwarding services revenue of approximately S$1.1 million or approximately 57.9% for the year ended 31 December 2018 was due to the increase in air freight forwarding shipment volume of approximately 8.5% from 474,266 kg for the year ended 31 December 2017 to 514,474 kg for the year ended 31 December 2018 as air freight rates (i.e. air freight forwarding services revenue divided by air freight forwarding shipment volume) also increased by approximately 48.5% reflecting the changes in the relevant air freight costs.

The increase in sea freight forwarding services revenue of approximately S$2.1 million or approximately 18.4% for the year ended 31 December 2018 was due to the increase in sea freight rates (i.e. sea freight forwarding services revenue divided by sea freight forwarding shipment volume) of approximately 38.2% reflecting the changes in the relevant sea freight costs outweighed the decrease in sea freight forwarding shipment volume at approximately 14.4% from 12,842 TEUs for the year ended 31 December 2017 to 10,990 TEUs for the year ended 31 December 2018.

Value added transport services

Revenue from value added transport services decreased by approximately 4.5% from approximately S$4.4 million for the year ended 31 December 2017 to approximately S$4.2 million for the year ended 31 December 2018. This was largely due to the expiry of leasing the Kian Teck Lane yard on 26 July 2017 and 39 Tuas View Crescent yard on 16 August 2018 and there was no subsequent extension of lease period.

Cost of services

Cost of services increased by approximately 12.9% from approximately S$23.3 million for the year ended 31 December 2017 to approximately S$26.3 million for the year ended 31 December 2018. This was mainly due to an increase of approximately S$1.1 million from the trucking services segment and an increase of approximately S$2.5 million from the freight forwarding services segment which was partially offset by the decrease of approximately S$0.6 million from the value added transport services segment. The fluctuations from these respective segments was mainly contributed by an increase in staff cost, diesel cost and freight forwarding cost which was partially offset by the decrease in logistics yard cost.

Staff cost increased by approximately S$0.4 million from approximately S$2.6 million for the year ended 31 December 2017 to approximately S$3.0 million for the year ended 31 December 2018 due to the increase in headcount.

Diesel cost increased by approximately S$0.4 million or approximately 36.4% from approximately S$1.1 million for the year ended 31 December 2017 to approximately S$1.5 million for the year ended 31 December 2018, which was in line with the increase in trucking services revenue and the trend of diesel price.

Freight forwarding cost increased by approximately S$2.5 million or approximately 26.9% from approximately S$9.3 million for the year ended 31 December 2017 to approximately S$11.8 million for the year ended 31 December 2018. This was primarily due to (i) increase in air freight forwarding cost by approximately 61.5% from approximately S$1.3 million for the year ended 31 December 2017 to approximately S$2.1 million for the year ended 31 December 2018; and (ii) increase in sea freight forwarding cost by approximately 20.0% from approximately S$8.0 million for the year ended 31 December 2017 to approximately S$9.6 million for the year ended 31 December 2018. The increase in air freight forwarding cost was due to the increase in air freight forwarding cost per kg by approximately 55.6% from approximately S$2.7 per kg to approximately S$4.2 per kg. On the other hand, the sea freight forwarding cost per TEUs increased by approximately 40.1% from approximately S$624.3 per TEUs to approximately S$874.6 per TEUs.

Logistic yard cost decreased by approximately S$0.6 million or approximately 23.1% from approximately S$2.6 million for the year ended 31 December 2017 to approximately S$2.0 million for the year ended 31 December 2018. This was mainly due to the expiry of leasing the Kian Teck Lane yard, 39 Tuas View Crescent yard and the decrease in logistics yard cost from approximately S$3.8 per sq. m. to approximately S$3.4 per sq. m. for 15A Pioneer Crescent yard due to renewal leasing of agreement on 1 March 2018.

Gross profit and gross profit margin

Gross profit increased by approximately 6.7% from approximately S$13.5 million for the year ended 31 December 2017 to approximately S$14.4 million for the year ended 31 December 2018.

Gross profit from trucking services decreased by approximately 2.5% from approximately S$8.1 million for the year ended 31 December 2017 to approximately S$7.9 million for the year ended 31 December 2018 mainly due to the increase in diesel cost, which is in line with the appreciation in diesel price, and increase in subcontracting costs. Gross profit margin for trucking services decreased slightly from approximately 42.7% for the year ended 31 December 2017 to approximately 39.7% for the year ended 31 December 2018.

Gross profit from freight forwarding services increased by approximately 20.0% from approximately S$4.0 million for the year ended 31 December 2017 to approximately S$4.8 million for the year ended 31 December 2018. Gross profit margin for freight forwarding services remained relatively stable at approximately 30.2% for the year ended 31 December 2017 and approximately 29.0% for the year ended 31 December 2018 as we priced our services on a cost-plus basis.

Gross profit from value added transport services increased by approximately 30.8% from approximately S$1.3 million for the year ended 31 December 2017 to approximately S$1.7 million for the year ended 31 December 2018. Gross profit margin for value added transport services increased from approximately 30.1% for the year ended 31 December 2017 to approximately 40.9% for the year ended 31 December 2018. This was mainly due to the expiry of leasing the Kian Teck Lane yard on 26 July 2017, 39 Tuas View Crescent yard on 16 August 2018 and the decrease in logistics yard cost from approximately S$3.8 per sq.m. to approximately S$3.4 per sq.m. for 15A Pioneer Crescent yard due to renewal leasing of agreement on 1 March 2018, all of which lowered our logistics yard cost by approximately 23.1%. Furthermore, the average utilisation rate of our yards increased from approximately 80.1% for the year ended 31 December 2017 to approximately 87.1% for the year ended 31 December 2018, in line with the increase in revenue.

Consequently, gross profit margin decreased from approximately 36.7% for the year ended 31 December 2017 to approximately 35.4% for the year ended 31 December 2018.

Other income

Other income remained relatively stable at approximately S$0.6 million for the year ended 31 December 2017 and approximately S$0.5 million for the year ended 31 December 2018.

Other gains and losses

Other gains and losses decreased by approximately 1,935.3% from a gain of approximately S$17,000 for the year ended 31 December 2017 to a loss of approximately S$312,000 for the year ended 31 December 2018. The decrease was mainly due to the increase in allowance for doubtful debts.

Selling expenses

Selling expenses decreased by approximately 40.2% from approximately S$122,000 for the year ended 31 December 2017 to approximately S$73,000 for the year ended 31 December 2018. This was largely due to the decrease in marketing expense spent.

Administrative expenses

Administrative expenses remained relatively stable at approximately S$6.9 million and S$7.3 million for the years ended 31 December 2017 and 2018.

Finance costs

Finance costs decreased by approximately 30.0% from approximately S$60,000 for the year ended 31 December 2017 to approximately S$42,000 for the year ended 31 December 2018 due to the decrease in interest expense from bank borrowings, which is in line with the decrease in bank borrowings between the respective periods.

Listing expenses

Listing expenses increased from nil for the year ended 31 December 2017 to approximately S$2.5 million for the year ended 31 December 2018.

Profit before taxation

Profit before taxation decrease by approximately 31.9% from approximately S$6.9 million for the year ended 31 December 2017 to approximately S$4.7 million for the year ended 31 December 2018. The decrease was mainly due to listing expenses incurred for the year ended 31 December 2018 which was partially offset by the increase in gross profit.

Income tax expense

Income tax expense increased by approximately S$0.1 million from approximately S$1.0 million for the year ended 31 December 2017 to approximately S$1.1 million for the year ended 31 December 2018 due to higher tax effect of expenses not deductible for tax purpose mainly related to listing expenses.

Profit for the year

As a result of the foregoing, profit for the year decreased by approximately S$2.4 million from approximately S$6.0 million for the year ended 31 December 2017 to approximately S$3.6 million for the year ended 31 December 2018. Net profit margin decreased from approximately 16.2% for the year ended 31 December 2017 to approximately 8.9% for the year ended 31 December 2018.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash are to satisfy our working capital needs. Our working capital needs have been financed through a combination of funds generated from operations and bank borrowings. As at 31 December 2017, 2018, 2019 and 31 August 2020, we had cash and cash equivalent of approximately S$5.0 million, S$4.4 million, S$11.2 million and S$11.7 million respectively. Going forward, we expect to fund our working capital and other capital requirements with a combination of various sources, including but not limited to cash generated from our operations and short-term or long-term indebtedness.

The following table sets forth a summary of net cash flows for the periods indicated:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* (unaudited)	*S$*
Net cash from operating activities	5,536,118	7,159,295	7,563,842	4,304,348	6,144,333
Net cash (used in) from investing activities	(2,171,798)	(1,915,524)	764,293	854,896	(89,682)
Net cash used in financing activities	(1,837,814)	(5,879,188)	(1,581,730)	(735,574)	(5,467,320)
Net increase (decrease) in cash and cash equivalents	1,526,506	(635,417)	6,746,405	4,423,670	587,331
Cash and cash equivalents at beginning of the year/period	3,515,119	5,041,625	4,406,208	4,406,208	11,152,613
Cash and cash equivalents at end of the year/period	5,041,625	4,406,208	11,152,613	8,829,878	11,739,944

Net cash from operating activities

Net cash from operating activities primarily consisted of profit before taxation adjusted for non-cash items, such as depreciation and amortisation, gains on disposals of items of property and equipment, allowance for doubtful trade receivables/impairment loss recognised (reversed) on trade receivables and finance costs.

For the year ended 31 December 2017, our net cash from operating activities were approximately S$5.5 million. The net cash from operating activities were mainly attributable to our profit before taxation of approximately S$6.9 million, which was adjusted primarily for (i) depreciation and amortisation of approximately S$1.3 million; (ii) increase in trade receivables of approximately S$1.8 million mainly attributable to the increase in revenue amounting to approximately S$1.6 million from our freight forwarding services; (iii) decrease in other receivables, deposits and repayments of approximately S$71,000; (iv) decrease in trade payables of approximately S$86,000; and (v) decrease in provisions of approximately S$0.1 million.

For the year ended 31 December 2018, our net cash from operating activities were approximately S$7.2 million. The net cash flows from operating activities were mainly attributable to our profit before taxation of approximately S$4.7 million, which was adjusted primarily for (i) decrease in trade receivables of approximately S$1.1 million mainly due to the increase in settlement from our customers; (ii) increase in trade and other payables of approximately S$1.5 million mainly due to the increase in freight forwarding costs which is in line with the increase in revenue from freight forwarding services; (iii) depreciation and amortisation of approximately S$1.2 million mainly related to our motor vehicles; and (iv) increase in other receivables, deposits and prepayments of approximately S$0.6 million mainly related to deferred issue costs.

For the year ended 31 December 2019, our net cash from operating activities were approximately S$7.6 million. The net cash from operating activities were mainly attributable to our profit before taxation of approximately S$7.6 million, which was adjusted primarily for (i) increase in trade receivables of approximately S$1.3 million mainly attributable to the increase in revenue amounting to approximately S$1.9 million from our trucking services; (ii) depreciation and amortisation of approximately S$1.9 million mainly related to our motor vehicles; and (iii) increase in other receivables, deposits and prepayments of approximately S$0.2 million mainly related to deferred issue costs.

For the eight months ended 31 August 2020, our net cash from operating activities were approximately S$6.1 million. The net cash from operating activities were mainly attributable to our profit before taxation of approximately S$4.2 million, which was adjusted primarily for (i) depreciation and amortisation of approximately S$2.0 million mainly related to our motor vehicles; (ii) decrease in trade receivables of approximately S$0.7 million mainly attributable to the decrease in revenue amounting to approximately S$1.2 million from our freight forwarding services; (iii) increase in other receivables, deposits and prepayments of approximately S$0.6 million; (iv) increase in deferred income of approximately S$0.3 million; and (v) income taxes paid of approximately S$0.4 million. The increase in deferred income and increase in other receivables, deposits and repayments was mainly due to Jobs Support Scheme (JSS) subsidy received from the Singapore government in response to the outbreak of COVID-19. For more details, please refer to Notes 19 and 27 in the Accountants' Report in Appendix I to this prospectus.

Net cash (used in) from investing activities

Our net cash used in investing activities are principally due to the purchases of property and equipment. Our net cash from investing activities are primarily due to proceeds from the disposal of property and equipment and deposit refunded for terminating an acquisition of a property.

For the year ended 31 December 2017, our net cash used in investing activities was approximately S$2.2 million. This was primarily due to approximately S$0.5 million in cash used for the purchase of three prime movers, 25 trailers and one forklifts for the year ended 31 December 2017 and approximately S$1.6 million in advance to the shareholder.

For the year ended 31 December 2018, our net cash used in investing activities was approximately S$1.9 million. This was primarily due to approximately S$0.4 million in cash used for the purchase of two prime movers and 25 trailers for the year ended 31 December 2018 and approximately S$1.5 million deposit paid for acquiring a property.

For the year ended 31 December 2019, our net cash from investing activities were approximately S$0.8 million. This was primarily due to placement of restricted bank deposit of approximately S$0.4 million and purchase of property and equipment of approximately S$0.3 million but partially offset by deposit refunded for terminating an acquisition of a property of approximately S$1.5 million.

For the eight months ended 31 August 2020, our net cash used in investing activities were approximately S$90,000. This was primarily due to purchase of property and equipment of approximately S$47,000.

Net cash used in financing activities

Our net cash used in financing activities are primarily due to payment of obligations under finance lease, repayment of advances from director, repayment of loans and borrowings, payment of dividend and interest paid.

For the year ended 31 December 2017, our net cash used in financing activities were approximately S$1.8 million, primarily due to (i) repayment of obligations under finance lease of approximately S$0.8 million; and (ii) dividend payment of approximately S$0.9 million.

For the year ended 31 December 2018, our net cash used in financing activities were approximately S$5.9 million, primarily due to dividends paid of approximately S$4.7 million and repayment of obligations under finance lease of approximately S$0.7 million.

For the year ended 31 December 2019, our net cash used in financing activities were approximately S$1.6 million, primarily due to repayment of lease liabilities of approximately S$1.3 million.

For the eight months ended 31 August 2020, our net cash used in financing activities were approximately S$5.5 million, primarily due to dividend payment of approximately S$4.0 million and repayment of lease liabilities of approximately S$1.3 million.

As at 31 October 2020, we had bank balances and cash of approximately S$13.5 million.

NET CURRENT ASSETS

The following table sets forth current assets and current liabilities as at the dates indicated:

	As at 31 December			As at 31 August	As at 31 October
	2017	**2018**	**2019**	**2020**	**2020**
	S$	**S$**	**S$**	**S$**	**S$**
					(unaudited)
Trade receivables	11,025,280	9,447,814	10,289,473	9,669,163	8,877,802
Other receivables, deposits and prepayments	1,207,300	1,591,304	1,336,868	1,775,662	1,708,141
Amount due from a shareholder	212,151	—	—	—	—
Amounts due from related parties	129,528	2,257	7,751	3,103	—
Restricted bank deposit	—	—	350,000	350,000	350,000
Bank balances and cash	5,041,625	4,406,208	11,152,613	11,739,944	13,524,715
	17,615,884	15,447,583	23,136,705	23,537,872	24,460,658
Current liabilities					
Trade and other payables	4,344,971	3,236,744	3,012,689	2,899,035	3,278,254
Amount due to a shareholder	—	—	—	—	—
Amounts due to related parties	—	69,347	97,440	71,972	—
Bank borrowings	100,236	96,304	94,082	102,293	102,669
Obligations under finance leases	484,039	341,500	—	—	—
Lease liabilities	—	—	2,103,301	2,717,167	2,644,184
Provisions	452,000	389,000	—	—	—
Income tax payable	1,136,397	1,208,660	1,434,598	1,857,815	1,762,875
Deferred income	—	—	—	314,040	314,040
	6,517,643	5,341,555	6,742,110	7,962,322	8,102,022
Net current assets	11,098,241	10,106,028	16,394,595	15,575,550	16,358,636

Our current assets consist primarily of trade receivables, other receivables, deposits and prepayments and bank balances and cash. Our current liabilities consist primarily of trade and other payables, bank borrowings, lease liabilities and tax payable.

Our Group recorded net current assets of approximately S$11.1 million, S$10.1 million, S$16.4 million, S$15.6 million and S$16.4 million as at 31 December 2017, 31 December 2018, 31 December 2019, 31 August 2020 and 31 October 2020 respectively.

There was a decrease in net current assets as at 31 December 2018 of approximately S$1.0 million when compared against the net current assets as at 31 December 2017. The decrease was primarily attributable to (i) a decrease in trade receivables from approximately S$11.0 million as at 31 December 2017 to approximately S$9.4 million as a 31 December 2018 mainly due to the increase in settlement from our customers; (ii) slight decrease in bank balances and cash from approximately S$5.0 million as at 31 December 2017 to approximately S$4.4 million as at 31 December 2018; and (iii) decrease in trade and other payables from approximately S$4.3 million as at 31 December 2017 to approximately S$3.2 million as at 31 December 2018 mainly due to the settlement of approximately S$2.4 million dividend payable but partially offset by the increase in trade payables as a result of the increase in freight forwarding costs.

There was an increase in net current assets as at 31 December 2019 of approximately S$6.3 million when compared against the net current assets as at 31 December 2018. The increase was primarily attributable to (i) an increase in trade receivables from approximately S$9.4 million as at 31 December 2018 to approximately S$10.3 million as at 31 December 2019 mainly due to the increase in revenue amounting to approximately S$1.9 million from our trucking services; (ii) an increase in bank balances and cash from approximately S$4.4 million as at 31 December 2018 to approximately S$11.2 million as at 31 December 2019 which was primarily driven by the overall growth of our business and deposit of approximately S$1.5 million refunded for terminating an acquisition of a property; (iii) an increase in restricted bank deposits from nil as at 31 December 2018 to approximately S$0.4 million as at 31 December 2019; and offset by an increase in lease liabilities from nil as at 31 December 2018 to approximately S$2.1 million as at 31 December 2019.

There was a decrease in net current assets as at 31 August 2020 of approximately S$0.8 million when compared against the net current assets as at 31 December 2019. The decrease was primarily attributable to (i) an increase in deferred income from nil as at 31 December 2019 to approximately S$0.3 million as at 31 August 2020; (ii) increase in income tax payable from approximately S$1.4 million as at 31 December 2019 to approximately S$1.9 million as at 31 August 2020; (iii) increase in lease liabilities from approximately S$2.1 million as at 31 December 2019 to approximately S$2.7 million as at 31 August 2020 mainly due to lease of the new 15C Pioneer Crescent yard; but partially offset by (iv) increase in other receivables, deposits and prepayments from approximately S$1.3 million as at 31 December 2019 to approximately S$1.8 million as at 31 August 2020. The increase in deferred income and increase in other receivables, deposits and prepayments was mainly due to Enhanced Jobs Support Scheme (JSS) subsidy received from the Singapore government in response to the outbreak of COVID-19. Grant receivable of approximately S$0.2 million was recognised in other receivables, deposits and prepayments as there is reasonable assurance that the conditions attached to the subsidy have been fulfilled under the JSS. As at 31 August 2020, approximately S$0.3 million was recognised as deferred income and to be amortised within twelve months from the end of the reporting period. For more details, please refer to Notes 19 and 27 in the Accountants' Report in Appendix I to this prospectus.

We recognised lease liabilities of approximately S$2.7 million as part of our current liabilities as at 31 August 2020, pursuant to the adoption of IFRS 16 on 1 January 2019. Lease liabilities are measured at the present value of the lease payment that are not yet paid.

The net current assets increased to approximately S$16.4 million as at 31 October 2020, which was primarily attributable to (i) increase in bank balances and cash from approximately S$11.7 million as at 31 August 2020 to approximately S$13.5 million as at 31 October 2020 mainly due to the increase in settlement from our customers; but (ii) partially offset by the increase in trade and other payables from approximately S$2.9 million as at 31 August 2020 to approximately S$3.3 million as at 31 October 2020 mainly due to the increase in subcontracting costs as our Group took up additional orders from one of our customer during the month of September 2020.

INDEBTEDNESS

The table below sets out the indebtedness of our Group as at the respective dates indicated:

	As at 31 December			As at 31 August	As at 31 October
	2017	**2018**	**2019**	**2020**	**2020**
	S$	*S$*	*S$*	*S$*	*S$* (unaudited)
Current					
Obligations under finance leases	484,039	341,500	—	—	—
Bank borrowings — secured and guaranteed	100,236	96,304	94,082	102,293	102,669
Leased liabilities *(Note)*	—	—	2,103,301	2,717,167	2,644,184
	584,275	437,804	2,197,383	2,819,460	2,746,853
Non-current					
Obligations under finance leases	120,629	63,516	—	—	—
Bank borrowings — secured and guaranteed	1,203,271	1,124,454	1,099,734	1,026,634	1,009,376
Leased liabilities *(Note)*	—	—	2,729,788	2,769,971	2,381,157
	1,323,900	1,187,970	3,829,522	3,796,605	3,390,533
Total	1,908,175	1,625,774	6,026,895	6,616,065	6,137,386
Analysis by category					
Obligations under finance leases	604,668	405,016	—	—	—
Bank borrowings — secured and guaranteed	1,303,507	1,220,758	1,193,816	1,128,927	1,112,045
Lease liabilities *(Note)*	—	—	4,833,089	5,487,138	5,025,341
Total	1,908,175	1,625,774	6,026,895	6,616,065	6,137,386

Note: Our Group has applied IFRS 16, which are effective for the accounting period beginning on 1 January 2019.

Our Group's bank borrowings are interest bearing and denominated in Singapore dollars.

As at 31 October 2020, our total lease liabilities amounted to approximately S$5.0 million, of which (i) approximately S$0.2 million was secured by the respective leased assets of the Group and deposits paid by the Group and guaranteed by the executive Directors of our Group in their personal capacities. Our Directors confirm that the aforementioned guarantee will be fully released and replaced by corporate guarantee(s) to be provided by our Company and/or other member(s) of our Group upon the Listing; (ii) approximately S$4.7 million was secured by the respective leased assets of the Group or deposits paid by the Group and unguaranteed; and (iii) approximately S$53,000 was unsecured and unguaranteed.

The effective interest rates of our Group's bank borrowings range from 1.48% to 1.98%, 1.48% to 1.98%, 2.48% to 4.18%, 2.00% to 2.48% and 2.00% to 2.48% per annum for years ended 31 December 2017, 2018, 2019, eight months ended 31 August 2020 and ten months ended 31 October 2020 respectively.

Our Group's secured bank borrowings are secured by first legal mortgage over our Group's investment properties and are guaranteed by the directors and Controlling Shareholder of our Group in their personal capacities. Our Directors confirm that the aforementioned guarantee will be fully released and replaced by corporate guarantee(s) to be provided by our Company and/or other member(s) of our Group upon the Listing.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that our Group has not had any delay or default in repayment of bank borrowings, and/or breaches of other covenants under its borrowings.

As at the Latest Practicable Date, we have no material covenants relating to our outstanding borrowings, save for certain financial covenants the details, amongst others, of which are set out as follows (i) the Company shall maintain an operating account with the bank for the purposes of all Company's banking transactions for so long as Company have credit facilities with the bank; (ii) the Company is not bankrupt and/or insolvent and no statutory demand, winding up proceedings or bankruptcy proceedings or other proceedings of similar effect have been served on or commenced against Company and no steps have or are being taken to appoint a receiver or judicial manager in respect of Company and/or Company's assets; and (iii) the property must be owner occupied and must not be used for any investment purposes at any point in time.

Save as aforesaid or as otherwise disclosed herein, our Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other contingent liabilities outstanding as at the closure of business as at 31 October 2020, being the date of this indebtedness statement.

Our Directors confirm that there has been no material adverse change in our indebtedness since 31 October 2020 and up to the Latest Practicable Date.

During the Track Record Period and up to the Latest Practicable Date, our Group had complied with these covenant requirements.

As at 31 October 2020, our total amount of banking facilities was approximately S$1.1 million and we had unutilised banking facilities of nil.

Unutilised banking facilities

The table below summarises the details of our banking and finance leases as at 31 October 2020:

	Facility granted	Utilisation	Unutilised
	S$	*S$*	*S$*
Bank borrowings	1,112,045	1,112,045	—

The table below sets forth the maturity profile of our bank borrowings:

	As at 31 December			As at 31 August	As at 31 October
	2017	**2018**	**2019**	**2020**	**2020**
	S$	*S$*	*S$*	*S$*	*S$* (*unaudited*)
Bank borrowings are analysed as carrying amount repayable:					
Within one year	100,236	96,304	94,082	102,293	102,669
More than one year but not exceeding two years	101,940	98,181	97,190	104,640	104,960
More than two years but not exceeding five years	316,296	308,332	310,730	328,556	329,563
More than five years	785,035	717,941	691,814	593,438	574,853
	1,303,507	1,220,758	1,193,816	1,128,927	1,112,045

The amounts are repayable at various dates throughout to 2033.

Obligations under finance leases

Our Group's obligations under finance leases are hire purchases related to motor vehicles such as prime movers, trailers, and flat vans. The tenure of the hire purchase agreements ranges from one to five years. The average effective interest rates of the leases were 2.47% to 6.43% and 2.47% to 6.43% per annum for the years ended 31 December 2017 and 31 December 2018 respectively.

Our Group's obligations under finance leases are guaranteed by the executive Directors of our Group in their personal capacities. Our Directors confirm that such guarantee will be fully released and replaced by corporate guarantee(s) to be provided by our Company and/or other member(s) of our Group upon the Listing.

The following table sets forth the maturity profile of our obligations under finance leases as at the respective dates indicated:

	As at 31 December	
	2017	2018
	S$	*S$*
Minimum lease payments		
Within one year	498,010	352,739
More than one year but not more than two years	111,899	60,864
More than two years but not more than five years	15,592	6,111
Less: future finance charges	(20,833)	(14,698)
Present value of minimum lease payments	604,668	405,016

	As at 31 December	
	2017	2018
	S$	*S$*
Present value of minimum lease payments		
Within one year	484,039	341,500
More than one year but not more than two years	107,060	58,192
More than two years but not more than five years	13,569	5,324
	604,668	405,016

Lease liabilities

As at 31 August 2020, we had lease liabilities of approximately S$5.5 million which represented the outstanding lease liabilities in respect of the leases of our properties and offices upon adoption of IFRS 16 from 1 January 2019.

The following table sets forth the exposure of our lease liabilities as at the respective dates indicated:

	As at 31 August 2020	As at 31 October 2020
	S$	*S$* *(unaudited)*
Lease liabilities payable:		
Within one year	2,717,167	2,644,184
More than one year but not more than two years	2,128,115	1,936,049
More than two years but not more than five years	641,856	445,108
	5,487,138	5,025,341
Less: amounts due for settlement within one year shown under current liabilities	(2,717,167)	(2,644,184)
Amounts due for settlement after one year shown under non-current liabilities	2,769,971	2,381,157

Our Group lease offices, staff dormitory and warehouses, computer and office equipment and motor vehicles for operation and these lease liabilities were measured at the present value of the lease payment that are not yet paid. All leases are entered at fixed prices.

For further details, please refer to Notes 4 and 25 of the Accountants' Report in Appendix I to this prospectus.

Operating Lease Commitments

Our Group as lessee

	As at 31 December			As at 31 August	As at 31 October
	2017	2018	2019	2020	2020
	S$	*S$*	*S$*	*S$*	*S$* (*unaudited*)
Minimum lease payments paid under operating lease/lease arrangement in respect of yard spaces and office	3,080,002	2,379,292	N/A[1]	N/A[1]	N/A[1]

Note:

(1) Upon application of modified retrospective approach under IFRS 16 at transition, the Group elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of date of initial application. Also, the Group applies the short-term lease recognition exemption to leases offices, staff dormitory and warehouses, computer and office equipment and motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Total short-term lease expenses of offices, staff dormitory and warehouses, computer and office equipment and motor vehicles amounted to S$253,788 and S$295,211 for the eight months ended 31 August 2020 and the ten months ended 31 October 2020 respectively.

Our Group had commitments for future minimum lease payments under non-cancellable operating leases/lease arrangements as at the end of each reporting period which fall due as follows:

	As at 31 December	
	2017	2018
	S$	*S$*
Within one year	1,688,613	960,491
In the second to fifth year, inclusive	338,029	45,736
	2,026,643	1,006,227

The leases have tenures ranging from one month to five years. The lease payments are fixed over the lease term and no contingent rent provision is included in the contracts.

Our Group as lessor

The details of rental income earned on investment properties are disclosed per Note 7 of the Accountants' Report set forth in Appendix I to this prospectus.

At the end of reporting period, our Group had contracted with tenants for the following future minimum lease receivables:

	As at 31 December			As at 31 August	As at 31 October
	2017	2018	2019	2020	2020
	S$	*S$*	*S$*	*S$*	*S$* (*unaudited*)
Within one year	383,050	245,246	344,948	98,000	90,000
In the second to fifth year, inclusive	269,246	24,000	226,604	63,000	54,000
	652,296	269,246	571,552	161,000	144,000

The leases have tenures ranging from one to four years. The lease receivables are fixed over the lease term and no contingent rent income is included in the contracts.

Capital commitments

Our Group's capital commitments are as follows:

	As at 31 December			As at 31 August	As at 31 October
	2017	2018	2019	2020	2020
	S$	*S$*	*S$*	*S$*	*S$* (*unaudited*)
Contracted, but not provided for:					
Capital expenditure in respect of acquisition of items of property and equipment	310,544	18,050,000[1]	—	—	—

Note:

1. This is related to the purchase of a warehouse which total sum of contract is S$19.0 million. The completion of the agreement is subject to certain precedent as detailed in Note 19 in the Accountants' Report in Appendix I to this prospectus. The original purchase agreement is of a definite exercise period and was terminated subsequent to 30 April 2019.

Contingent liabilities

During the Track Record Period and up to the Latest Practicable Date, our Group had no material contingent liabilities.

ANALYSIS OF SELECTED COMBINED STATEMENTS OF FINANCIAL POSITION ITEMS

Property and equipment

Our Group's property and equipment mainly consist of (i) machineries including forklift and reach stacker, (ii) computers and office equipment, (iii) motor vehicles including prime movers, trailers and flat vans, (iv) leasehold buildings, (v) leasehold improvement and (vi) furniture and fittings. The following table sets out the carrying amounts of each type of property and equipment of our Group as at the dates indicated:

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Machineries	511,633	333,434	188,927	92,589
Computers and office equipment	178,741	154,002	125,844	149,861
Motor vehicles	3,464,980	3,648,987	4,032,853	3,621,545
Leasehold buildings	—	—	4,141,523	5,134,329
Leasehold improvement	349,554	70,637	38,511	77,301
Furniture and fittings	10,168	9,309	5,832	4,260
	4,515,076	4,216,369	8,533,490	9,079,885

The carrying amount of motor vehicles increased from approximately S$3.5 million as at 31 December 2017 to S$3.6 million as at 31 December 2018 due to the acquisition of two prime movers and 25 trailers but also disposal of 60 trailers. The carrying value of motor vehicles increased from approximately S$3.6 million as at 31 December 2018 to approximately S$4.0 million as at 31 December 2019 mainly due to the acquisition of five prime movers and 35 trailers but also disposal of five prime movers and five trailers. The carrying value of motor vehicles decreased from approximately S$4.0 million as at 31 December 2019 to approximately S$3.6 million as at 31 August 2020 due to depreciation of motor vehicles.

During the Track Record Period, our capital expenditures have principally consisted of expenditures on motor vehicles, buildings and computer equipment. We incurred cash flows on capital expenditures for purchase of property and equipment in the amounts of approximately S$0.5 million, S$0.4 million, S$0.3 million and S$47,000 for the three years ended 31 December 2019 and the eight months ended 31 August 2020 respectively.

Trade receivables

Trade receivables represent the balances due from customers which amounted to approximately S$11.0 million, S$9.4 million, S$10.3 million and S$9.7 million as at 31 December 2017, 2018, 2019 and 31 August 2020 respectively.

The following table sets forth our Group's trade receivables as at the dates indicated:

	As at 31 December			As at 31 August
	2017	**2018**	**2019**	**2020**
	S$	*S$*	*S$*	*S$*
Current				
Trade receivables	11,029,979	9,914,800	10,745,473	9,794,681
Less: Allowance for doubtful debts/impairment allowance	(4,699)	(466,986)	(456,000)	(125,518)
	11,025,280	9,447,814	10,289,473	9,669,163

The following is an ageing analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date which approximated the revenue recognition date, as at the dates indicated:

	As at 31 December			As at 31 August
	2017	**2018**	**2019**	**2020**
	S$	*S$*	*S$*	*S$*
Trade receivables				
Within 30 days	4,281,060	4,082,257	4,317,667	3,253,705
31 days to 60 days	2,999,492	2,753,962	3,252,340	3,027,860
61 days to 90 days	1,436,857	1,589,807	1,578,989	1,580,131
91 days to 180 days	1,017,949	917,053	973,120	1,221,428
181 days to 1 year	983,470	95,753	115,965	413,151
Over 1 year but not more than 2 years	143,746	—	47,033	174,542
Over 2 years	162,706	8,982	4,359	(1,654)[(Note)]
	11,025,280	9,447,814	10,289,473	9,669,163

Note: This is related to unclaimed credit notes and advances which certain customers have overpaid.

As at the Latest Practicable Date, approximately 66.9% of our trade receivables aged over 90 days as at 31 August 2020 had been settled.

Meanwhile, in relation to the trade receivables aged over 90 days as at 31 December 2018, such amount was mainly due to outstanding receivable balances from one of our value added transport services customers of approximately S$0.5 million as at 31 December 2018. Our Group has been in close discussion to collect the outstanding receivables and a repayment schedule was finalised on 13 March 2018 for three instalments with 31 December 2018 being the last instalment. As at Latest Practicable Date, the final instalment of approximately S$0.5 million has been repaid. The trade receivables aged over 90 days as at 31 August 2020 are mainly due from several of our largest customers throughout the Track Record Period, including Customer E, Customer H, Customer S, Customer W and Customer BQ, who have a long standing business relationship with the Group. As such, our Directors are of the view that there are no recoverability issues due to sound repayment record from such customers despite a granted period of 30 to 90 days to such customers.

The following table sets out the aging analysis of trade receivables that are neither individually nor collectively considered to be impaired:

	As at 31 December
	2017
	S$
Trade receivables	
Not past due and not impaired	2,382,753
Past due but not impaired:	
Within 30 days	3,967,836
31 days to 60 days	1,991,627
61 days to 90 days	724,018
91 days to 180 days	648,605
181 days to 1 year	926,259
Over 1 year but not more than 2 years	147,626
More than 2 years	236,556
	8,642,527
	11,025,280

Starting from 1 January 2018, our Group applied simplified approach to provide the expected credit losses ("**ECL**") prescribed by IFRS 9.

The table below provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2018 and 2019 and 31 August 2020 within lifetime ECL (not credit impaired):

	Average loss rate	Gross trade receivables	ECL
		S$	*S$*
As at 31 December 2018			
Assessed based on provision matrix			
Low risk	0.75%	9,447,814	—*
Assessed individually			
Loss	100%	466,986	466,986
		9,914,800	466,986

	Average loss rate	Gross trade receivables	ECL
		S$	*S$*
As at 31 December 2019			
Assessed based on provision matrix			
Low risk	1.02%	10,289,473	—*
Assessed individually			
Loss	100%	456,000	456,000
		10,745,473	456,000

* *The amount is insignificant, no adjustment made for impairment loss*

	Average loss rate	Gross trade receivables	ECL
		S$	*S$*
As at 31 August 2020			
Assessed based on provision matrix			
Low risk	0.48%	9,059,263	—*
Assessed individually			
Watch list	0.61%	609,900	—*
Loss	100%	125,518	125,518
		9,794,681	125,518

* *The amount is insignificant, no adjustment made for impairment loss*

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort.

Our Group provides trucking services to new customers of cash upon delivery and grants credit terms to other customers typically ranging from 30 to 90 days from the invoice date. We negotiate with and offer credit terms to our customers prior to entering into contracts or accepting customers' orders.

Receivables that were past due relate to a number of customers that have a good track record with our Group. Trade receivables which were past due for over one year amounted to approximately S$384,000, S$9,000, S$47,000 and S$149,000 as at 31 December 2017, 2018, 2019 and 31 August 2020 respectively. As at the Latest Practicable Date, approximately 4.0% of our trade receivables which were past due for over one year as at 31 August 2020 had been settled. The remaining balance is mainly due from one of our trucking services customers and our Group has agreed to a repayment plan with the aforesaid customer. Based on past experience, our Directors are of the opinion that trade receivables which were past due were still considered fully recoverable due to sound repayment record from these customers and that no further provision for impairment is necessary as there has not been a significant change in credit quality.

The following table sets out the trade receivables turnover days for the Track Record Period:

	Year ended 31 December			As at 31 August
	2017	**2018**	**2019**	**2020**
Trade receivables turnover days[(1)]	100.5	91.9	82.5	91.2

Note:

1. Trade receivables turnover days are calculated by the average trade receivables after allowance for doubtful debts/impairment allowance divided by the total revenues for the relevant year/period multiplied by the number of days in the year/period. Average trade receivables are calculated as the average of the beginning and ending trade receivables balances for the respective years/periods.

For the three years ended 31 December 2019 and the eight months ended 31 August 2020, our Group recorded trade receivables turnover days of approximately 100.5 days, 91.9 days, 82.5 days and 91.2 days respectively.

Trade receivables turnover days decreased from approximately 100.5 days for the year ended 31 December 2017 to approximately 91.9 days for the year ended 31 December 2018 due to the decrease in trade receivables as a result of collection of outstanding receivables from one of our value added transport services customers which was overdue for over 90 days. The trade receivables turnover days further decreased to approximately 82.5 days as at 31 December 2019 and were within the range of credit period granted by us to our customers of 30 to 90 days. The trade receivables turnover days increased from approximately 82.5 days for the year ended 31 December 2019 to approximately 91.2 days for the eight months ended 31 August 2020 due to slower collection of outstanding receivables from our customers during the outbreak of COVID-19.

As at 31 October 2020, approximately 71.2% (or approximately S$6.9 million) of our trade receivables as at 31 August 2020 had been settled.

As at Latest Practicable Date, approximately 90.5% (or approximately S$8.7 million) of our trade receivables as at 31 August 2020 had been settled.

Trade and other payables

Trade and other payables primarily relate to the payables to suppliers, other payables and accrued expenses. Trade and other payables amounted to approximately S$4.7 million, S$3.2 million, S$3.3 million and S$3.4 million as at 31 December 2017, 2018, 2019 and 31 August 2020 respectively.

The following table sets forth our Group's trade and other payables as at the dates indicated:

	As at 31 December			As at 31 August
	2017	**2018**	**2019**	**2020**
	S$	*S$*	*S$*	*S$*
Current:				
Trade payables	972,231	1,350,181	1,085,141	741,971
Trade accruals	100,336	93,715	129,380	82,343
	1,072,567	1,443,896	1,214,521	824,314
Goods and Services Tax ("GST") payables	231,545	175,825	195,504	100,297
Accrued operating expenses	385,979	637,212	801,285	1,005,457
Security and rental deposits	166,911	497,390	103,900	93,840
Accrual for purchase of property and equipment	87,969	69,351	—	—
Accrued listing expenses	—	311,907	689,939	867,587
Dividend payables	2,400,000	—	—	—
Other payables	—	101,163	7,540	7,540
	3,272,404	1,792,848	1,798,168	2,074,721
	4,344,971	3,236,744	3,012,689	2,899,035
Non-current:				
Deposits	372,660	—	272,318	503,318
	4,717,631	3,236,744	3,285,007	3,402,353

The following table sets out the aging analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Trade payables				
Within 30 days	511,367	767,481	606,223	499,822
31 days to 60 days	359,825	405,433	338,504	201,690
61 days to 90 days	75,490	63,200	86,441	26,146
Over 90 days	25,549	114,067	53,973	14,313
	972,231	1,350,181	1,085,141	741,971

The following table sets out the trade payables turnover days for the Track Record Period:

	Year ended 31 December			As at 31 August
	2017	2018	2019	2020
Trade payable turnover days[(1)]	15.9	17.5	18.2	14.3

Notes:

1. Trade payables turnover days are calculated by the average trade payables and trade accruals divided by the cost of services for the year/period and multiplied by the number of days in the year/period. Average trade payables and trade accruals are calculated as the average of the beginning and ending trade payables and trade accruals balances for the respective years/periods.

The credit term offered by our major suppliers is typically 0 to 30 days or payable upon delivery such as port and depot charges. For the three years ended 31 December 2019 and the eight months ended 31 August 2020, our Group recorded trade payables turnover days of approximately 15.9 days, 17.5 days, 18.2 days and 14.3 days respectively.

As shown in the table above, up to the 31 October 2020, approximately 90.8% (or approximately S$0.7 million) of our trade payables as at 31 August 2020 had been settled.

As at Latest Practicable Date, approximately 98.1% (or approximately S$0.7 million) of our trade payables as at 31 August 2020 had been settled.

Other payables mainly comprise GST payables, accrued operating expenses, security and rental deposits, accrual for purchase of property and equipment, accrued listing expenses and dividend payables.

Other payables decreased by approximately 42.4% from approximately S$3.3 million as at 31 December 2017 to approximately S$1.8 million as at 31 December 2018 mainly due to the decrease in dividend payable of approximately S$2.4 million which was partially offset by the increase in accrual for operating expenses of approximately S$0.2 million, security and rental deposits of approximately S$0.3 million and accrued listing expenses of approximately S$0.3 million.

Other payables remained relatively stable at approximately S$1.8 million as at 31 December 2018 and 2019 respectively. Other payables increased by approximately 16.7% from approximately S$1.8 million as at 31 December 2019 to approximately S$2.1 million as at 31 August 2020 mainly due to the increase in accrual for operating expenses of approximately S$0.2 million and accrual of listing expenses of approximately S$0.2 million.

Amounts due from/to a shareholder

Our amounts due from/to shareholders represented our Group's non-trade in nature, unsecured, interest free and repayable on demand advances from/to Mr. Ng.

The amounts due from shareholders amounted to S$212,151, nil, nil and nil respectively, as at 31 December 2017, 2018, 2019 and 31 August 2020.

Amounts due from/to related parties

Our amounts due from/to JH Tyres & Batteries Pte. Ltd., R&G Shipping Pte. Ltd., R&S Engineering Works Pte. Ltd., Rejoice Logistic Services Pte. Ltd. and Crystal Parts Pte. Ltd. were trade in nature, unsecured, interest free and repayable on demand. The amounts due from/to related parties which were non-trade in nature, represented temporary advances from/to related parties. Such amounts were unsecured, repayable on demand, and bears interest at 5% per annum.

The following table sets out the breakdown of our amounts due from/to related parties as at the dates indicated:

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Amounts due from related parties				
Trade related				
JH Tyres & Batteries Pte. Ltd.	2,433	1,329	6,663	2,345
R&G Shipping Works Pte. Ltd.	891	—	—	—
R&S Engineering Pte. Ltd.	711	765	783	404
Crystal Parts Pte. Ltd.	6,478	163	305	354
Non-trade related				
Mr. Stephen Yeo	119,015	—	—	—
	129,528	2,257	7,751	3,103
Amounts due to related parties				
Trade related				
R&S Engineering Works Pte. Ltd.	—	34,197	52,478	45,618
JH Tyres & Batteries Pte. Ltd.	—	35,150	44,962	26,354
	—	69,347	97,440	71,972

Amount due from related parties amounted to S$129,528, S$2,257, S$7,751 and S$3,103 respectively, as at 31 December 2017, 2018, 2019 and 31 August 2020. The amounts due from Mr. Stephen Yeo was fully settled as at 31 December 2018.

Amount due to related parties amounted to nil, S$69,347, S$97,440 and S$71,972 as at 31 December 2017, 2018, 2019 and 31 August 2020 respectively. The fluctuation from 31 December 2017 to 31 December 2018 to 31 December 2019 and to 31 August 2020 was mainly due to amounts due to JH Tyres & Batteries Pte. Ltd. and R&S Engineering Works Pte. Ltd..

Bank balances and cash

Our bank balances and cash comprise cash at bank and cash on hand. Bank balances and cash amounted to approximately S$5.0 million, $4.4 million, S$11.2 million and S$11.7 million as at 31 December 2017, 2018, 2019 and 31 August 2020 respectively.

Deferred tax liabilities/assets

Deferred tax liabilities were mainly derived from the temporary differences in respect of the excess of net book values of plant and equipment over their corresponding tax values and deferred tax assets were mainly derived from the temporary differences in respect of the tax benefit available for offsetting against future taxable profits as at the end of each reporting period. For further details, please refer to Note 28 in the Accountants' Report in Appendix I to this prospectus.

KEY FINANCIAL RATIOS

The following table sets forth certain financial ratios as at the dates indicated:

	As at 31 December			Eight months ended 31 August or as at 31 August
	2017	2018	2019	2020
Gross profit margin(1)	36.7%	35.4%	39.0%	34.9%
Net profit margin(2)	16.2%	8.9%	13.9%	12.9%
Return on assets(3)	22.1%	14.1%	16.6%	9.2%
Return on equity(4)	32.7%	19.3%	24.4%	14.2%
Interest coverage ratio(5)	116.2	112.3	54.8	27.7
Current ratio(6)	2.7	2.9	3.4	3.0
Gearing ratio(7)	10.5%	8.7%	24.3%	27.3%
Debt to equity ratio(8)	N/A	N/A	N/A	N/A

Notes:

1. Gross profit margin is calculated by dividing the gross profit for the year/period by total revenue for the year/period and multiplied by 100%. See "Period to Period Comparison of Results of Operations" in this section for more details on our gross profit margin.
2. Net profit margin is calculated by dividing the net profit for the year/period by total revenue for the year/period and multiplied by 100%. See "Period to Period Comparison of Results of Operations" in this section for more details on our net profit margin.
3. Return on assets equals to net profit for the year/period divided by total assets at the end of the year/period and multiplied by 100%.
4. Return on equity equals to net profit for the year/period divided by total equity at the end of the year/period and multiplied by 100%.
5. Interest coverage ratio equals to the net profit before interest and tax for the year/period divided by the net interest expenses for the year/period.
6. Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year/period.
7. Gearing ratio is calculated by dividing the sum of bank borrowings, obligations under finance lease and lease liabilities by the total equity at the end of each year/period and multiplied by 100%.
8. Debt to equity ratio is calculated by dividing net debt (the sum of bank borrowings, obligations under finance lease and lease liabilities less cash and cash equivalents) by the total equity at the end of each year/period and multiplied by 100%.

Return on assets

Our return on assets decreased from approximately 22.1% for the year ended 31 December 2017 to approximately 14.1% for the year ended 31 December 2018. This decrease was primarily attributable to approximately 40.0% decrease in net profit from approximately S$6.0 million for the year ended 31 December 2017 to approximately S$3.6 million for the year ended 31 December 2018 mainly due to listing expenses incurred during the year ended 31 December 2018 whilst total assets decreased by approximately 4.5% from approximately S$26.9 million as at 31 December 2017 to approximately S$25.7 million as at 31 December 2018 mainly due to a decrease in trade receivables as a result of increase settlement from our customers.

Our return on assets increased from approximately 14.1% for the year ended 31 December 2018 to approximately 16.6% for the year ended 31 December 2019. This increase was primarily attributable to approximately 69.4% increase in net profit from approximately S$3.6 million for the year ended 31 December 2018 to approximately S$6.1 million for the year ended 31 December 2019 mainly due to the increase in gross profit from our trucking services, freight forwarding services and value added transport services whilst total assets increased by approximately 42.0% from approximately S$25.7 million as at 31 December 2018 to approximately S$36.5 million as at 31 December 2019 which was mainly due to (i) increase in bank balances and cash of approximately S$6.8 million primarily driven by the overall growth of our business and deposit of approximately S$1.5 million refunded for terminating an acquisition of a property; and (ii) right-of-use assets of approximately S$5.6 million recognised under IFRS 16.

Analysis for the eight months ended 31 August 2020 is not meaningful as it is not comparable to the relevant figures from each of the full financial year.

Return on equity

Our return on equity decreased from approximately 32.7% for the year ended 31 December 2017 to approximately 19.3% for the year ended 31 December 2018. This decrease was primarily attributable to approximately 40.0% decrease in net profit from approximately S$6.0 million for the year ended 31 December 2017 to approximately S$3.6 million for the year ended 31 December 2018 mainly due to listing expenses of approximately S$2.5 million incurred during the year ended 31 December 2018 whilst total equity remained relatively stable at approximately S$18.2 million as at 31 December 2017 and approximately S$18.8 million as at 31 December 2018.

Our return on equity increased from approximately 19.3% for the year ended 31 December 2018 to approximately 24.4% for the year ended 31 December 2019. This increase was primarily attributable to approximately 69.4% increase in net profit from approximately S$3.6 million for the year ended 31 December 2018 to approximately S$6.1 million for the year ended 31 December 2019 mainly due to the increase in gross profit from our trucking services, freight forwarding services and value added transport services whilst total equity increased by approximately 31.9% from approximately S$18.8 million as at 31 December 2018 to approximately S$24.8 million as at 31 December 2019 mainly due to profit and other comprehensive income for the year ended 31 December 2019.

Analysis for the eight months ended 31 August 2020 is not meaningful as it is not comparable to the relevant figures from each of the full financial year.

Interest coverage ratio

Our interest coverage ratio decreased from approximately 116.2 times for the year ended 31 December 2017 to approximately 112.3 times for the year ended 31 December 2018 mainly due to approximately 31.9% decrease in profit before interest and tax from approximately S$7.0 million for the year ended 31 December 2017 to approximately S$4.7 million for the year ended 31 December 2018 as a result of listing expenses of approximately S$2.5 million incurred during the year ended 31 December 2018 along with the decrease in finance cost from S$60,000 for the year ended 31 December 2017 to S$42,000 for the year ended 31 December 2018.

Our interest coverage ratio decreased from approximately 112.3 times for the year ended 31 December 2018 to approximately 54.8 times for the year ended 31 December 2019 mainly due to approximately 63.8% increase in profit before interest and tax from approximately S$4.7 million for the year ended 31 December 2018 to approximately S$7.7 million for the year ended 31 December 2019 as a result of the increase in overall gross profit along with the increase in finance cost from S$42,000 for the year ended 31 December 2018 to S$140,000 for the year ended 31 December 2019 due to the increase in lease liabilities pursuant to the adoption of IFRS 16 on 1 January 2019.

Our interest coverage ratio decreased from approximately 84.7 times for the eight months ended 31 August 2019 to approximately 27.7 times for the eight months ended 31 August 2020 mainly due to approximately 21.4% decrease in profit before interest and tax from approximately S$5.6 million for the eight months ended 31 August 2019 to approximately S$4.4 million for the eight months ended 31 August 2020 as a result of the decrease in overall gross profit along with the increase in finance cost from S$66,000 for the eight months ended 31 August 2019 to S$158,000 for the eight months ended 31 August 2020 due to the increase in lease liabilities mainly related to the lease of the new 15C Pioneer Crescent yard.

Current ratio

Our current ratio increased from approximately 2.7 times as at 31 December 2017 to approximately 2.9 times as at 31 December 2018 mainly due to approximately 18.5% decrease in current liabilities from approximately S$6.5 million as at 31 December 2017 to approximately S$5.3 million as at 31 December 2018 as a result of the settlement of dividend payable outweighing approximately 12.5% decrease in current assets from approximately S$17.6 million as at 31 December 2017 to approximately S$15.4 million as at 31 December 2018 which was mainly due to the increase in settlement from our customers.

Our current ratio increased from approximately 2.9 times as at 31 December 2018 to approximately 3.4 times as at 31 December 2019 mainly due to approximately 50.0% increase in current assets from approximately S$15.4 million as at 31 December 2018 to approximately S$23.1 million as at 31 December 2019 from the increase in bank balances and cash as a result of the overall growth of our business while current liabilities increased slightly from approximately S$5.3 million as at 31 December 2018 to approximately S$6.7 million as at 31 December 2019 from the recognition of lease liabilities.

Our current ratio decreased from approximately 3.4 times as at 31 December 2019 to approximately 3.0 times as at 31 August 2020 mainly due to approximately 19.4% increase in current liabilities from approximately S$6.7 million as at 31 December 2019 to approximately S$8.0 million as at 31 August 2020 as a result of recognition of deferred income in relation to Jobs Support Scheme (JSS) subsidy while current assets remained relatively stable at approximately S$23.1 million and S$23.5 million as at 31 December 2019 and 31 August 2020 respectively.

Gearing ratio

Our gearing ratio decreased from approximately 10.5% as at 31 December 2017 to approximately 8.7% as at 31 December 2018. This decrease was mainly due to approximately 15.8% decrease in the sum of bank borrowings and obligations under finance lease from approximately S$1.9 million as at 31 December 2017 to approximately S$1.6 million as at 31 December 2018 as a result of repayment of obligations under finance leases and borrowings.

Our gearing ratio increased from approximately 8.7% as at 31 December 2018 to approximately 24.3% as at 31 December 2019. This increase was mainly due to approximately 275.0% increase in the sum of bank borrowings, obligations under finance lease and lease liabilities from approximately S$1.6 million as at 31 December 2018 to approximately S$6.0 million as at 31 December 2019 due to the recognition of lease liabilities from the application of IFRS 16 from 1 January 2019.

Our gearing ratio increased from approximately 24.3% as at 31 December 2019 to approximately 27.3% as at 31 August 2020. This increase was mainly due to approximately 10.0% increase in the sum of bank borrowings and lease liabilities from approximately S$6.0 million as at 31 December 2019 to approximately S$6.6 million as at 31 August 2020 mainly due to the recognition of lease liabilities from the application of IFRS 16 from 1 January 2019 and lease of the new 15C Pioneer Crescent yard.

Debt to equity ratio

Since we recorded net cash position as at 31 December 2017, 2018, 2019 and 31 August 2020, debt to equity ratio was not applicable.

OFF-BALANCE SHEET ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we did not have any off-balance sheet arrangements.

FINANCIAL RISKS

Our Group is or may be exposed to interest rate risk, currency risk, credit risk and liquidity risk carried at other than fair value in the normal course of business. Further details on our financial risk management policies and practices are set out in the section headed "Notes to the historical financial information — Financial risk management objectives and policies" in Appendix I to this prospectus.

RECENT DEVELOPMENTS

Based on the unaudited financial information of the Group for the ten months ended 31 October 2020, our revenue decreased by approximately 7.5% as compared to the same period in 2019. The decreases were mainly because of a significant decrease in business activities in February 2020 as a result of the outbreak of COVID-19, while our revenue has been recovering and increased by approximately 35.8% in October 2020 as compared to February 2020. Our Directors take the view that the abovementioned decreases and fluctuations for the ten months ended 31 October 2020 as compared to the same period in 2019 are immaterial when this is considered in the context of the unprecedented shock caused by the outbreak of COVID-19. Moreover, our revenue has been recovering and increased in October 2020 as compared to February 2020.

For details of the impact of COVID-19 on our business and operations, please refer to the section headed "Summary — Recent development and material adverse change" in this prospectus.

SUFFICIENCY OF WORKING CAPITAL

Taking into account the financial resources available to our Group, including the internally generated funds, available facilities, the estimated net proceeds from the issue of New Shares under the Share Offer, our Directors are of the opinion that our Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of the prospectus.

During the Track Record Period and up to the Latest Practicable Date, our Directors confirm that our Group (i) has not encountered any difficulty in obtaining external borrowings; (ii) has not been recalled or requested for early repayment of borrowings; (iii) has not had any delay or default in repayment of trade and non-trade payables and bank borrowings, and/or breaches of other covenants under its borrowings; and (iv) has not breached of any finance covenants.

RELATED PARTY TRANSACTIONS

With respect to the related party transactions set out in the Accountants' Report in Appendix I to this prospectus, our Directors confirm that these transactions were conducted on normal commercial terms and/or on terms not less favourable than terms available from Independent Third Parties, which are considered fair, reasonable and in the interest of its Shareholders as a whole.

DISTRIBUTABLE RESERVES

Subject to the Companies Law and the Articles, our Company may declare dividends in any currency, but no dividend shall be declared in excess of the amount recommended by our Board. The Articles provide that dividends may be declared and paid out of the profits of our Company, realised or unrealised, or from any reserve set aside from profits which our Directors determine is no longer needed. Our Company can also pay dividends out of the share premium with the approval of our Shareholders and subject to a statutory solvency test.

Our Company was incorporated in the Cayman Islands on 20 June 2018 and had no distributable reserves as at 31 December 2017, 2018, 2019 and 31 August 2020.

DIVIDEND

During the year ended 31 December 2017, Rejoice declared a dividend of S$4,000,000 in respect of the year ended 31 December 2016. S$1,600,000 was offset against amount owing from the shareholders during the year ended 31 December 2017, and the remaining amount of S$2,400,000 was paid out at the beginning of 2018.

During the year ended 31 December 2017, Richwell declared a dividend of S$200,000, in respect of the year ended 31 December 2016. The dividend was paid out during the year ended 31 December 2017.

During the year ended 31 December 2017, Radiant declared a dividend of S$620,000 in respect of the year ended 31 December 2016. The dividend was paid out during the year ended 31 December 2017.

During the year ended 31 December 2018, Rejoice declared a dividend of S$600,000 in respect of the year ended 31 December 2017. S$300,000 was offset against amount owing from Mr. Ng and the remaining amount of S$300,000 was paid out during the year ended 31 December 2018.

During the year ended 31 December 2018, Richwell declared a dividend of S$1,203,370 in respect of the financial year ended 31 December 2017. S$205,454 was offset against amount owing from Mr. Ng, and the remaining amount of S$997,916 was paid out during the year ended 31 December 2018.

During the year ended 31 December 2018, Radiant declared a dividend of S$280,000 in respect of the year ended 31 December 2017. S$276,658 was offset against amount owing from Mr. Ng, and the remaining amount of S$3,342 was paid out during the year ended 31 December 2018.

Clear Bliss declared a dividend of S$1,000,000 in respect of the financial year ended 31 December 2018 which is fully paid out during the year.

No dividend was declared or paid during the year ended 31 December 2019.

Clear Bliss declared a dividend of S$4,000,000 in respect of the financial year ended 31 December 2019. The dividend was paid out during the eight months ended 31 August 2020.

The payment and the amount of any dividends, if paid, will depend on the results of operations, cash flows, financial condition, statutory and regulatory restrictions on the payment of dividends by us, future prospects and other factors that we may consider relevant. Holders of the Shares will be entitled to receive such dividends pro rata according to the amounts paid up or credited as paid up on the Shares.

There can be no assurance that we will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. Our Group does not have any pre-determined dividend payout ratio and any dividends will be made at the discretion of the Board and will be based upon our Group's earnings, cash flow, financial condition, capital requirements and any other conditions that our Directors consider relevant.

Accordingly, the financial results of our Group for the year ending 31 December 2020 are expected to be materially affected by the estimated expenses in relation to the Listing. Our Directors would like to emphasise that such cost is a current estimate for reference only and the final amount to be recognised in the combined statement of profit or loss of our Group for the year ending 31 December 2020 is subject to adjustment based on audit and the then changes in variables and assumptions.

DISCLOSURE REQUIRED UNDER THE LISTING RULES

Except as otherwise disclosed in this prospectus, our Directors confirm that, as at the Latest Practicable Date, there were 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 Deloitte & Touche LLP as recognised PIE auditors by the Financial Reporting Council

Background

We intend to appoint Deloitte & Touche LLP, an overseas audit firm of public accountants and chartered accountants in Singapore ("**Deloitte SG**") to act as our Company's auditors after the Listing. Deloitte & Touche LLP audits Clear Bliss Holdings Limited and its subsidiaries and they are also the statutory auditors for the Singapore incorporated subsidiaries in our Group i.e. Rejoice Container Services Pte Ltd, Richwell Global Forwarding Pte. Ltd., Radiant Overseas Pte Ltd and Real Time Forwarding Pte. Ltd.

The amendments to the Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) have become effective

As from 1 October 2019 (the "**Effective Date**"), the amendments to the Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong) ("**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 (the "**PIE Engagement**") with a public interest entity ("**PIE**") 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).

Our application for the recognition of Deloitte SG as Recognised 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 Deloitte SG as our auditors, we must apply to the FRC for its recognition of Deloitte SG.

On 30 July 2020, we applied to the Stock Exchange for a SNO to support our Company's application to the FRC for its recognition of Deloitte SG as a Recognised PIE Auditor. On 4 August 2020, we received the SNO from the Stock Exchange. In August 2020, we applied to the FRC for its recognition of Deloitte SG as a Recognised PIE Auditor. On 23 September 2020, we received the approval in principle from FRC to recognise and grant approval to Deloitte SG to be our Recognised PIE Auditor. The approval in principle is valid for a 6-month period beginning on 23 September 2020. The recognition of Deloitte SG as our Recognised PIE Auditor will take effect when Deloitte SG undertakes the PIE engagement upon the Listing.

LISTING EXPENSES

Our Group expects the total estimated listing expenses to be approximately HK$54.9 million (based on the Offer Price of HK$0.46 per Share, being the mid-point of the Offer Price range between HK$0.40 and HK$0.52 per Share), of which approximately HK$48.7 million of the aggregate listing expenses is expected to be borne by our Group and approximately HK$6.2 million of the aggregate listing expenses is expected to be borne by the Selling Shareholder. Of the listing expenses of approximately HK$48.7 million expected to be borne by our Group, approximately HK$18.4 million will be accounted for as a deduction from our equity upon the Listing. The remaining amount of approximately HK$30.3 million is expected to be charged to our profit and loss accounts, of which approximately HK$14.4 million was charged for the year ended 31 December 2018, approximately HK$6.0 million was charged for the year ended 31 December 2019 and approximately HK$4.0 million was charged for the eight months ended 31 August 2020, respectively, the remaining approximately HK$5.9 million is expected to be charged during the year ending 31 December 2020.

PROPERTY INTEREST

Ravia Global Appraisal Advisory Limited, an independent property valuer to the Company, has valued the properties located in Singapore as at 30 September 2020. The texts of its letter, summary of valuation and the valuation certificates are set out in Appendix IV to this prospectus.

The following table sets forth the reconciliation between the net book value of the relevant properties as at 31 August 2020 as extracted from our Accountants' Report set forth in Appendix I to this prospectus and the property valuation report as set forth in Appendix IV as at 30 September 2020:

	S$
Net book value of the Group's property interests as at 31 August 2020	4,149,887
Less: Depreciation of leasehold land and building during the period from 1 September 2020 to 30 September 2020	(78,809)
Net book value of the Group's property interest as at 30 September 2020	4,071,078
Net valuation surplus	1,828,922
Valuation of the relevant properties as at 30 September 2020 as set forth in the property valuation report included in Appendix IV to this prospectus	5,900,000

UNAUDITED PRO FORMA ADJUSTED COMBINED NET TANGIBLE ASSETS

Please see section headed "Unaudited Pro Forma Financial Information" in Appendix II to this prospectus.

PROFIT FORECAST FOR THE YEAR ENDING 31 DECEMBER 2020

Forecast combined profit attributable to owners of our Company for the year ending 31 December 2020[(1)]	not less than S$3.8 million (approximately HK$22.0 million) [(3)]
Unaudited pro forma forecast earnings per Share[(2)]	not less than S$0.3 cents (approximately HK$1.7 cents) [(3)]

Notes:

1. The bases and assumptions on which the above profit forecast for the year ending 31 December 2020 has been prepared are summarised in part A of Appendix III to this prospectus. Our Directors have prepared the forecast combined profit attributable to owners of our Company for the year ending 31 December 2020 based on the audited combined results of our Group for the eight months ended 31 August 2020, the unaudited combined results of our Group for the two months ended 31 October 2020 and a forecast of the combined results of our Group for the remaining two months ending 31 December 2020. The forecast has been prepared on a basis consistent in all material respects with the accounting policies presently adopted by our Group as set out in Note 4 of the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

2. The calculation of the unaudited pro forma forecast earnings per Share for the year ending 31 December 2020 is based on the forecast combined profit attributable to owners of our Company for the year ending 31 December 2020, assuming 1,250,000,000 shares are in issue throughout the year ending 31 December 2020 (including shares in issue as at the date of this prospectus and those shares expected to be issued pursuant to the Share Offer and the Capitalisation Issue but not taking into account of any shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Over-allotment Option or the grant of Shares under the Share Award Scheme).

3. The forecast combined profit attributable to owners of our Company for the year ending 31 December 2020 and unaudited pro forma forecast earnings per Share is converted from Singapore dollars into Hong Kong dollars at the rate of S$1.00 to HK$5.80. No representation is made that the Singapore dollars amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, other than the impact of the outbreak of COVID-19 as disclosed in the section headed "Summary — Recent development and material adverse change" in this prospectus, there has been no material adverse change in its financial or trading position or prospects since 31 August 2020, being the date of the last audited financial statement as set out in Appendix I to this prospectus, up to the date of this prospectus.

SUBSEQUENT EVENTS

For significant events that took place subsequent to the Track Record Period, please refer to Note 38 of the Accountants' Report set forth in Appendix I to this prospectus.

FUTURE PLANS

Please refer to the paragraph headed "Business — Business strategies" in this prospectus for our Group's business strategies and future plans.

USE OF PROCEEDS

The table below sets out the estimated net proceeds from the issue of New Shares under the Share Offer which we will receive after deduction of the underwriting fees and commissions and other estimated expenses borne by our Company in connection with the Share Offer:

	Assuming the Over-allotment Option is not exercised	**Assuming the Over-allotment Option is exercised in full**
If the Offer Price is fixed at **HK$0.46** per Share (being the **mid-point** of the Offer Price range stated in this prospectus)	Approximately HK$59.2 million	Approximately HK$78.6 million
If the Offer Price is fixed at **HK$0.52** per Share (being the **high end** of the Offer Price range stated in this prospectus)	Approximately HK$71.8 million	Approximately HK$93.8 million
If the Offer Price is fixed at **HK$0.40** per Share (being the **low end** of the Offer Price range stated in this prospectus)	Approximately HK$46.5 million	Approximately HK$63.3 million

Based on an Offer Price of HK$0.46 per Offer Share (being the mid-point of the Offer Price range stated in this prospectus), the net proceeds from the issue of New Shares under the Share Offer are expected to be approximately HK$59.2 million after deducting the underwriting fees and commissions and estimated total listing expenses and assuming that the Over-allotment Option is not exercised. Our Directors currently intend to apply such net proceeds in the following manner:

(i) approximately HK$25.2 million or 42.6% of the total net proceeds from the issue of New Shares under the Share Offer will be allocated for the Strategic Acquisition.

According to the Converging Knowledge Report, Singapore's role as a global maritime powerhouse, the growth in the e-commerce market and ASEAN and the increasing activities for maritime trade from the Belt and Road Initiative will drive demand for warehousing services in Singapore. As such, we intend to expand and enhance our value added transport services by acquiring a logistics company which provides warehousing services to offer our existing customers more integrated value added transport services and appeal to a broader customer base. For more information on the: (i) overall demand; (ii) the operational and strategic benefits of a warehouse; and (iii) the commercial rationale behind the Strategic Acquisition, and an in-depth illustration of the business and implementation plans, please refer to the section headed "Business — Business strategies — Expand and enhance our value added transport services and operational scale through the strategic acquisition of a logistics company which provides warehousing services and the expansion of our open-yard storage services".

We have engaged a Business Advisory Consultant to identify and select the Potential Target Companies based on a set of selection criteria. Please refer to the section headed "Business — Business strategies — Expand and enhance our value added transport services and operational scale through the strategic acquisition of a logistics company which provides warehousing services and the expansion of our open-yard storage services — A. Strategic Acquisition — (b). Benefits of a warehouse — IV. Identification and selection of Potential Target Companies" for details of our selection criteria.

As at the Latest Practicable Date, we had not reached a decision on any Potential Target Company to acquire or committed to the acquisition of any Potential Target Companies, nor entered into any formal negotiation or signed any definitive and finalised understanding, commitment or agreement with any Potential Target Companies or any of their respective vendor(s). We intend to approach these Potential Target Companies following the Listing, during the first half of 2021, and once the Business Advisory Consultant has identified and shortlisted suitable target companies. We plan to complete the Strategic Acquisition by the end of 2021. In the event that the negotiations with the Potential Target Company do not materialize, the Business Advisory Consultant will continue to identify and shortlist suitable target companies for our further selection until we have reached a final decision on the Potential Target Company to acquire. Our Directors confirm that we will finance the remaining balance of the Strategic Acquisition with our own internal resources.

(ii) approximately HK$23.5 million or 39.7% of the total net proceeds from the issue of New Shares under the Share Offer, will be allocated for the expansion of our fleet in relation to our trucking services segment and the related labour resources;

The utilisation rates of our prime movers were approximately 80.2%, 78.0%, 80.0% and 74.7% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. Starting in the year ended 31 December 2017, in addition to providing our core trucking services between ports and warehouses, a few of our customers, primarily Customer I, have increasingly engaged us for ancillary warehouse to warehouse trucking services which are not included in the utilisation rate calculations. If the trips for the warehouse to warehouse trucking services are accounted for, the overall utilisation rates of our prime movers were approximately 81.9%, 81.2%, 85.9% and 76.0% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. The utilisation rates of our trailers were approximately 94.4%, 97.5%, 89.0% and 89.0% for the three years ended 31 December 2019 and the eight months ended 31 August 2020, respectively. The utilisation rates also take into account the idle time when the driver of the prime mover is on leave since each prime mover is assigned to one driver and when the prime movers and trailers are due for inspection and repair and maintenance, and do not take into account internal/external shifting. The decrease in utilisation rate of our prime movers for the eight months ended 31 August 2020 was a result of the impact of

COVID-19. However, according to the Converging Knowledge Report, Singapore's total container throughput has shown signs of improvement from June to October 2020, with monthly increments of 3.6% (June), 3.7% (July), 5.3% (August), 1.0% (September) and 1.0% (October). In the same period, the country's total cargo throughput rose by approximately 7.9%, 1.2% and 3.4% month-on-month in June, July and August 2020. After experiencing a slight dip of 2.9% in September 2020, cargo throughput saw recovery in October 2020, with a month-on-month increase of 1.4% and reaching 49.9 million tonnes. Singapore's non-oil domestic exports rose from June 2020 to September 2020, at 16.1% (June), 5.9% (July), 7.7% (August) and 5.9% (September) YoY, but recorded a 3.1% contraction in October 2020 as compared to the same period last year.

According to the Converging Knowledge Report, there will be growth in demand for trucking services in Singapore given the following: (i) the outlook of Singapore's market size of the trucking, freight forwarding and the general warehousing segments for players in the mid-tier segment, is positive with an expected growth at a CAGR of around 1.8% to 3.5% from 2020 to 2024; (ii) Singapore's role as a global maritime powerhouse, the growth in the e-commerce market and ASEAN and the increasing activities for maritime trade from the Belt and Road Initiative; and (iii) our market share is merely 1.7% to 2.4% of the mid-tier segment of the trucking, freight forwarding and general warehousing segments, and 0.49% to 0.50% of the entire trucking, freight forwarding and general warehousing segments, in terms of revenue in 2019. Please refer to the paragraph headed "Business — Business strategies — Expand and upgrade our fleet size and machinery" in this prospectus for more information.

As such, our Directors believe that the fragmented nature of the logistics industry, combined with the exiting of trucking service providers in the small segment according to the Converging Knowledge Report, will provide us with ample opportunities to gain a greater market share. Our Directors consider that the high utilisation rates of our prime movers and trailers leave us with limited capacity to take on additional orders from existing customers or orders from new customers. Our Directors confirm that we typically retain some buffer capacity to cater for internal/external shifting of empty or laden containers, vehicle and trailer breakdown or maintenance, drivers going on leave, last minute orders and requests from our customers to have our trailers remain at their premises for their cargo handling purposes. Therefore, we intend to acquire 20 prime movers and 50 trailers as our Directors are of the view that the expansion of our vehicle fleet will allow us to better cope with increasing demand from both new and existing customers. According to the Converging Knowledge Report, as at 31 December 2019, there were 5,507 prime movers in Singapore. The intended acquisition of 20 prime movers represents an increase of approximately 0.4% of the current total fleet size of prime movers in Singapore and approximately 35.7% of our total fleet size of prime movers as at the Latest Practicable Date. Our Directors take the view that the intended acquisition of 20 prime movers is considered conservative based on the total fleet size of prime movers in Singapore. Our Directors believe that the increase in our fleet size will enable us to take on the additional business at peak seasons, capture the forecasted market growth in the logistics industry and capture more market share from existing customers as our Directors believe that through our offering of warehousing services and expansion of freight forwarding services, demand for our trucking services will also increase since the three segments complement each other. We do not intend to purchase the new vehicles through finance lease.

We intend to use approximately HK$18.6 million for the purchase of 20 prime movers and HK$2.9 million for the purchase of 50 trailers.

We intend to use approximately HK$5.5 million for the expansion of our labour resources to support the increase in fleet size. We intend to recruit 20 transportation (drivers), two finance and administration staff, two customer service staff and one operations staff.

Our Directors confirm that we will finance the remaining balance of the aforesaid expansion of our fleet and labour resources with our own internal resources.

(iii) approximately HK$3.6 million or 6.1% of the total net proceeds from the issue of New Shares under the Share Offer will be allocated to increase and strengthen our freight forwarding services segment which includes the rental of additional office space and the related increase in labour resources.

We intend to use approximately HK$2.0 million to rent additional office space of approximately 300 to 400 sq. m.

We intend to use approximately HK$2.2 million for the expansion of our labour resources to support our freight forwarding services segment. We intend to recruit three finance and administration staff, five customer service staff and three operations staff.

Our Directors confirm that we will finance the remaining balance of the aforesaid renting of additional office space and expansion of labour resources with our own internal resources.

(iv) approximately HK$6.6 million or 11.1% of the total net proceeds from the issue of New Shares under the Share Offer, will be allocated for the purchase of an accounting and operations system and the related increase in labour resources.

We intend to use approximately HK$6.5 million for the purchase of a new accounting and operations system which will enable the integration of a number of separate systems that we currently operate, namely, the haulier management system, the accounting system and the human resources system. Additionally, a number of new components will be available in the new system, namely, the warehouse management system and yard management system which improves operational efficiency.

We intend to use HK$1.0 million for the recruitment of four information technology staff to support the new accounting and operations system.

Our Directors confirm that we will finance the remaining balance of the aforesaid purchase of a new accounting and operations system and expansion of labour resources with our own internal resources.

(v) the remaining amount of approximately HK$0.3 million or 0.5% of the total net proceeds from the issue of New Shares under the Share Offer, will be used for our working capital and other general corporate purposes.

For the period from the Latest Practicable Date to 31 December 2022, our Group's net proceeds from the issue of New Shares under the Share Offer of approximately HK$59.2 million based on an Offer Price of HK$0.46 per Offer Share (being the mid-point of the Offer Price range between HK$0.40 and HK$0.52 per Offer Share), assuming the Over-allotment Option is not exercised, will be used as follows:

USE OF PROCEEDS

	From the Latest Practicable Date to 30 June 2021	For the six months ending 31 December 2021	For the six months ending 30 June 2022	For the six months ending 31 December 2022	After 31 December 2022	Total	Percentage
	HK$ million	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*HK$ million*	*%*
Strategic Acquisition	—	25.2	—	—	—	25.2	42.6
Expansion of our fleet in relation to our trucking services segment	6.6	7.2	6.6	2.6	0.5	23.5	39.7
Increase and strengthen our freight forwarding services segment	1.2	1.2	0.3	0.3	0.6	3.6	6.1
Purchase of an accounting and operations system	6.0	0.5	0.1	—	—	6.6	11.1
Working capital and other general corporate purposes	0.1	0.1	0.1	—	—	0.3	0.5
	13.9	34.2	7.1	2.9	1.1	59.2	100.0

The above allocation of proceeds will be adjusted on a pro rata basis in the event that the Offer Price is fixed at a higher or lower level compared to the mid-point of the estimated Offer Price range.

If the final Offer Price is set at the highest point of the indicative Offer Price range, the net proceeds from the issue of New Shares under the Share Offer to be received by us is estimated to increase to approximately HK$71.8 million. We intend to apply such additional net proceeds to the above proposed usage items in the same proportions as disclosed above. If the Offer Price is determined at the lowest point of the indicative Offer Price range, the net proceeds from the issue of New Shares under the Share Offer to be received by us is estimated to decrease to approximately HK$46.5 million. In such a case, we intend to reduce the allocation of such net proceeds for the above purposes in the same proportions as disclosed above and we will consider internal resources or external resources for relevant purposes in the case of decrease of net proceeds. If the Over-allotment Option is exercised in full or in part, we intend to apply the additional net proceeds from the exercise of the Over-allotment Option to the above purposes in the same proportions as disclosed above.

The use of our proceeds outlined above may change in light of our evolving business needs, conditions and management requirements as well as prevailing market circumstances. In the event of any material modification to the use of proceeds as described above, we will issue an announcement and make disclosure in our annual report for the relevant year as required under the Listing Rules.

To the extent that the net proceeds from the issue of New Shares under the Share Offer are not immediately required for or applied to the above purposes, it is the present intention of our Directors that such proceeds will be placed in short-term interest bearing deposits held with authorised financial institutions in Singapore and/or Hong Kong.

We will bear the underwriting commissions, SFC transaction levy and Stock Exchange trading fee payable by us in connection with the issue of the New Shares together with any applicable fees relating to the Share Offer.

(i) There will be no significant changes in the funding requirement for each of the business strategies described in this prospectus from the amount currently estimated by our Directors;

(ii) Our Group will be able to carry out our operations in substantially the same manner as we have been operating during the Track Record Period and we will also be able to carry out our implementation plans without disruption; and

(iii) Our Group will not be materially and adversely affected by the risk factors as set out in the section headed "Risk Factors" in this prospectus.

The net proceeds from the Sale Shares will not contribute to our Group and will be attributable to the Selling Shareholder, which are estimated to be approximately HK$29.7 million and calculated based on an Offer Price of HK$0.46 per Share (being the mid-point of the Offer Price range stated in this prospectus).

IMPLEMENTATION PLAN

From the Latest Practicable Date to 30 June 2021

Business strategy	Use of proceeds *(Approximate)* *HK$ million*	Implementation Plan
Expansion of our fleet in relation to our trucking services segment	6.6	• purchase six prime movers to expand our fleet • purchase 20 trailers to expand our fleet • hire six transportation (drivers) • hire two finance and administration staff • hire one operations staff • hire two customer service staff
Increase and strengthen our freight forwarding services segment	1.2	• rent the office for our freight forwarding segment • recruit three finance and administration staff, five customer service staff and three operations staff
Purchase of an accounting and operations system	6.0	• payment for drafting and implementation of the accounting and operations system • recruit four information technology staff to maintain the accounting and operations system
Working capital and other general corporate purposes	0.1	
Total:	13.9	

For the six months ending 31 December 2021

Business strategy	Use of proceeds *(Approximate) HK$ million*	Implementation Plan
Strategic Acquisition	25.2	• payment for the Strategic Acquisition
Expansion of our fleet in relation to our trucking services segment	7.2	• purchase six prime movers to expand our fleet • purchase 20 trailers to expand our fleet • hire six transportation (drivers) • retain the new headcount recruited in the six months ended 30 June 2021
Increase and strengthen our freight forwarding services segment	1.2	• continue to rent the office for our freight forwarding segment • retain the new headcount recruited in the six months ended 30 June 2021
Purchase of an accounting and operations system	0.5	• retain the new information technology staff recruited in the six months ended 30 June 2021
Working capital and other general corporate purposes	0.1	
Total:	34.2	

For the six months ending 30 June 2022

Business strategy	Use of proceeds *(Approximate)* *HK$ million*	Implementation Plan
Expansion of our fleet in relation to our trucking services segment	6.6	• purchase six prime movers to expand our fleet • purchase 10 trailers to expand our fleet • hire six transportation (drivers) • retain the new headcount recruited in the year ended 31 December 2021
Increase and strengthen our freight forwarding services segment	0.3	• continue to rent the office for our freight forwarding segment
Purchase of an accounting and operation system	0.1	• retain the new information technology staff recruited in the year ended 31 December 2021
Working capital and other general corporate purposes	0.1	
Total:	7.1	

For the six months ending 31 December 2022

Business strategy	Use of proceeds *(Approximate)* *HK$ million*	Implementation Plan
Expansion of our fleet in relation to our trucking services segment	2.6	• purchase two prime movers to expand our fleet • hire two transportation (drivers) • retain the new headcount recruited in the six months ended 31 December 2021 and 30 June 2022
Increase and strengthen our freight forwarding services segment	0.3	• continue to rent the office for our freight forwarding segment
Total:	2.9	

After 31 December 2022

Business strategy	Use of proceeds *(Approximate)* *HK$ million*	Implementation Plan
Expansion of our fleet in relation to our trucking services segment	0.5	• retain the new headcount recruited in the year ended 31 December 2022
Increase and strengthen our freight forwarding segment	0.6	• Continue to rent the office for our freight forwarding segment
Total:	1.1	

REASONS FOR THE LISTING AND THE SHARE OFFER

Our cash and cash equivalents amounted to approximately S$13.5 million and we had no unutilised banking facilities as at 31 October 2020, and we consistently recorded positive net cash flows from operating activities during the Track Record Period. Nonetheless, our Directors consider that funding from the Listing is required and justified as the aforesaid cash and cash equivalents, the unutilised banking facilities and the cash flow are mainly used to accommodate our financing needs for daily operations, our internal financial resources is insufficient to fund our expansion plan. Therefore, our Directors consider the Share Offer will provide necessary financial resources for our expansion plan and future development.

Moreover, the amount of funds intended to be deployed by us in the implementation of our expansion plan is approximately HK$59.2 million (being the mid-point of the Offer Price range assuming Over-allotment Option is not exercised). Our Directors believe that it would be ineffective and time consuming for us to rely solely on our cash flows from operating activities in carrying out our expansion plan and we might not be able to react promptly to the current industry landscape. Also, by using the internal cash for such expansion instead of external funding, we might be exposed to higher liquidity risk given the reduced amount of available cash and cash equivalents and face additional operational difficulties.

Our Directors consider that if our expansion plan were to be funded by debt financing, it is impracticable taken into account the additional burden on interest payments, high gearing ratio, repayment obligations and such significant bank borrowings at a commercially justifiable term, or at all, even with personal guarantees or other forms of collaterals provided by our Controlling Shareholders and their associates.

In choosing equity financing over debt financing to finance our expansion plan, we have taken into account: (i) the size and speed of equity financing, being the net proceeds raised upon Listing, as compared to debt financing which may require additional time for negotiation of terms and conditions; (ii) the possibility of unfavourable terms of debt financing offered to us including the possible higher interest rates and collateral requirements by the financial institutions given the limited fixed assets possessed by us to serve as collateral; (iii) expected rise of the U.S. interest rates in the future which has created uncertainty in the interest cost for debt financing; and (iv) the fact that equity financing does not divert capital away from the business as opposed to debt financing where capital will be utilised to pay down debts to lenders regularly regardless of our business performance.

Our Directors believe that the Listing on the Stock Exchange will benefit our Group as it will: (i) provide a solid financing platform for us to raise funds from the capital market and facilitate the implementation of our business strategies, future business expansion and long-term development goals; (ii) enhance the liquidity of our Shares which will be freely traded on the Stock Exchange as compared to the limited liquidity of Shares that are privately held before the Listing; (iii) enhance our corporate image and raise staff confidence which will improve our ability to recruit, motivate and retain key personnel so as to expediently and effectively capture any business opportunities that may arise; and (iv) increase our profile on an international level and enhance our transparency and credibility which will enable better customer retention and development, thus improving our competitiveness. Our Directors believe that the enhanced level of information transparency after the Listing will enable our existing and prospective customers, suppliers, employees and the public to have better access to our corporate and financial information and could generate further confidence in our services among our stakeholders. The Listing is strategically critical to our long-term growth as it will strengthen our competitiveness, capture more business opportunities, provide us with additional avenues to raise capital in the long run and ultimately lay a solid foundation of our business.

Following the Listing, we will have access to the capital markets, providing us additional avenues for future fundraising through the issuance of equity and debt securities for overall business development in the long run. Our Directors believe that the listing status will allow us to gain leverage in obtaining bank financing with more favourable terms thus providing our Group with more flexibility in our financing options.

Our Directors consider that the Stock Exchange is a more suitable place to pursue the Listing than in Singapore due to the following reasons:

(1) the level of trading activities on a stock exchange is one of the main indicators for the ease of conducting secondary fund raising exercises after Listing. With reference to the data from the Singapore Stock Exchange, the securities daily average value in Singapore stock market was approximately S$1.04 billion and S$1.32 billion for the years ended 30 June 2019 and 2020, respectively. With reference to the annual report of the Stock Exchange for year 2019, the average daily turnover of equity products was approximately HK$107.4 billion and HK$87.2 billion for the years ended 31 December 2018 and 2019, respectively. Furthermore, with reference to the data compiled by the World Bank, in 2019, the value of share traded on the Stock Exchange was US$1,822 billion, ranking the sixth highest worldwide, and the stocks traded, turnover ratio of domestic shares was 37.2%. Given the higher liquidity of the Hong Kong stock market as compared to the Singapore stock market, our Directors are of the view that it would be easier to conduct secondary fund raising in the Hong Kong stock market, if necessary, for our further expansion in future; and

(2) the Hong Kong stock market has a high level of internationalisation, maturity in the global financial market, with sufficient institutional capital and funds following the companies listed in Hong Kong.

In summary, the Listing will help strengthen our Group's competitiveness, enhance our corporate image, internal controls and corporate governance practices, allow us to expand our fleet to cater for higher demand and provide us with flexible financing options when business opportunities arise. As such, our Directors consider it is commercially justifiable and in the interest of our Group to pursue the Listing.

We will issue an announcement in the event that there is any material change in the use of proceeds of the Share Offer as described above.

PUBLIC OFFER UNDERWRITERS

Alpha Financial Group Limited
Elstone Securities Limited
AFG Securities Limited
Ample Capital Limited
BOCOM International Securities Limited
CIS Securities Asset Management Limited
CMBC Securities Company Limited
First Fidelity Capital (International) Limited
Get Nice Securities Limited
Head & Shoulders Securities Limited
Plutus Securities Limited
Seazen Resources Securities Limited
Sinomax Securities Limited
Yuzhou Financial Holdings Limited

UNDERWRITING ARRANGEMENTS AND EXPENSES

Public Offer

Public Offer Underwriting Agreement

Pursuant to the Public Offer Underwriting Agreement, our Company is initially offering for subscription of 31,250,000 Public Offer Shares at the Offer Price under the Public Offer, on and subject to the terms and conditions set forth in this prospectus and the Application Forms.

Subject to, among other matters, the Listing Committee granting listing of, and permission to deal in, our Shares in issue and any shares which may fall to be issued pursuant to the Share Offer (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme), the Offer Price having been determined by our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters) on or around Wednesday, 6 January 2021 but in any event not later than Monday, 11 January 2021, and the satisfaction of certain other conditions set out in the Public Offer Underwriting Agreement, the Public Offer Underwriters have severally agreed to subscribe or procure subscribers for, or failing which they shall subscribe for, the Public Offer Shares being offered on the terms and conditions of this prospectus, the Application Forms and the Public Offer Underwriting Agreement. The Public Offer Shares are fully underwritten pursuant to the Public Offer Underwriting Agreement.

Grounds for termination

The respective obligations of the Public Offer Underwriters to subscribe for, or procure subscribers for, the Public Offer Shares under the Public Offer Underwriting Agreement are subject to termination. The Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters) may in its sole and absolute discretion terminate the Public Offer Underwriting Agreement with immediate effect by written notice to our Company (for ourselves and on behalf of the Selling Shareholder) at any time at or before 8:00 a.m. (Hong Kong time) on the Listing Date (the "**Termination Time**") if prior to the Termination Time:

(i) there shall develop, occur, exist or come into effect:

(a) any change or prospective change (whether or not permanent) in the business or in the financial or trading position of our Group;

(b) any change or development involving a prospective change or development, or any event or series of event resulting or representing or likely to result in any change or development involving a prospective change or deterioration (whether or not permanent) in local, national, regional or international financial, political, military, industrial, economic, legal framework, regulatory, fiscal, currency, credit or market conditions (including without limitation, conditions in stock and bond markets, money and foreign exchange markets and inter-bank markets) in or affecting any of Hong Kong, BVI, the Cayman Islands, Singapore or any other jurisdictions where any member of our Group is incorporated or operates (collectively, the "**Relevant Jurisdictions**");

(c) any material deterioration of any pre-existing local, national, regional or international financial, economic, political, military, industrial, fiscal, regulatory, currency, credit or market conditions in or affecting any of the Relevant Jurisdictions;

(d) any new laws or any change (whether or not forming part of a series of changes) or development involving a prospective change in existing laws or any change or development involving a prospective change or development in the interpretation or application thereof by any court or governmental authority in or affecting any of the Relevant Jurisdictions;

(e) a change or development or event involving a prospective change in taxation or exchange control (or in the implementation of any exchange control) or foreign investment regulations in or affecting any of the Relevant Jurisdictions adversely affecting an investment in our Shares;

(f) 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 any of the Relevant Jurisdictions;

(g) any event, act or omission which gives rise or is likely to give rise to any liability of any of our Company, Controlling Shareholders and executive Directors under the Public Offer Underwriting Agreement;

(h) (i) any suspension or restriction on dealings in shares or securities generally on the Stock Exchange or any other major international stock exchange (including the New York Stock Exchange, the London Stock Exchange, the Nasdaq Global Market, the Tokyo Stock Exchange, the Shanghai Stock Exchange and the Shenzhen Stock Exchange) or any minimum or maximum prices for trading having been fixed, or maximum ranges for prices having been required, by any of the said exchanges or by such system or by order of any regulatory or governmental authority; or (ii) any moratorium on commercial banking activities or disruption in commercial banking activities or foreign exchange trading or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions;

(i) the imposition of economic or other sanctions, in whatever form, directly or indirectly, under any laws in or affecting any of the Relevant Jurisdictions and/or our Group's business, financial or trading position;

(j) any event, or series of events, in the nature of force majeure (including without limitation, any acts of God, acts of government, declaration of a national or international emergency or war, acts or threat of war, calamity, crisis, economic sanction, riot, public disorder, civil commotion, fire, drought, severe snow or hail storms, flooding, explosion, earthquake, hurricanes, tornadoes, volcanic eruption, epidemic, pandemic, outbreak of disease, radiation or chemical contaminations, terrorism, strike or lockout) in or affecting any of the Relevant Jurisdictions;

(k) any change or development involving a prospective change, or a materialisation of any of the risks set out in the section headed "Risk Factors" in this prospectus;

(l) any change in the system under which the value of the Hong Kong dollars is linked to that of the U.S. dollars or a material devaluation of Hong Kong dollars against any foreign currency;

(m) any valid demand by any creditor for repayment or payment of any indebtedness of any member of our Group or in respect of which any member of our Group is liable prior to its stated maturity;

(n) save as disclosed in this prospectus, a contravention by any of our Company, Controlling Shareholders and executive Directors, any member of our Group or any Director of the Listing Rules or applicable laws;

(o) a prohibition on our Company and/or the Selling Shareholder for whatever reason from offering, allotting, issuing or selling any of our Shares (including the additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) pursuant to the terms of the Share Offer;

(p) non-compliance of this prospectus or Application Forms or any aspect of the Share Offer with the Listing Rules or any other applicable laws;

(q) other than with the prior approval of the Sole Global Coordinator (for itself and on behalf of other Public Offer Underwriters), the issue or the requirement to issue by our Company of a supplement or amendment to this prospectus and/or any other documents pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules, or any requirement or request of the Stock Exchange and/or the SFC;

(r) an event where, as a result of market conditions or otherwise, a material portion of the orders in the book building process at the time the Placing Underwriting Agreement is entered into, has been withdrawn or cancelled and the Sole Global Coordinator (in its absolute discretion, for itself and on behalf of the Underwriters), conclude that it is therefore inadvisable or inexpedient or impracticable to proceed with the Share Offer;

(s) an order is made or a petition is presented for the winding-up or liquidation of any member of our Group or any member of our Group making any composition or arrangement with its creditors or entering into a scheme of arrangement or any resolution being passed for the winding-up of any member of our Group or a provisional liquidator, receiver or manager being appointed over all or part of the assets or undertaking of any member of our Group or anything analogous thereto in respect of any member of our Group;

(t) any loss or damage sustained by any member of our Group which may have a material adverse effect on its business, financial, trading position or other condition or prospects of our Group taken as a whole;

(u) save as disclosed in this prospectus, any litigation or claim of material importance of any third party being threatened or instigated against any member of our Group;

(v) a Director being charged with an indictable offence or prohibited by the operation of law or is otherwise disqualified from taking part in the management of a company;

(w) the chairman of our Board or chief executive officer of our Company vacating his office;

(x) the commencement by any governmental, regulatory, political or judicial body or organisation of any action against a Director or an announcement by any governmental, regulatory, political or judicial body or organisation that it intends to take any such action;

(y) our Company withdraws any of this prospectus or the Application Forms (and/or any other documents used in connection with the contemplated subscription of the Offer Shares);

(z) any person (other than the Sponsor, the Sole Global Coordinator and any of the Public Offer Underwriters and their legal advisers) has withdrawn or sought to withdraw its consent to being named in any of the Public Offer Documents (as defined in the Public Offer Underwriting Agreement), or to the issue of any such documents; or

(aa) any matter or event resulting in a breach of any of the warranties, representations or undertakings contained in the Public Offer Underwriting Agreement or there has been a material breach of any other provisions thereof,

which, whether individually or in the aggregate, in the sole and absolute opinion of the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters):

(a) is or will or may individually or in the aggregate have a material adverse effect on the business, financial, trading or other condition or prospects of our Group taken as a whole;

(b) has or will or may have a material adverse effect on the success of the Public Offer, the Placing and/or the Share Offer or the level of Offer Shares being applied for or accepted or the distribution of Offer Shares; or

(c) is or will or may make it impracticable, inadvisable, inexpedient or not commercially viable (i) for any material part of the Public Offer Underwriting Agreement, the Placing Underwriting Agreement, the Public Offer, the Placing and/or the Share Offer to be performed or implemented in accordance with its terms; or (ii) to proceed with or to market the Public Offer, the Placing and/or the Share Offer on the terms and in the manner contemplated in this prospectus; or

(ii) any of the Public Offer Underwriters shall become aware of the fact that, or have cause to believe that:

(a) any of the warranties given by our Company, Controlling Shareholders and executive Directors under the Public Offer Underwriting Agreement or pursuant to the Placing Underwriting Agreement is untrue, inaccurate, misleading or breached in any material respect when given or as repeated as determined by the Sole Global Coordinator (for itself and on behalf of the Underwriters), in its sole and absolute discretion, or has been declared or determined by any court or governmental authorities to be illegal, invalid or unenforceable in any material respect;

(b) any statement contained in the Share Offer Documents (as defined in the Public Offer Underwriting Agreement) (including any supplemental or amendment thereto) was or is untrue, incorrect or misleading in any material respect, or any matter arises or is discovered which would, if the Share Offer Documents (as defined in the Public Offer Underwriting Agreement) were to be issued at that time, constitute a material omission therefrom as determined by the Sole Global Coordinator (for itself and on behalf of the Underwriters), in its sole and absolute discretion, or that any forecasts, expressions of opinion, intention or expectation expressed in the Share Offer Documents (as defined in the Public Offer Underwriting Agreement) issued by our Company are not in all material respects fair and honest and based on reasonable assumptions, when taken as a whole; or

(c) there has been a material breach on the part of any of our Company, Controlling Shareholders and executive Director of any of the provisions of the Public Offer Underwriting Agreement or the Placing Underwriting Agreement as determined by the Sole Global Coordinator (for itself and on behalf of the Underwriters), in its sole and absolute discretion.

Lock-up undertakings pursuant to the Public Offer Underwriting Agreement

Undertakings by our Company

Our Company has undertaken to the Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters that our Company shall, and each of our Controlling Shareholders and the executive Directors (for as long as their remaining as a Controlling Shareholder or an executive Director (as the case may be)) has undertaken to the Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers and the Public Offer Underwriters to procure our Company, among others:

(a) except pursuant to the Share Offer, the Capitalisation Issue, the exercise of the subscription rights attaching to the Over-allotment Option or the allotment and issue of Shares pursuant to the grant of awards under the Share Award Scheme or under the circumstances provided under Rules 10.08(1) to 10.08(4) of the Listing Rules, not, without the prior written consent of the Sponsor and the Sole Global Coordinator (for itself 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 transfer or 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 our Company or any of its affiliates (as defined in the Public Offer Underwriting Agreement)), either directly or indirectly, conditionally or unconditionally, any Shares or any securities convertible into or exchangeable for such Shares or any voting right or any other right attaching thereto 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 such securities or any voting right or any other right attaching thereto, 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 period after the date of the Public Offer Underwriting Agreement up to and including the date falling six months after the Listing Date (the "**First Six-month Period**");

(b) not 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 our Company or any interest therein (including but not limited to any securities that are convertible into or exchangeable for, or that represent the right to receive, any Shares or securities of our Company) or repurchase any Shares or securities of our Company or grant any options, warrants or other rights to subscribe for any Shares or other securities of our Company or agree to do any of the foregoing, except pursuant to the Share Offer, the Capitalisation Issue or the exercise of the subscription rights attaching to the Over-allotment Option or the allotment and issue of Shares pursuant to the grant of awards under the Share Award Scheme or under the circumstances provided under Rules 10.08(1) to 10.08(4) of the Listing Rules or under Note (2) to Rule 10.07 of the Listing Rules;

(c) not at any time within the period of six months immediately following the expiry of the First Six-month Period (the "**Second Six-month Period**") do any of the acts set out in (a) and (b) above such that any of our Controlling Shareholders, directly or indirectly, would cease to be a controlling shareholder of our Company (within the meaning defined in the Listing Rules); and

(d) in the event that our Company does any of the acts set out in clause (a) or (b) after the expiry of the First Six-month Period or any of the acts set out in clause (c) after the expiry of the Second Six-month Period, as the case may be, take all reasonable steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Provided that none of the above undertakings, where applicable, shall (a) restrict our Company's ability to sell, pledge, mortgage or charge any share capital or other securities of or any other interest in any of our subsidiaries provided that such sale or any enforcement of such pledge, mortgage or charge will not result in such subsidiaries ceasing to be a subsidiary of our Company; or (b) restrict any of our subsidiaries from issuing any share capital or other securities thereof or any other interests therein provided that any such issue will not result in such subsidiaries ceasing to be a subsidiary of our Company.

Undertakings by our Controlling Shareholders

Each of our Controlling Shareholders has represented, warranted and undertaken to the Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Public Offer Underwriters and our Company, except as pursuant to the Capitalisation Issue, the Share Offer (including pursuant to the exercise of the subscription rights attaching to the Over-allotment Option) and our Shares to be issued pursuant to the Stock Borrowing Agreement, that:

(a) he or it shall comply with all the applicable restrictions and requirements under the Listing Rules on the disposal by him or it or by any registered holder on his or its behalf, of any Shares or other securities of our Company in respect of which he or it is shown in this prospectus to be the beneficial owner (directly or indirectly);

(b) neither him or it nor any of their respective close associates or companies controlled by him or it has any present intention of disposing of any Shares or other securities of our Company in respect of which he or it is shown in this prospectus to be the beneficial owner (directly or indirectly) (or any beneficial interest therein);

(c) he or it shall not, without the prior written consent of the Sponsor and the Sole Global Coordinator (for itself and on behalf of the Public Offer Underwriters), and shall procure that none of his or its close associates or companies controlled by him or it or any nominee or trustee holding in trust for him or it shall, during the First Six-month Period, directly or indirectly, offer for sale, sell, transfer, contract to sell, or otherwise dispose of (including without limitation by the creation of any option, right, interest, 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 our Shares (or any interest therein or any of the voting or other rights attaching thereto) in respect of which he or 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 interest therein or any of the voting or other rights attaching thereto); and

(d) he or it shall not 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 any interest therein or any of the voting or other rights attaching thereto) or such securities at any time during the First Six-month Period, save as provided under Note (2) to Rule 10.07(2) of the Listing Rules and subject always to compliance with the provisions of the Listing Rules, and in the event of a disposal of any Shares (or any interest therein or any of the voting or other rights attaching thereto) or such securities at any time during the Second Six-month Period, (1) such disposal shall not result in any of our Controlling Shareholders ceasing to be our controlling shareholder (as defined in the Listing Rules) at any time during the Second Six-month Period; and (2) he or it shall take all steps to ensure that any such act, if done, shall not create a disorderly or false market for any Shares or other securities of our Company or any interest therein.

Without prejudice to our Controlling Shareholders' undertaking above, each of the Controlling Shareholders has undertaken to the Sponsor, the Sole Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Public Offer Underwriters and our Company that within the First Six-month Period and the Second Six-month Period he or it shall:

(a) if and when he or it pledges or charges, directly or indirectly, any Shares (or any interest therein or any of the voting or other rights attaching thereto) or other securities of our Company beneficially owned by him or it (or any beneficial interest therein), immediately inform our Company, the Sponsor and the Sole Global Coordinator in writing of such pledge or charge together with the number of such Shares or other securities of our Company so pledged or charged; and

(b) if and when he or it receives indications, either verbal or written, from any pledgee or chargee that any Shares (or any interest therein or any of the voting or other rights attaching thereto) or other securities in our Company (or any beneficial interest therein) pledged or charged by him or it will be disposed of, immediately inform our Company, the Sponsor and the Sole Global Coordinator in writing of such indications.

Our Company shall notify the Stock Exchange as soon as our Company has been informed of such event (if any) and shall make a public disclosure by way of announcement in accordance with the Listing Rules.

Lock-up undertakings to the Stock Exchange pursuant to the Listing Rules

Undertakings by our Controlling Shareholders

In accordance with Rule 10.07(1) of the Listing Rules, each of our Controlling Shareholders has undertaken to the Stock Exchange and our Company, respectively, that except pursuant to the Share Offer, the Over-allotment Option or the allotment and issue of Shares pursuant to the grant of awards under the Share Award Scheme, or unless in compliance with the requirements of the Listing Rules, he or it shall not, and shall procure that the relevant registered shareholder(s) shall not, (i) in the period commencing on the date by reference to which disclosure of his or its 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, encumbrances in respect of, any of our Shares in respect of which he or it is shown by this prospectus to be the beneficial owner; and (ii) in the period of six months from the date on which the period referred to in paragraph (i) 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 our Shares in respect of which he or it is shown by this prospectus to be the beneficial owner if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he or it would cease to be our Controlling Shareholder.

Pursuant to Note (3) to Rule 10.07(2) of the Listing Rules, each of our Controlling Shareholders has further undertaken to us and the Stock Exchange that he or it will, within a period commencing on the date by reference to which disclosure of his or its shareholding is made in this prospectus and ending on the date which is 12 months from the Listing Date, immediately inform us in writing:

(a) when he or it pledges or charges any Shares beneficially owned by any of our Controlling Shareholders in favour of an authorised institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan) pursuant to Note (2) to Rule 10.07(2) of the Listing Rules, and the number of such Shares so pledged or charged; and

(b) when he or it receives any indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares will be disposed of.

Our Company will inform the Stock Exchange as soon as it is informed of the above matters by any of our Controlling Shareholders and disclose such matters in accordance with the publication requirements under Rule 2.07C of the Listing Rules as soon as possible after being so informed by any of our Controlling Shareholders.

Undertaking by our Company

Pursuant to Rule 10.08 of the Listing Rules, our Company has irrevocably and unconditionally undertaken to the Stock Exchange that no further Shares or securities convertible into equity securities of our Company (whether or not of a class already listed) may be issued or form the subject of any agreement or arrangement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities of our Company will be completed within six months from the Listing Date), except pursuant to the Share Offer (including the exercise of the Over-allotment Option), the Capitalisation Issue or the allotment and issue of Shares pursuant to the grant of awards under the Share Award Scheme, or in certain circumstances prescribed by Rule 10.08 of the Listing Rules which includes the grant of options.

Placing

Placing Underwriting Agreement

In connection with the Placing, it is expected that our Company, the Selling Shareholder and our Controlling Shareholders will enter into the Placing Underwriting Agreement with, among others, the Placing Underwriters on terms and conditions that are substantially similar to the Public Offer Underwriting Agreement as described above and on the additional terms described below.

Under the Placing Underwriting Agreement, subject to the conditions set forth therein, the Placing Underwriters are expected to severally, but not jointly, agree to procure subscribers and purchasers to subscribe for or purchase, or failing which they shall subscribe for or purchase, the 281,250,000 Placing Shares (comprising 203,125,000 New Shares and 78,125,000 Sale Shares) initially being offered pursuant to the Placing. It is expected that the Placing Underwriting Agreement may be terminated on similar grounds as the Public Offer Underwriting Agreement. Potential investors shall be reminded that in the event that the Placing Underwriting Agreement is not entered into, the Share Offer will not proceed. The Placing Underwriting Agreement is conditional on and subject to, among other things, the Public Offer Underwriting Agreement having been executed, becoming unconditional and not having been terminated. It is expected that pursuant to the Placing Underwriting Agreement, our Company and Controlling Shareholders will make similar undertakings as those given pursuant to the Public Offer Underwriting Agreement as described in the paragraph headed “Lock-up undertakings pursuant to the Public Offer Underwriting Agreement” in this section. It is also expected that upon entering into the Placing Underwriting Agreement, the Placing will be fully underwritten.

Our Company is expected to grant to the Placing Underwriters the Over-allotment Option exercisable by the Sole Global Coordinator (for itself and on behalf of the Placing Underwriters), in its sole and absolute discretion, at any time from the Listing Date until the 30th day after the last day for the lodging of applications under the Public Offer, to require our Company to allot and issue up to an aggregate of 46,875,000 additional Shares, representing 15% of the Offer Shares, at the Offer Price per Offer Share under the Placing, solely to cover over-allocations, if any, in the Placing. Please refer to the section headed “Structure and Conditions of the Share Offer — Over-allotment Option” in this prospectus for more information.

Commission and expenses

According to the Public Offer Underwriting Agreement, the Public Offer Underwriters will receive underwriting commissions of 8.0% of the aggregate Offer Price payable for the Public Offer Shares initially offered under the Public Offer, and no incentive fee will be received, out of which the Public Offer Underwriters may pay any sub-underwriting commission in connection with the Public Offer. The Placing Underwriters are expected to receive underwriting commissions of 10.0% of the aggregate Offer Price payable for the Placing Shares initially offered under the Placing, and no incentive fee is expected to be received, out of which the Placing Underwriters may pay any sub-underwriting commission in connection with the Placing. The Sponsor will receive a sponsor's fee in relation to the Listing and will be reimbursed for its expenses.

Based on the Offer Price of HK$0.46 per Offer Share (being the mid-point of the indicative range of the Offer Price), the aggregate commission and fees payable to the Underwriters, together with Stock Exchange listing fees, SFC transaction levy, Stock Exchange trading fees, legal and other professional fees and printing and other expenses relating to the Share Offer are estimated to amount to approximately HK$48.7 million in total (assuming the Over-allotment Option is not exercised) and are payable by our Company. We will also pay for all expenses in connection with any exercise of the Over-allotment Option.

The Selling Shareholder will pay underwriting commission in respect of the Sale Shares.

SPONSOR'S, COMPLIANCE ADVISER'S AND UNDERWRITERS' INTEREST IN OUR COMPANY

We have appointed Ample Capital Limited as our compliance adviser pursuant to Rule 3A.19 of the Listing Rules for the period commencing on the Listing Date and ending 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.

Save for its interests and obligations under the Public Offer Underwriting Agreement, the Placing Underwriting Agreement and save as disclosed in this prospectus, none of the Sponsor, the compliance adviser and the Underwriters is interested legally or beneficially in shares of any member of our Group or 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 or has any interest in the Share Offer.

The Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules.

MINIMUM PUBLIC FLOAT

Our Directors will ensure that there will be a minimum 25% of the total issued Shares held in public hands in accordance with Rule 8.08 of the Listing Rules after completion of the Share Offer.

THE SHARE OFFER

The Share Offer comprises the Placing and the Public Offer. A total of initially 312,500,000 Offer Shares (subject to the Over-allotment Option) will be made available under the Share Offer, of which:

(i) 281,250,000 Placing Shares (comprising 203,125,000 New Shares offered by our Company and 78,125,000 Sale Shares offered by the Selling Shareholder) (subject to reallocation and the Over-allotment Option), representing 90% of the Offer Shares, will initially be conditionally placed with professional, institutional and other investors under the Placing; and

(ii) 31,250,000 Public Offer Shares (subject to reallocation), representing 10% of the Offer Shares, will initially be offered to members of the public in Hong Kong under the Public Offer.

The Public Offer is open to all members of the public as well as to institutional and professional investors in Hong Kong. The Public Offer Underwriters have agreed to underwrite the Public Offer Shares under the terms of the Public Offer Underwriting Agreement. The Placing Underwriters are expected to underwrite the Placing Shares pursuant to the terms of the Placing Underwriting Agreement. Further details of underwriting are set out in the section headed "Underwriting" in this prospectus.

Investors may apply for Public Offer Shares under the Public Offer or indicate an interest for Placing Shares under the Placing, but may not do both.

The Placing

Our Company is expected to offer initially 281,250,000 Placing Shares comprising 203,125,000 New Shares and 78,125,000 Sale Shares (subject to reallocation and the Over-allotment Option) at the Offer Price under the Placing. The number of Placing Shares expected to be initially available for application under the Placing represents 90% of the total number of Offer Shares being initially offered under the Share Offer. The Placing is expected to be fully underwritten by the Placing Underwriters subject to the terms and conditions of the Placing Underwriting Agreement and the Offer Price being agreed on or before the Price Determination Date.

It is expected that the Placing Underwriters or selling agents nominated by them, on behalf of our Company, will conditionally place the Placing Shares at the Offer Price with professional, institutional and other investors. Professional and institutional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Other investors applying through banks or other institutions who sought the Placing Shares in the Placing may also be allocated the Placing Shares.

Allocation of the Placing Shares will be based on a number of factors, including the level and timing of demand and whether or not it is expected that the relevant investor is likely to acquire further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Placing Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole. Investors to whom Placing Shares are offered will be required to undertake not to apply for Shares under the Public Offer.

Our Company, our Directors, the Sponsor and the Sole Global Coordinator (for itself and on behalf of the Underwriters) are required to take reasonable steps to identify and reject applications under the Public Offer from investors who receive Shares under the Placing, and to identify and reject indication of interest in the Placing from investors who receive Shares under the Public Offer.

The Placing is expected to be subject to the conditions as stated in the paragraph headed "Conditions of the Share Offer" in this section.

The Public Offer

Our Company is initially offering 31,250,000 Public Offer Shares for subscription (subject to reallocation) by members of the public in Hong Kong under the Public Offer, representing 10% of the total number of Offer Shares initially available for subscription under the Share Offer. Applicants for the Public Offer Shares are required on application to pay the maximum Offer Price of HK$0.52 per Share plus the brokerage fee of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.0027%.

An applicant for Shares under the Public Offer will be required to give an undertaking and confirmation in the application submitted by him or it that he or it has not applied for nor taken up any Shares under the Placing nor otherwise participated in the Placing. Applicants should note that if such undertaking and/or confirmation given by an applicant is breached and/or is untrue (as the case may be), such applicant's application under the Public Offer is liable to be rejected.

The Public Offer is fully underwritten by the Public Offer Underwriters, subject to the terms and conditions of the Public Offer Underwriting Agreement, and also subject to the Offer Price being fixed by the Price Determination Agreement. For details of the underwriting arrangements, please refer to the section headed "Underwriting" in this prospectus.

Allocation

For allocation purposes only, the 31,250,000 Public Offer Shares initially being offered for subscription under the Public Offer will be divided equally into two pools (subject to adjustment at odd lot size): Pool A comprising 15,625,000 Public Offer Shares and Pool B comprising 15,625,000 Public Offer Shares, both of which are available on an equitable basis to successful applicants. All valid applications that have been received for the Public Offer Shares with a total subscription amount (excluding the brokerage fee, the 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 the Public Offer Shares with a total subscription amount (excluding the brokerage fee, the SFC transaction levy and the 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 may receive different allocation ratios. If the Public Offer Shares in one pool (but not both pools) are under-subscribed, such 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 the Public Offer Shares from either Pool A or Pool B but not from both pools and only apply for the Public Offer Shares in either Pool A or Pool B. Multiple or suspected multiple applications under the Public Offer and any application for more than 15,625,000 Public Offer Shares (i.e. 50% of the 31,250,000 Offer Shares initially being offered for subscription under the Public Offer) will be rejected.

The basis of allocation in each pool may vary, depending on the number of the Public Offer Shares validly applied for by each applicant. When there is over-subscription under the Public Offer, 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 the Public Offer Shares, and those applicants who are not successful in the ballot may not receive any Public Offer Shares.

Reallocation

The allocation of the Offer Shares between the Placing and the Public Offer is subject to reallocation on the following basis:

(1) where the Placing Shares are fully subscribed or over-subscribed:

(a) if the Public Offer Shares are under-subscribed, the Sole Global Coordinator has the authority to reallocate all or any unsubscribed Public Offer Shares to the Placing, in such proportions as the Sole Global Coordinator deems appropriate;

(b) if the Public Offer Shares are not under-subscribed but the number of Offer Shares validly applied for under the Public Offer represents less than 15 times the number of Offer Shares initially available for subscription under the Public Offer, then up to 31,250,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be increased up to 62,500,000 Offer Shares, representing 20% of the number of the Offer Shares initially available for subscription under the Share Offer;

(c) 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 Offer Shares initially available for subscription under the Public Offer, then up to 62,500,000 Offer Shares will be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be increased up to 93,750,000 Offer Shares, representing 30% of the number of the Offer Shares initia11y available for subscription under the Share Offer;

(d) 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 Offer Shares initially available for subscription under the Public Offer, then up to 93,750,000 Offer Shares will be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be increased up to 125,000,000 Offer Shares, representing 40% of the number of the Offer Shares initially available for subscription under the Share Offer; and

(e) if the number of Offer Shares validly applied for under the Public Offer represents 100 times or more the number of Offer Shares initially available for subscription under the Public Offer, then up to 125,000,000 Offer Shares will be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be increased up to 156,250,000 Offer Shares, representing 50% of the number of the Offer Shares initially available for subscription under the Share Offer.

(2) where the Placing Shares are under-subscribed:

(a) if the Public Offer Shares are under-subscribed, the Share Offer will not proceed unless the Underwriters would subscribe for 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 contained in this prospectus, the Application Forms and the Underwriting Agreements; and

(b) if the Public Offer Shares are over-subscribed irrespective of the number of times, then up to 31,250,000 Offer Shares may be reallocated to the Public Offer from the Placing, so that the total number of Offer Shares available for subscription under the Public Offer will be increased up to 62,500,000 Offer Shares, representing 20% of the number of the Offer Shares initially available for subscription under the Share Offer.

In the event the reallocation of Offer Shares between the Public Offer and the Placing is in the circumstances where the Placing Shares are fully subscribed or over-subscribed and the Public Offer Shares are over-subscribed by less than 15 times under paragraph (1)(b) above or the Placing Shares are under-subscribed and the Public Offer Shares are over-subscribed under paragraph (2)(b) above, the final Offer Price shall be fixed at the low-end of the indicative Offer Price range stated in this prospectus.

In addition, the Sole Global Coordinator may in its sole and absolute discretion reallocate Offer Shares from the Placing to the Public Offer to satisfy valid applications under the Public Offer. In accordance with Guidance Letter HKEx-GL91-18 issued by the Stock Exchange, if such reallocation is done other than pursuant to Practice Note 18 of the Listing Rules, the maximum total number of Offer Shares that may be reallocated to the Public Offer following such reallocation shall be not more than double the initial allocation to the Public Offer (i.e. 62,500,000 Offer Shares).

In each case, the additional Offer Shares reallocated to the Public Offer will be allocated between pool A and pool B and the number of Offer Shares allocated to the Placing will be correspondingly reduced in such manner as the Sole Global Coordinator deems appropriate.

If the Public Offer Shares are not fully subscribed, the Sole Global Coordinator has the authority to reallocate all or any unsubscribed Public Offer Shares to the Placing in such proportions as the Sole Global Coordinator deems appropriate.

OVER-ALLOTMENT OPTION

Pursuant to the Over-allotment Option, the Sole Global Coordinator (for itself and on behalf of the Placing Underwriters) has the right, exercisable at any time from the Listing Date until the 30th day after the last day for the lodging of applications under the Public Offer, to require our Company to allot and issue up to an aggregate of 46,875,000 additional Shares, representing 15% of the initial Offer Shares, at the same price per Offer Share at which Offer Shares were initially offered under the Placing, to cover over-allocations in the Placing, if any, on the same terms and conditions as the Offer Shares that are subject to the Share Offer.

STABILISATION

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the securities in the secondary market, during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the Offer Price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilisation is effected is not permitted to exceed the Offer Price.

In connection with the Share Offer, the Stabilising Manager, its affiliates or any person acting for it, on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilising or supporting the market price of our Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilising Manager, its affiliates or any person acting for it, to conduct any such stabilising action. Such stabilising action, if taken, (i) will be conducted at the absolute discretion of the Stabilising Manager reasonably regards as the best interest of our Company; (ii) may be discontinued at any time; and (iii) is required to be brought to an end within 30 days of the last day for lodging applications under the Public Offer.

Stabilisation action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes: (i) over-allocating for the purpose of preventing or minimising any reduction in the market price of our Shares; (ii) selling or agreeing to sell our Shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price of our Shares; (iii) purchasing, or agreeing to purchase, our Shares pursuant to the Over-allotment Option in order to close out any position established under (i) or (ii) above; (iv) purchasing, or agreeing to purchase, any of our Shares for the sole purpose of preventing or minimising any reduction in the market price of our Shares; (v) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases; and (vi) offering or attempting to do anything as described in (ii), (iii), (iv) or (v) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

- the Stabilising Manager, its affiliates or any person acting for it may, in connection with the stabilising action, maintain a long position in our Shares;

- there is no certainty as to the extent to which and the time or period for which the Stabilising Manager, its affiliates or any person acting for it will maintain such a long position;

- liquidation of any such long position by the Stabilising Manager, its affiliates or any person acting for it and selling in the open market, may have an adverse impact on the market price of our Shares;

- no stabilising action can be taken to support the price of our Shares for longer than the stabilisation period, which will begin on the Listing Date, and is expected to expire on the 30th day after the last day for lodging applications under the Public Offer. After this date, when no further stabilising action may be taken, demand for our Shares, and therefore the price of our Shares, could fall;

- the price of our Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilising action; and

- stabilising bids or transactions effected in the course of the stabilising action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilisation period.

The Sole Global Coordinator may, at its option, also cover such over-allocations by purchasing the Offer Shares in the secondary market or through stock borrowing arrangements from holders of Shares or exercise of Over-allotment Option, or by a combination of these means or otherwise as may be permitted under applicable laws, rules and regulations. If the Sole Global Coordinator exercises the Over-allotment Option in full, the additional Offer Shares will represent approximately 3.6% of our Company's enlarged issued share capital immediately following completion of the Share Offer and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STOCK BORROWING AGREEMENT

In order to facilitate settlement of over-allocations in connection with the Placing, the Stabilising Manager may enter into the Stock Borrowing Agreement with Mirana Holdings. If the Stock Borrowing Agreement is entered into and if requested by the Stabilising Manager, Mirana Holdings will, subject to the terms of the Stock Borrowing Agreement, make available to the Stabilising Manager up to 46,875,000 Shares held by it, by way of stock lending, in order to cover over-allocations in connection with the Placing, if any.

If such stock borrowing arrangement with Mirana Holdings is entered into, it will only be effected by the Stabilising Manager, its affiliates or any person acting for it for the settlement of over-allocations in the Placing and such arrangement is not subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set forth in Rule 10.07(3) of the Listing Rules are complied with.

The same number of Shares so borrowed must be returned to Mirana Holdings or its nominees, as the case may be, on or before the third business day following the earlier of: (i) the last day on which the Over-allotment Option may be exercised; and (ii) the day on which the Over-allotment Option is exercised in full.

The stock borrowing arrangement will be effected in compliance with all applicable laws, rules and regulatory requirements. No payment will be made to Mirana Holdings by the Stabilising Manager, its affiliates or any person acting for it in relation to such stock borrowing arrangement.

DETERMINING THE OFFER PRICE

The Offer Price is expected to be fixed by the Price Determination Agreement to be entered into between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder) on or before the Price Determination Date, when the market demand for the Offer Shares will be ascertained. The Price Determination Date is currently expected to be on or around Wednesday, 6 January 2021.

Prospective investors should be aware that the Offer Price to be determined on or before the Price Determination Date may be, but not expected to be, lower than the indicative Offer Price range as stated in this prospectus. The Offer Price will not be more than HK$0.52 per Offer Share and is expected to be not less than HK$0.40 per Offer Share. The Offer Price will fall within the Offer Price range as stated in this prospectus unless otherwise announced, not later than the morning of the last day for lodging applications under the Public Offer.

The Sole Global Coordinator (for itself and on behalf of the Underwriters), with the consent of our Company (for ourselves and on behalf of the Selling Shareholder), may extend or reduce the indicative Offer Price range stated in this prospectus and/or the number of the Offer Shares being offered at any time on or 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 such extension or reduction, and in any event not later than the morning of the last day for lodging applications under the Public Offer, cause there to be posted on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.legionconsortium.com** notices of the extension or reduction of the indicative Offer Price range and/or the number of the Offer Shares. Upon issue of such a notice, the revised number of the Offer Shares and/or Offer Price range will be final and conclusive and the Offer Price, if agreed upon with our Company (for ourselves and on behalf of the Selling Shareholder), will be fixed within such revised Offer Price range and/or the number of the Offer Shares. Such notice will also include confirmation or revision, as appropriate, of the working capital statement, the Share Offer 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. In the absence of any notice being published on the Stock Exchange's website at **www.hkexnews.hk** and our Company's website at **www.legionconsortium.com** of an extension or reduction in the indicative Offer Price range and/or the number of the Offer Shares as stated in this prospectus on or before the morning of the last day for lodging applications under the Public Offer, the Offer Price, if agreed upon by the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company (for ourselves and on behalf of the Selling Shareholder), will under no circumstances be set outside the Offer Price range as stated in this prospectus.

If, for any reason, the Offer Price is not agreed between our Company (for ourselves and on behalf of the Selling Shareholder) and the Sole Global Coordinator (for itself and on behalf of the Underwriters) on or before Monday, 11 January 2021, the Share Offer will not proceed and will lapse.

Announcement of the final Offer Price, together with the level of indication of interests in the Placing and the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares is expected to be published on Tuesday, 12 January 2021.

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK$0.52 per Offer Share and is expected to be not less than HK$0.40 per Offer Share. Applicants under the Public Offer should pay, on application, the maximum Offer Price of HK$0.52 per Offer Share plus the brokerage fee of 1%, the Stock Exchange trading fee of 0.005% and the SFC transaction levy of 0.0027%, amounting to a total of HK$2,626.2 per board lot of 5,000 Offer Shares.

If the Offer Price, as finally determined in the manner described above, is lower than the maximum Offer Price of HK$0.52 per Offer Share, appropriate refund payments (including the related brokerage fee, the Stock Exchange trading fee and the SFC transaction levy attributable to the excess application monies) will be made to applicants, without interest.

Further details are set out in the section headed "How to Apply for Public Offer Shares" in this prospectus.

CONDITIONS OF THE SHARE OFFER

Acceptance of all applications for the Offer Shares is conditional upon, among others, the satisfaction of all of the following conditions:

1. Listing

The Listing Committee granting the approval of the listing of, and permission to deal in, our Shares in issue and our Shares to be issued pursuant to the Share Offer (including any Shares which may be issued upon the exercise of the Over-allotment Option and our Shares which may be issued pursuant to the grant of Shares under the Share Award Scheme) and such listing and permission not subsequently being revoked prior to the commencement of dealings in our Shares on the Stock Exchange.

2. Underwriting Agreements

The obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of a waiver of any condition(s) by the Sponsor and/or the Sole Global Coordinator (for itself and on behalf of the Underwriters)) and the Underwriting Agreements not being terminated in accordance with the terms of these agreements or otherwise.

3. Price determination

The Offer Price having been duly determined and the execution of the Price Determination Agreement on or around the Price Determination Date.

In each case, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) or if not as stipulated by 8:00 a.m. (Hong Kong time) on the Listing Date or such other dates as the Sponsor and/or the Sole Global Coordinator (for itself and on behalf of the Underwriters) may agree but in any event not later than the 30th day after the date of this prospectus.

If any of the conditions is not fulfilled or waived by the Sponsor and/or the Sole Global Coordinator (for itself and on behalf of the Underwriters) on or before the times specified above, the Share Offer will lapse and the application money will be returned to the applicants, without interest. Notice of the lapse of the Share Offer will be published by our Company on the website of the Stock Exchange at **www.hkexnews.hk** and our Company's website at **www.legionconsortium.com** on the next business day following such lapse.

The terms on which the application money will be returned to the applicants are set out in the section headed "How to Apply for Public Offer Shares — 14. Despatch/collection of share certificates and refund monies" in this prospectus.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus on the Stock Exchange and the compliance with the stock admission requirements of HKSCC, our Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or 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. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements as such arrangements will affect their rights and interests.

All necessary arrangements have been made for our Shares to be admitted into CCASS.

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

LISTING ON ANY OTHER STOCK EXCHANGE

Our Directors are not considering any listing of our Shares on any other stock exchange. We have not submitted any application nor obtained any approval for the listing of our Shares on any other overseas stock exchange.

DEALING

Assuming that the Public Offer becomes unconditional at or before 8:00 a.m. (Hong Kong time) on Wednesday, 13 January 2021, it is expected that dealings in our Shares on the Stock Exchange will commence at 9:00 a.m. (Hong Kong time) on Wednesday, 13 January 2021.

Our Shares will be traded in board lots of 5,000 Shares each. Our Company will not issue any temporary document of title. The stock code of our Shares will be 2129.

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 at **www.hkeipo.hk** or by the **IPO App**; 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 Sponsor, the Sole Global Coordinator, the **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; and
- are outside the United States, and are not a United States Person (as defined in Regulation S under the U.S. Securities Act).

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, our Company, the Sponsor, the Sole Global Coordinator, the **HK eIPO White Form** Service Provider and their respective agents may accept or reject your application at their discretion, and on any conditions they think 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 of its subsidiaries;
- a Director or chief executive officer of our Company and/or any of its subsidiaries;
- a core connected person (as defined in the Listing Rules) of our Company or will become a core connected person of our Company immediately upon completion of the Share Offer;
- a close associate (as defined in the Listing Rules) of any of the above; or
- have been allocated or have applied for or indicated an interest in any Placing Shares under 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 **www.hkeipo.hk** or the **IPO App**.

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 Wednesday, 30 December 2020 to 12:00 noon on Wednesday, 6 January 2021 from:

(i) any of the following addresses of the Public Offer Underwriters:

Alpha Financial Group Limited	Room A, 17/F. Fortune House 61 Connaught Road Central Central Hong Kong
Elstone Securities Limited	Suite 1601-04, 16/F West Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong

AFG Securities Limited	Room B, 17/F. Fortune House 61 Connaught Road Central Central Hong Kong
Ample Capital Limited	Unit A, 14/F. Two Chinachem Plaza 135 Des Voeux Road Central Central Hong Kong
BOCOM International Securities Limited	15/F Man Yee Building 68 Des Voeux Road Central Hong Kong
CIS Securities Asset Management Limited	21/F, Centre Point 181-185 Gloucester Road Wanchai Hong Kong
CMBC Securities Company Limited	45/F One Exchange Square 8 Connaught Place Central Hong Kong
First Fidelity Capital (International) Limited	Unit 1405 Allied Kajima Building 138 Gloucester Road Wanchai Hong Kong
Get Nice Securities Limited	10/F Cosco Tower Grand Millennium Plaza 183 Queen's Road Central Hong Kong
Head & Shoulders Securities Limited	28-29/F Queen's Road Centre 152 Queen's Road Central Hong Kong
Plutus Securities Limited	8/F 80 Gloucester Road Wanchai Hong Kong

Seazen Resources Securities Limited	Unit 4503-07, 45/F The Center 99 Queen's Road Central Central Hong Kong
Sinomax Securities Limited	Room 2705-6, 27/F Tower One, Lippo Centre 89 Queensway Hong Kong
Yuzhou Financial Holdings Limited	Unit 5805, 58/F The Center 99 Queen's Road Central Central Hong Kong

(ii) any of the following branches of Bank of China (Hong Kong) Limited, the receiving bank for the Public Offer:

District	Branch Name	Address
Hong Kong Island	King's Road Branch	131-133 King's Road, North Point, Hong Kong
Kowloon	Prince Edward Branch	774 Nathan Road, Kowloon
New Territories	Ma On Shan Plaza Branch	Shop 2103, Level 2, Ma On Shan Plaza, Sai Sha Road, Ma On Shan, New Territories

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Wednesday, 30 December 2020 until 12:00 noon on Wednesday, 6 January 2021 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 "BANK OF CHINA (HONG KONG) NOMINEES LIMITED — LEGION CONSORTIUM 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:

Wednesday, 30 December 2020 — 9:00 a.m. to 4:00 p.m.
Thursday, 31 December 2020 — 9:00 a.m. to 4:00 p.m.
Saturday, 2 January 2021 — 9:00 a.m. to 12:00 noon
Monday, 4 January 2021 — 9:00 a.m. to 4:00 p.m.
Tuesday, 5 January 2021 — 9:00 a.m. to 4:00 p.m.
Wednesday, 6 January 2021 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Wednesday, 6 January 2021, the last application day or such later time as described in the paragraph headed "10. Effect of bad weather and/or Extreme Conditions on the opening of the application 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 or applying through the **HK eIPO White Form** service, among other things, you (and if you are joint applicants, each of you jointly and severally) for yourself or as an agent or a nominee on behalf of each person for whom you act:

(i) undertake to execute all relevant documents and instruct and authorise our Company, the Sponsor and/or the Sole Global Coordinator (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 Public 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 Sponsor, the Sole Global Coordinator, 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 Placing Shares under the Placing nor participated in the Placing;

(viii) agree to disclose to our Company, our Hong Kong Branch Share Registrar, receiving bank, the Sponsor, the Sole Global Coordinator, 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 Sponsor, the Sole Global Coordinator 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 e-Auto Refund payment instructions 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 specified in 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, the Sponsor, the Sole Global Coordinator and 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 Provider 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 refer to 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 designated website at **www.hkeipo.hk** or the **IPO App**.

Detailed instructions for application through the **HK eIPO White Form** service are on the designated website or in the **IPO App**. 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 designated website or the **IPO App**, you authorise the **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 the **HK eIPO White Form** Service Provider at **www.hkeipo.hk** or the **IPO App** (24 hours daily, except on the last application day) from 9:00 a.m. on Wednesday, 30 December 2020 until 11:30 a.m. on Wednesday, 6 January 2021 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Wednesday, 6 January 2021 or such later time under the paragraph headed "10. Effect of bad weather and/or Extreme Conditions on the opening of the applications lists" in this section.

No multiple applications

If you apply by means of **HK eIPO White Form**, 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** 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 the **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).

Environmental Protection

The advantage of **HK eIPO White Form** Service is to save the use of paper via the self-serviced and electronic application process. Our Company and the Sponsor encourage you to utilise this application channel should you desire the Public Offer Shares to be issued under your own name.

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 (**http://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 Centre
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 our Company, the Sponsor, the Sole Global Coordinator 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 under 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, our Directors, the Sponsor and the Sole Global Coordinator 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 Sponsor, the Sole Global Coordinator, 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, the receiving bank, the Sponsor, the Sole Global Coordinator, 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 of **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 our Shareholders, with each CCASS Participant giving **electronic application instructions**) to observe and comply with the Companies Law, the Companies Ordinance, 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, the brokerage fee, the 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 the brokerage fee, the 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 5,000 Public Offer Shares. Instructions for more than 5,000 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(*Note*)

CCASS Clearing Participants or CCASS Custodian Participants can input **electronic application instructions** at the following times on the following dates:

Wednesday, 30 December 2020 — 9:00 a.m. to 8:30 p.m.
Thursday, 31 December 2020 — 8:00 a.m. to 8:30 p.m.
Saturday, 2 January 2021 — 8:00 a.m. to 1:00 p.m.
Monday, 4 January 2021 — 8:00 a.m. to 8:30 p.m.
Tuesday, 5 January 2021 — 8:00 a.m. to 8:30 p.m.
Wednesday, 6 January 2021 — 8:00 a.m. to 12:00 noon

Note: These times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing Participants, CCASS Custodian Participants and/or CCASS Investor Participants.

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Wednesday, 30 December 2020 until 12:00 noon on Wednesday, 6 January 2021 (24 hours daily, except on Wednesday, 6 January 2021, being the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Wednesday, 6 January 2021, being the last application day or such later time as described in the paragraph headed "10. Effect of bad weather and/or Extreme Conditions 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 headed "Personal Data" in the Application Forms applies to any personal data held by our Company, our Hong Kong Branch Share Registrar, the receiving bank, the Sponsor, the Sole Global Coordinator, 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 Sponsor, the Sole Global Coordinator and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **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 on Wednesday, 6 January 2021.

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 the **HK eIPO White Form** service, are 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 our Shares.

You must pay the maximum Offer Price, the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee in full upon application for the Public Offer Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **HK eIPO White Form** service in respect of a minimum of 5,000 Public Offer Shares. Each application or **electronic application instructions** in respect of more than 5,000 Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.hkeipo.hk** or the **IPO App**.

If your application is successful, the brokerage fee will be paid to the Exchange Participants (as defined in the Listing Rules), and the SFC transaction levy and the Stock Exchange trading fee will be 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, please refer to the section headed "Structure and Conditions of the Share Offer — Determining the Offer Price" in this prospectus.

10. EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS 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;
- Extreme Conditions; and/or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Wednesday, 6 January 2021. 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 or Extreme Conditions 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 Wednesday, 6 January 2021 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal and/or Extreme Conditions 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 final Offer Price, the level of indication of interest in the Placing, the level of applications in the Public Offer and the basis of allocation of the Public Offer Shares on Tuesday, 12 January 2021 on our Company's website at **www.legionconsortium.com** 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 Offer will be available at the times and date and in the manner specified below:

- in the announcement to be posted on our Company's website at **www.legionconsortium.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than 9:00 a.m. on Tuesday, 12 January 2021;

- from the designated results of allocations website at **www.tricor.com.hk/ipo/result** (alternatively: **www.hkeipo.hk/IPOResult**) or **IPO App** with a "search by ID Number/Business Registration Number" function on a 24-hour basis from 8:00 a.m. on Tuesday, 12 January 2021 to 12:00 midnight on Monday, 18 January 2021;

- by telephone enquiry line by calling (852) 3691 8488 between 9:00 a.m. and 6:00 p.m. from Tuesday, 12 January 2021 to Friday, 15 January 2021 (on a business day excluding Saturday and Sunday in Hong Kong); and

- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, 12 January 2021 to Thursday, 14 January 2021 at all the receiving bank's 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 Sponsor, the Sole Global Coordinator, 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 the Public Offer Shares is void:

The allotment of the Public Offer Shares will be void if the Listing Committee does not grant permission to list our 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 **electronic application instructions** through the **HK eIPO White Form** service are not completed in accordance with the instructions, terms and conditions on the designated website or in the **IPO App**;
- 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, the Sponsor or the Sole Global Coordinator believe 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 Offer Price as finally determined is less than the maximum Offer Price of HK$0.52 per Offer Share (excluding the brokerage fee, the SFC transaction levy and the Stock Exchange trading fee thereon), 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 Share Offer" in this prospectus, or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage fee, the 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 or around Tuesday, 12 January 2021.

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 our 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 the brokerage fee, the 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 dispatch/collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or around Tuesday, 12 January 2021. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier order(s).

Share certificates will only become valid at 8:00 a.m. (Hong Kong time) on Wednesday, 13 January 2021 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 or more Public Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/or share certificate(s) from our Hong Kong Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Tuesday, 12 January 2021 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 our 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 specified in the relevant Application Form on Tuesday, 12 January 2021, 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 for collection of your refund(s). If you have applied for less than 1,000,000 Public Offer Shares, your refund cheque(s) will be sent to the address specified in the relevant Application Form on Tuesday, 12 January 2021, 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 Tuesday, 12 January 2021, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

(iii) 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.

(iv) 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 the paragraph headed "11. Publication of results" in this section. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 12 January 2021 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.

(v) 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 our Hong Kong Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, 12 January 2021, or such other date as notified by our Company 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 Tuesday, 12 January 2021 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 dispatched 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 dispatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(vi) 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's stock account on Tuesday, 12 January 2021 or 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 the paragraph headed "11. Publication of results" in this section on Tuesday, 12 January 2021. You should check the announcement published by our Company and report any discrepancies to HKSCC before 5:00 p.m. on Tuesday, 12 January 2021 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 Tuesday, 12 January 2021. 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's 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 or partially unsuccessful applications and/or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including the brokerage fee, the 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 Tuesday, 12 January 2021.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, our Shares and we comply with the stock admission requirements of HKSCC, our 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 our Shares or any other date HKSCC chooses. Settlement of transactions between the 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 our Shares to be admitted into CCASS.

The following is the text of a report set out on pages I-1 to I-89 received from the Company's reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of inclusion in this prospectus.

Deloitte. 德勤

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF LEGION CONSORTIUM LIMITED AND AMPLE CAPITAL LIMITED

Introduction

We report on the historical financial information of Legion Consortium Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-89, which comprises the combined statements of financial position of the Group as at 31 December 2017, 2018, 2019 and 31 August 2020, the statements of financial position of the Company as at 31 December 2018, 2019 and 31 August 2020, 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 three years ended 31 December 2019 and the eight months ended 31 August 2020 (the "Track Record Period") 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-4 to I-89 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated 30 December 2020 (the "Prospectus") in connection with the initial listing of shares 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.

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 depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessment, the reporting accountants consider internal control relevant to the entity'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 entity'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 Group's financial position as at 31 December 2017, 2018, 2019 and 31 August 2020, of the Company's financial position as at 31 December 2018, 2019 and 31 August 2020, and of the Group's financial performance and cash flows for the Track Record Period 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 eight months ended 31 August 2019 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation 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 International Standard on Review Engagements 2400 "*Engagements to Review Historical Financial Statements*" issued by the International Auditing and Assurance Standards Board ("IAASB"). 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 International Standards on Auditing issued by the IAASB 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 matters under the Rules Governing the Listing of Securities on the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

The Historical Financial Information is stated after making such adjustments to the Underlying Financial Statements as defined on page I-4 as was considered necessary.

Dividends

We refer to Note 13 to the Historical Financial Information which contains information about dividends declared and paid by the group entities comprising the Group in respect of the Track Record Period and states that no dividend have been declared and paid by the Company since its incorporation.

No historical financial statements for the Company

No financial statements have been prepared for the Company since its date of incorporation.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 December 2020

HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information of the Group

Set out below is the Historical Financial Information which forms an integral part of the accountants' report.

The Historical Financial Information in this report was prepared based on the consolidated financial statements of Clear Bliss Holdings Limited ("Clear Bliss") and its subsidiaries for the Track Record Period and the management accounts of the Company for the period from its date of incorporation to 31 December 2018, the year ended 31 December 2019 and the eight months ended 31 August 2020 (collectively the "Underlying Financial Statements"). The Underlying Financial Statements have been prepared in accordance with the accounting policies which conform with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB"). The consolidated financial statements of Clear Bliss and its subsidiaries were audited by Deloitte & Touche LLP Singapore, a firm of Public Accountants and Certified Accountants registered in Singapore, in accordance with International Standards on Auditing issued by the IAASB.

The Historical Financial Information is presented in Singapore dollars ("S$").

COMBINED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	NOTES	Year ended 31 December			Eight months ended 31 August	
		2017	2018	2019	2019	2020
		S$	*S$*	*S$*	*S$*	*S$*
					(unaudited)	
Revenue	6	36,748,483	40,668,274	43,676,296	28,740,016	26,621,674
Costs of services		(23,269,847)	(26,256,898)	(26,633,370)	(17,378,752)	(17,337,871)
Gross profit		13,478,636	14,411,376	17,042,926	11,361,264	9,283,803
Other income	7	572,443	477,174	425,529	298,673	953,606
Other gains and losses	8	17,038	(311,952)	(443,702)	(251,020)	147,859
Selling expenses		(121,976)	(72,943)	(64,749)	(44,816)	(37,819)
Administrative expenses		(6,944,740)	(7,307,295)	(8,226,288)	(5,182,177)	(5,292,766)
Finance costs	9	(60,259)	(42,055)	(140,436)	(65,548)	(157,560)
Listing expenses		—	(2,474,678)	(1,032,245)	(631,764)	(695,417)
Profit before taxation	10	6,941,142	4,679,627	7,561,035	5,484,612	4,201,706
Income tax expense	11	(979,879)	(1,063,865)	(1,494,902)	(955,976)	(761,420)
Profit and other comprehensive income for the year/period		5,961,263	3,615,762	6,066,133	4,528,636	3,440,286

STATEMENTS OF FINANCIAL POSITION

		The Group				The Company		
		As at 31 December			As at 31 August	As at 31 December		As at 31 August
	NOTES	2017	2018	2019	2020	2018	2019	2020
		S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Non-current assets								
Property and equipment	15	4,515,076	4,216,369	8,533,490	9,079,885	—	—	—
Investment properties	16	4,591,215	4,402,075	4,212,935	4,086,840	—	—	—
Intangible assets	17	99,737	119,849	175,184	148,066	—	—	—
Deposits	19	120,269	1,514,600	436,414	576,646	—	—	—
		9,326,297	10,252,893	13,358,023	13,891,437	—	—	—
Current assets								
Trade receivables	18	11,025,280	9,447,814	10,289,473	9,669,163	—	—	—
Other receivables, deposits and prepayments	19	1,207,300	1,591,304	1,336,868	1,775,662	715,040	959,519	1,106,081
Amount due from a shareholder	20a	212,151	—	—	—	—	—	—
Amounts due from related parties	20b	129,528	2,257	7,751	3,103	—	—	—
Restricted bank deposit	21	—	—	350,000	350,000	—	—	—
Bank balances and cash	21	5,041,625	4,406,208	11,152,613	11,739,944	9,342	9,235	9,303
		17,615,884	15,447,583	23,136,705	23,537,872	724,382	968,754	1,115,384
Current liabilities								
Trade and other payables	22	4,344,971	3,236,744	3,012,689	2,899,035	311,907	689,939	867,587
Amounts due to related parties/Rejoice*	20c	—	69,347	97,440	71,972	2,888,306	3,786,998	4,451,329
Bank borrowings	23	100,236	96,304	94,082	102,293	—	—	—
Obligations under finance leases	24	484,039	341,500	—	—	—	—	—
Lease liabilities	25	—	—	2,103,301	2,717,167	—	—	—
Provisions	26	452,000	389,000	—	—	—	—	—
Income tax payable		1,136,397	1,208,660	1,434,598	1,857,815	—	—	—
Deferred income	27	—	—	—	314,040	—	—	—
		6,517,643	5,341,555	6,742,110	7,962,322	3,200,213	4,476,937	5,318,916
Net current assets (liabilities)		11,098,241	10,106,028	16,394,595	15,575,550	(2,475,831)	(3,508,183)	(4,203,532)
Total assets less current liabilities		20,424,538	20,358,921	29,752,618	29,466,987	(2,475,831)	(3,508,183)	(4,203,532)

* It is defined in Note (i) to the combined statements of changes in equity.

		The Group				The Company		
		As at 31 December			As at 31 August	As at 31 December		As at 31 August
	NOTES	2017	2018	2019	2020	2018	2019	2020
		S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Non-current liabilities								
Trade and other payables	22	372,660	—	272,318	503,318	—	—	—
Bank borrowings	23	1,203,271	1,124,454	1,099,734	1,026,634	—	—	—
Obligations under finance leases	24	120,629	63,516	—	—	—	—	—
Lease liabilities	25	—	—	2,729,788	2,769,971	—	—	—
Provisions	26	133,000	—	389,000	480,000	—	—	—
Deferred tax liabilities	28	360,347	403,924	438,924	423,924	—	—	—
		2,189,907	1,591,894	4,929,764	5,203,847	—	—	—
Net assets (liabilities)		18,234,631	18,767,027	24,822,854	24,263,140	(2,475,831)	(3,508,183)	(4,203,532)
Capital and reserves/ (deficits)								
Share capital	29	2,000,000	14	14	14	—*	—*	—*
Reserves/(deficits)	29	16,234,631	18,767,013	24,822,840	24,263,126	(2,475,831)	(3,508,183)	(4,203,532)
		18,234,631	18,767,027	24,822,854	24,263,140	(2,475,831)	(3,508,183)	(4,203,532)

* The amount is less than S$1

COMBINED STATEMENTS OF CHANGE IN EQUITY

	Attributable to Owners of the Company				
	Share capital	Other Reserve	Accumulated profits	Subtotal	Total
	S$	*S$* *(Note i)*	*S$*	*S$*	*S$*
At 1 January 2017	2,000,000	3,328,859	11,764,509	15,093,368	17,093,368
Profit and other comprehensive income for the year	—	—	5,961,263	5,961,263	5,961,263
Dividends (Note 13)	—	—	(4,820,000)	(4,820,000)	(4,820,000)
At 31 December 2017	2,000,000	3,328,859	12,905,772	16,234,631	18,234,631
Profit and other comprehensive income for the year	—	—	3,615,762	3,615,762	3,615,762
Shares issued (Note 29)	4	—	—	—	4
Dividends (Note 13)	—	—	(3,083,370)	(3,083,370)	(3,083,370)
Arising from reorganisation (Note ii)	(1,999,990)	1,999,990	—	1,999,990	—
At 31 December 2018	14	5,328,849	13,438,164	18,767,013	18,767,027
Adjustment (Note 3)	—	—	(10,306)	(10,306)	(10,306)
At 1 January 2019	14	5,328,849	13,427,858	18,756,707	18,756,721
Profit and other comprehensive income for the year	—	—	6,066,133	6,066,133	6,066,133
At 31 December 2019	14	5,328,849	19,493,991	24,822,840	24,822,854
Profit and other comprehensive income for the period	—	—	3,440,286	3,440,286	3,440,286
Dividends (Note 13)	—	—	(4,000,000)	(4,000,000)	(4,000,000)
At 31 August 2020	14	5,328,849	18,934,277	24,263,126	24,263,140
At 1 January 2019	14	5,328,849	13,427,858	18,756,707	18,756,721
Profit and other comprehensive income for the period	—	—	4,528,636	4,528,636	4,528,636
At 31 August 2019 (unaudited)	14	5,328,849	17,956,494	23,285,343	23,285,357

Notes:

(i) The balance of S$3,328,859 represents contribution from Mr. Ng Choon Eng ("Mr. Ng", the "Controlling Shareholder") resulting from acquisition of additional equity interest in Rejoice Container Services Pte Ltd ("Rejoice") and Radiant Overseas Pte Ltd ("Radiant") from then non-controlling interest in prior years without recharging back the purchase consideration to the Group.

(ii) In streamlining the group structure, Mr. Ng transferred his entire equity interest in Rejoice, Radiant, Richwell Global Forwarding Pte. Ltd. ("Richwell") and Real Time Forwarding Pte. Ltd. ("Real Time Forwarding") to Clear Bliss in consideration for Clear Bliss allotting and issuing 8 new shares issued to Mr. Ng. Details of which are set out in Note 2.

COMBINED STATEMENTS OF CASH FLOWS

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
OPERATING ACTIVITIES					
Profit before taxation	6,941,142	4,679,627	7,561,035	5,484,612	4,201,706
Adjustments for:					
Allowance for doubtful trade receivables/ impairment loss recognised (reversed) on trade receivables, net	26,114	516,161	478,213	304,000	(127,530)
Depreciation and amortisation	1,265,844	1,238,778	1,887,106	1,023,637	2,009,287
Finance costs	60,259	42,055	140,436	65,548	157,560
Interest income	(69,367)	(1,596)	(3,092)	(1,210)	(2,609)
Gain on disposal of property and equipment	(45,497)	(162,957)	(7,373)	(7,373)	(960)
Loss on disposal of intangible assets	—	709	—	—	—
Derecognition of lease liabilities upon rental concession	—	—	—	—	(269,196)
Operating cash flow before movement in working capital	8,178,495	6,312,777	10,056,325	6,869,214	5,968,258
Movements in working capital:					
(Increase) decrease in trade receivables	(1,780,313)	1,061,305	(1,319,872)	(775,710)	747,840
Decrease (increase) in amounts due from related parties	99	8,256	(5,494)	(3,798)	4,648
Decrease (increase) in other receivables, deposits and prepayments	71,132	(618,966)	(181,978)	(462,104)	(579,026)
(Decrease) increase in trade and other payables	(85,938)	1,511,060	358,076	(159,229)	222,195
(Decrease) increase in amounts due to related parties	(30,721)	69,347	28,093	19,572	(25,468)
Decrease in provisions	(128,000)	(196,000)	—	—	—
Increase in deferred income	—	—	—	—	314,040
Cash generated from operations	6,224,754	8,147,779	8,935,150	5,487,945	6,652,487
Income taxes paid	(618,695)	(948,025)	(1,233,964)	(1,119,259)	(353,203)
Interest received	1,666	1,596	3,092	1,210	2,609
Interest paid	(71,607)	(42,055)	(140,436)	(65,548)	(157,560)
Net cash from operating activities	5,536,118	7,159,295	7,563,842	4,304,348	6,144,333

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$* *(unaudited)*	*S$*
INVESTING ACTIVITIES					
Proceeds from disposal of property and equipment	87,259	277,167	33,698	33,698	—
Purchase of property and equipment	(478,386)	(365,415)	(279,980)	(203,898)	(46,847)
Deposit paid for acquiring a property	—	(1,514,600)	—	—	—
Deposit refunded for terminating an acquisition of a property	—	—	1,514,600	1,514,600	—
Finance costs capitalised in the investment properties	(11,348)	—	—	—	—
Purchase of intangible assets	(66,453)	(38,201)	(92,905)	(92,600)	(6,195)
Placement of restricted bank deposit	—	—	(350,000)	(350,000)	—
Advances to a related party	(18,564)	(4,641)	—	—	—
(Advance to) repayment from directors of Richwell and Radiant	(39,491)	250,231	—	—	—
Repayment of advance to the shareholder	5,000	—	—	—	—
Advance to the shareholder	(1,649,815)	(341,305)	—	—	—
Issue costs paid on behalf a shareholder	—	(178,760)	(61,120)	(46,904)	(36,640)
Net cash (used in) from investing activities	(2,171,798)	(1,915,524)	764,293	854,896	(89,682)
FINANCING ACTIVITIES					
Dividends paid	(943,000)	(4,701,258)	—	—	(4,000,000)
Repayment of obligations under finance leases	(839,531)	(681,998)	—	—	—
Repayment of borrowings	(55,283)	(100,088)	(96,293)	(65,028)	(64,889)
Repayment of leases liabilities	—	—	(1,306,095)	(625,698)	(1,334,222)
Repayment to a shareholder	—	(361,067)	—	—	—
Advance from a shareholder	—	361,067	—	—	—
Deferred issue costs paid	—	(395,848)	(179,342)	(44,848)	(68,209)
Issuance of share capital	—	4	—	—	—
Net cash used in financing activities	(1,837,814)	(5,879,188)	(1,581,730)	(735,574)	(5,467,320)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,526,506	(635,417)	6,746,405	4,423,670	587,331
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD	3,515,119	5,041,625	4,406,208	4,406,208	11,152,613
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD, represented by bank balances and cash	5,041,625	4,406,208	11,152,613	8,829,878	11,739,944

NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 20 June 2018. The registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business is at 7 Keppel Road, #03-22, Tanjong Pagar Complex, Singapore.

The Company is an investment holding company and the principal activities of the operating subsidiaries, which are disclosed in the Note 36, are provisions of trucking, value added transport services and freight forwarding services.

The Historical Financial Information are expressed in S$, which is also the functional currency of the Company. No statutory financial statements of the Company have been prepared since its date of incorporation as it is incorporated in the jurisdiction where there are no statutory audit requirements.

2. GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared based on the accounting policies set out in Note 4 which conform with IFRSs issued by the IASB, and the principles of common control combination has been applied for the preparation of the Historical Financial Information.

In preparing for the initial listing of the shares of the Company on the Stock Exchange, the companies comprising the Group underwent a group reorganisation (the "Reorganisation") as described below. Prior to the Reorganisation and throughout the Track Record Period, Mr. Ng controlled Rejoice, Radiant, Richwell and Real Time Forwarding, the major operating subsidiaries of the Group.

The Reorganisation comprised of the following steps:

On 1 November 2017, Clear Bliss was incorporated in the BVI with limited liability and is authorised to issue a maximum of 50,000 shares of a single class with a par value of United States dollars ("US$") 1.00 each. On 16 March 2018, 2 ordinary shares of par value of US$1.00 were allotted and issued to Mr. Ng, representing 100% of the then total issued share capital of Clear Bliss, for cash at par.

On 2 April 2018, pursuant to an agreement, (i) under the instructions of Mr. Ng, Mr. Ng Kong Hock (the son of Mr. Ng, as trustee for Mr. Ng) transferred 250,000 ordinary shares in Rejoice, representing 25% of the issued share capital of Rejoice to Clear Bliss at a consideration of S$3,231,910; and (ii) Mr. Ng transferred 750,000 ordinary shares in Rejoice, representing 75% of the issued share capital of Rejoice to Clear Bliss at a consideration of S$9,695,730. In consideration of the transfers, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

On 2 April 2018, pursuant to an agreement, (i) under the instructions of Mr. Ng, Mr. Gilbert Ho (as trustee for Mr. Ng) transferred 60,000 ordinary shares in Radiant, representing 30% of the issued share capital of Radiant, to Clear Bliss at a consideration of S$825,720; and (ii) Mr. Ng transferred 140,000 ordinary shares in Radiant, representing 70% of the issued share capital of Radiant, to Clear Bliss at a consideration of S$1,926,680. In consideration of the transfer, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

On 2 April 2018, pursuant to an agreement, (i) under the instructions of Mr. Ng, Mr. Stephen Yeo (as trustee for Mr. Ng) transferred 150,000 ordinary shares in Richwell, representing 30% of the issued share capital of Richwell, to Clear Bliss at a consideration of S$918,850; (ii) under the instructions of Mr. Ng, Ms. Khoo Zi Qi, Evelyn (as trustee for Mr. Ng) transferred 50,000 ordinary shares in Richwell, representing 10% of the issued share capital of Richwell, to Clear Bliss at a consideration of S$306,283; and (iii) Mr. Ng transferred 300,000 ordinary shares in Richwell, representing 60% of the issued share capital of Richwell, to Clear Bliss at a consideration of S$1,837,700. In consideration of the transfers, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

On 2 April 2018, pursuant to the agreement, Mr. Ng transferred 300,000 ordinary shares in Real Time Forwarding, representing the entire issued share capital of Real Time Forwarding to Clear Bliss at a consideration of S$572,958. In consideration of the aforesaid transfer, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

Upon completion of the above shares swap, Clear Bliss became the immediate holding company of Rejoice, Radiant, Richwell and Real Time Forwarding.

On 19 June 2018, Mirana Holdings Limited ("Mirana Holdings") (a company not forming part of the Group) was incorporated in the BVI with limited liability to act as Mr. Ng's holding company to hold his interests in the Company. It is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00 each. On 19 June 2018, one ordinary share of par value of US$1.00 was allotted and issued to Mr. Ng, representing 100% of the total issued share capital of Mirana Holdings, for cash at par.

On 20 June 2018, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. Its initial authorised share capital is Hong Kong dollars ("HK$") 380,000 divided into 38,000,000 shares of par value of HK$0.01 each. On 20 June 2018, one fully paid share was issued to the initial subscriber which was transferred to Mirana Holdings on the same day.

On 18 December 2020, pursuant to a sale and purchase agreement entered into between the Company and Mr. Ng, the Company agreed to acquire the entire issued share capital in Clear Bliss. In consideration of such acquisition, the Company allotted and issued 78,124,999 new shares to Mirana Holdings, all credited as fully paid.

The Group resulting from the Reorganisation, including the Company and its subsidiaries, have always been under the common control of the Controlling Shareholder throughout the Track Record Period or since their respective dates of incorporation where there is a shorter period, and before and after the Group Reorganisation.

As a result, the Historical Financial Information has been prepared under the principles of common control combination as if the Company had been the holding company of Clear Bliss, Rejoice, Radiant, Richwell and Real Time Forwarding throughout the Track Record Period and as at each reporting date taking into account the respective date of incorporation of the group entities. The combined statements of profit or loss and other comprehensive income, combined statements of changes in equity and combined statements of cash flows for the Track Record Period include the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence throughout the Track Record Period, or since their respective date of incorporation, where there is a shorter period. The combined statements of financial position of the Group as at 31 December 2017, 2018 and 2019, and 31 August 2020 have been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at those dates taking into account the respective dates of incorporation, where applicable.

3. ADOPTION OF NEW AND AMENDMENTS TO IFRSs

For the purpose of preparing and presenting the Historical Financial Information for the Track Record Period, the Group has consistently applied IFRSs that are effective for the financial year beginning on 1 January 2020 throughout the Track Record Period, except that the Group adopted (i) IFRS 9 *Financial Instruments* ("IFRS 9") since 1 January 2018 and IAS 39 *Financial Instruments* ("IAS 39"): *Recognition and Measurement* during the year ended 31 December 2017, and (ii) IFRS 16 *Leases* ("IFRS 16") since 1 January 2019 and IAS 17 *Leases* ("IAS 17") for the years ended 31 December 2017 and 2018.

IFRS 9

Since 1 January 2018, the Group has applied IFRS 9 and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and contract assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provision set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018.

As at 1 January 2018, the directors of the Group reviewed and assessed the Group's existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement of IFRS 9.

The application of IFRS 9 on 1 January 2018 has no impact on the combined financial position of the Group with regard to classification and measurement of financial instruments nor has any material additional impairment been recognised upon application of expected loss approach as at same date.

Classification and measurement of financial assets

Except for the impairment loss recognised based on ECL model, all financial assets and financial liabilities continue to be measured on the same bases as were previously measured under IAS 39.

The table below illustrates the classification and measurement of financial instruments under IFRS 9 and IAS 39 at the date of initial application, i.e. 1 January 2018.

	Original measurement category under IAS 39	New measurement category under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
	S$	*S$*	*S$*	*S$*
Trade receivables	Loans and receivables	Financial assets at amortised cost	11,025,280	11,025,280
Other receivables and deposits	Loans and receivables	Financial assets at amortised cost	1,301,494	1,301,494
Amount due from a shareholder	Loans and receivables	Financial assets at amortised cost	212,151	212,151
Amounts due from related parties	Loans and receivables	Financial assets at amortised cost	129,528	129,528
Bank balances and cash	Loans and receivables	Financial assets at amortised cost	5,041,625	5,041,625

IFRS 16

Transition and summary of effects arising from initial application of IFRS 16

The Group has applied IFRS 16 for the first time from 1 January 2019. IFRS 16 superseded IAS 17, and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening accumulated profits and information for the four years ended 31 December 2018 have not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. relied on the assessment of whether leases are onerous by applying IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* as an alternative of impairment review;

ii. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application;

iii. excluded initial direct costs from measuring the right-of-use assets at the date of initial application;

On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognised lease liabilities of S$496,750 and right-of-use assets of S$992,493 at 1 January 2019. When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 4.45%.

	Note	**At 1 January 2019**
		S$
Operating lease commitments disclosed as at 31 December 2018 (Note 31a)		1,006,227
Less: Recognition exemption — short-term lease		(906,871)
Lease liabilities discounted at relevant incremental borrowing rates		(7,622)
Lease liabilities relating to operating leases recognised upon application of IFRS 16		91,734
Add: Obligations under finance leases recognised at 31 December 2018 (Note 24)	(a)	405,016
Lease liabilities as at 1 January 2019		496,750
Analysed as		
Current		383,157
Non-current		113,593
		496,750

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Note	Right-of-use assets
		S$
Right-of-use assets relating to operating leases recognised upon application of IFRS 16		81,428
Amounts included in property, plant and equipment under IAS 17		
— Assets previously under finance leases	(a)	911,065
		992,493
By class:		
Leasehold buildings		50,306
Computer and office equipment		46,664
Motor vehicles		895,523
		992,493

The following table summarises the impact of transition to IFRS 16 on accumulated profits at 1 January 2019.

	Impact of adopting IFRS 16 at 1 January 2019
	S$
Accumulated profits	
Impact at 1 January 2019	(10,306)

The following adjustments were made to the amounts recognised in the combined statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Note	Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under IFRS 16 at 1 January 2019
		S$	*S$*	*S$*
Non-current assets				
Property and equipment	(a)	4,216,369	81,428	4,297,797
Capital and reserves				
Reserves		18,767,013	(10,306)	18,756,707
Current liabilities				
Lease liabilities	(a)	—	383,157	383,157
Obligations under finance leases		341,500	(341,500)	—
Non-current liabilities				
Lease liabilities	(a)	—	113,593	113,593
Obligations under finance leases		63,516	(63,516)	—

(a) In relation to assets previously under finance leases, the Group recategorised the carrying amounts of the relevant assets which were still under lease as at 1 January 2019 amounting to S$911,065 (Note 15) as right-of-use assets. In addition, the Group reclassified the obligations under finance leases of S$341,500 and S$63,516 to lease liabilities as current and non-current liabilities respectively at 1 January 2019.

(b) At 31 December 2018, included in the carrying amounts of leasehold improvement under property and equipment amounted to S$7,389 were related to estimated costs of reinstating the leased premises for which the Group acts as a lessee. The relevant assets satisfied the definition of right-of-use assets upon adoption of IFRS 16 at 1 January 2019, no reclassification is made in view of the amount involved is insignificant.

(c) Before the application of IFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which IAS 17 applied. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use of the underlying assets and shall be adjusted to reflect the discounting effect at transition. In view of the amount involved is insignificant, no adjustment was made to refundable rental deposits paid or right-of-use assets.

(d) For the purpose of reporting cash flows from operating activities under indirect method for the year ended 31 December 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

In addition, the Group has early applied the Amendments to IFRS 16 *COVID-19-Related Rent Concessions*.

Amendment to IFRS 16

Transition and summary of effects

The Group has early applied the amendment from 1 January 2020. The application has no impact to the opening retained profits at 1 January 2020. The Group recognised changes in lease payments that resulted from rent concessions of S$269,196 in the profit or loss during the eight months ended 31 August 2020.

As a lessor

In accordance with the transitional provisions in IFRS 16, the Group is not required to make any adjustment on transition for leases in which the Group is a lessor but account for these leases in accordance with IFRS 16 from the date of initial application and comparative information has not been restated.

(a) Upon application of IFRS 16, new lease contracts entered into but commence after the date of initial application relating to the same underlying assets under existing lease contracts are accounted as if the existing leases are modified as at 1 January 2019. The application has had no impact on the Group's combined statement of financial position at 1 January 2019. However, effective 1 January 2019, lease payments relating to the revised lease term after modification are recognised as income on straight-line basis over the extended lease term.

(b) Before application of IFRS 16, refundable rental deposits received were considered as rights and obligations under leases to which IAS 17 applied. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right-of-use assets and shall be adjusted to reflect the discounting effect at transition. In view of the amount involved is insignificant, no adjustment was made to refundable rental deposits received and advance lease payments.

At the date of this report, the Group has not applied the following new and amendments to IFRSs or International Accounting Standards ("IAS") that have been issued but not yet effective:

IFRS 17	Insurance Contracts and the related Amendments[1]
Amendments to IFRS 3	Reference to the Conceptual Framework[2]
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest Rate Benchmark Reform — Phase 2[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[1]

Amendments to IAS 16	Property, Plant and Equipment: Proceeds before Intended Use[2]
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract[2]
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018-2020[2]

1 Effective for annual periods beginning on or after 1 January 2023

2 Effective for annual periods beginning on or after 1 January 2022

3 Effective for annual periods beginning on or after a date to be determined

4 Effective for annual periods beginning on or after 1 January 2021

The management of the Group considers that the application of all the new and amendments to IFRSs and IASs is unlikely to have a material impact on the Group's financial position and performance as well as disclosure in foreseeable future.

4. SIGNIFICANT ACCOUNTING POLICIES

The Historical Financial Information has been prepared in accordance with the following accounting policies which conform with IFRSs issued by the IASB. In addition, the Historical Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The Historical Financial Information has been prepared on the historical cost at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the Historical Financial Information is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases* or IFRS 16 wherever is applicable, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Basis of combination

The Historical Financial Information incorporates the financial statements of the Company and companies controlled by the Company and its subsidiaries. Control is achieved when a company:

- has power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and

- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Combination of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/period are included in the combined statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on combination.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in subsidiaries are presented separately from the Group's equity thereon.

Merger accounting for business combination involving business under common control

The Historical Financial Information incorporate the financial statements items of the combined business in which the common control combination occurs as if they had been combined from the date when the combing business first came under the control of the controlling party.

The net assets of the combining business are combined using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The combined statements of profit or loss and other comprehensive income include the results of each of the combining business from the earliest date presented or since the date when the combining business first came under the common control, where this is a shorter period.

Revenue recognition

Revenue is recognised to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Specifically, the Group uses 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 the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a service (or a bundle of services) that is distinct or a series of distinct services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the Group performs; or
- 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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct service.

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IAS 39 or IFRS 9 where is applicable. In contract, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Specifically, revenue is recognised in profit or loss as follows:

(i) Revenue from provision of trucking services

Trucking services refer to the transportation of cargo, primarily containers, from the customers' designated pick up points to their designated delivery point within Singapore. Revenue from trucking service is recognised at a point in time upon delivering the cargo to the customers' designated delivery point.

(ii) Revenue from provision of freight forwarding services

Revenue from outbound freight forwarding is recognised when the goods are delivered to the carriers at the port of disembarkation, while revenue from inward freight forwarding is recognised when goods arrive at the customers' designated port of arrival. Revenue is recognised over the period up to the delivering the goods to the customer's warehouse as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

(iii) Revenue from provision of value added transport services

Value added transport services refer to the handling and storage of laden and empty containers and general cargo at the Group's logistics yard. Revenue from provision of value added transport service is recognised over the respective service period based on the services provided as the customer simultaneously receives and consumes the services provided by the Group over the period.

Leasing

Under IAS 17 (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in other income on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.

The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the combined statements of financial position as obligation under finance lease. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Under IFRS 16 (on or after 1 January 2019)

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of warehouse, computer and office equipment and motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option.

Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Right-of-use assets

Except for short-term leases, the Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term is depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The Group presents right-of-use assets that do not meet the definition of investment property in "property and equipment", the same line item as that with which the corresponding underlying assets would be presented if they were owned. Right-of-use assets that meet the definition of investment property are presented within "investment properties".

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the option; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the combined statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment;

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

COVID-19-related rent concessions

Rent concessions relating to lease contracts that occurred as a direct consequence of the COVID-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

The Group enters into lease agreements as a lessor with respect to its investment properties to other parties. Rental income from operating leases is recognised in other income 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 as an expense on a straight-line basis over the lease term.

Refundable rental deposits

Refundable rental deposits received are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under "other income".

Retirement benefit costs

Payments made to Central Provident Fund ("CPF") are recognised as expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short- term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave) after deduction of any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from "profit before taxation" as reported in the combined statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Historical Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Property and equipment

Property and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property 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 disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals (including properties under construction for such purposes). Investment properties are measured initially at cost, including directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of items of investment properties less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment on property and equipment, investment properties and intangible assets

At the end of each reporting period, the management of the Group reviews the carrying amounts of its property and equipment, investment properties and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of property and equipment, investment properties and intangible assets are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the cash-generating unit or group of cash-generating units to which the corporate asset belongs, and is compared with the carrying amount of the relevant cash-generating unit or group of cash-generating units.

Recoverable amount is the higher of fair values less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 a cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit or a group of cash-generating units) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit or a group of cash-generating units) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Initial recognition under IAS 39 and IFRS 9

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Under IAS 39

Financial assets are classified as loans and receivables.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees or points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, amounts due from a shareholder/related parties, restricted bank deposit and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment losses.

Interest income is recognised by applying the effective interest rate, except for short-term receivable where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

The objective evidence of impairment could include:

- significant financial difficulty of the issuer or counter party; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For certain categories of financial assets, such as trade and other receivables, assets that are assessed on individual basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period of 30-60 days, observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment loss recognised is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the financial assets' original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Under IFRS 9

Classification of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

All recognised financial assets of the Group that are within the scope of IFRS 9 are subsequently measured at amortised costs.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding ECL, through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Interest income is recognised in profit or loss using the effective interest method and is included in the "other income" line item.

Impairment of financial assets subject to impairment assessment under IFRS 9

The Group performs impairment assessment under ECL model on financial assets which are subject to impairment under IFRS 9 (including trade receivables, other receivables, amounts due from a shareholder/ related parties, restricted bank deposit and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

The Group always recognises lifetime ECL for trade receivables and trade-related amounts due from related parties. The Group measures these financial assets either on a collective basis for portfolios of trade receivables that share similar economic risk characteristics or on an individual basis for credit-impaired debtors. For collective assessment, the ECL on these financial assets are estimated using a provision matrix i.e. analysis of trade-related receivables by aging and apply a probability-weighted estimate of the credit losses within the relevant time band. The probability-weighted estimate of the credit losses is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring since initial recognition.

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. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default (i.e. no default history), 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.

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 receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

- 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).

The Group also considers that default has occurred when the instrument 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.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Credit-impaired financial assets

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 includes 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; or

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e. g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are past due over one year, whichever is earlier. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised directly in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Classification of financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Estimated impairment of trade receivables

Prior to 1 January 2018, the management assesses at the end of each reporting period whether there is any objective evidence that trade receivables are impaired. If there is objective evidence that an impairment loss on trade receivables has been incurred, the amount of loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows. Where the actual future cash flows are less than expected, including unbilled revenue where the actual collection of receivables upon billing to customers are less than expected, an impairment loss may arise.

As at 31 December 2017, the carrying amounts of trade receivables (other than unbilled revenue) is S$11,025,280 (net of allowance for doubtful debts of S$4,699).

Starting from 1 January 2018, the Group estimates the amount of estimated impairment of trade receivables either on a collective basis for portfolios of trade receivables that share similar economic risk characteristics or on an individual basis for credit-impaired debtors. The estimated loss rates are based on internal credit ratings as groupings of various debtors that have similar loss patterns. For collective assessment, the provision matrix is based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise. As at 31 December 2018, 2019 and 31 August 2020, the carrying amount of trade receivable is S$9,447,814, S$10,289,473 and S$9,669,163 respectively, (net of impairment allowance of S$466,986 and S$456,000 and S$125,518 respectively).

Principal versus agent considerations for revenue

From time to time the Group enters into contracts with its customers to provide freight forwarding services. Under these contracts, the Group provides freight forwarding services through engaging suitable suppliers for completion of the services. In these contracts, the Group is considered to be primarily responsible for fulfilling the promise to provide the services. Despite the Group has engaged third party logistic or shipping companies to perform the freight services, the Group takes sole responsible for ensuring that the service are performed and are acceptable to the customer (i.e. the Group is responsible for fulfilment of the promise in the contract, regardless of whether the Group performs the services itself or engages a third party service provider to perform the service). In addition, the Group has discretion in establishing the price for the specified services. IFRS 15 requires assessment of whether the Group controls a specified service before it is transferred to the customer. The Group has determined that it has control the service before they are transferred to customers and in the event that the Group provides a significant service of integrating services provided by another party into the specified service for which the customer has contracted, the Group first obtains control of the inputs to the specified service (which includes goods or services from other parties) and has the ability to direct their use to create the combined output that is the specified service, and hence, is a principal rather than agent in these contracts.

During the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2019 and 2020 the Group recognised revenue from provision of freight forwarding services amounted to S$13,312,750, S$16,550,548, S$17,399,097, S$11,115,041 (unaudited) and S$9,934,940, respectively.

6. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of trucking services, freight forwarding services and value added transport services by the Group to external customers, also represents the revenue from contracts with customers. This is consistent with the revenue information that is disclosed for each operating and reportable segment under IFRS 8. There is no inter-segment sales during the Track Record Period.

Information is reported to the Controlling Shareholder, which is also the Chief Operating Decision Maker ("CODM") of the Group, for the purposes of resource allocation and performance assessment. The CODM reviews segment revenue and results attributable to each segment, which is measured by reference to respective segments' gross profit. The segment information is defined by nature of services provided:

- Trucking services
- Freight forwarding services
- Value added transport services

No other analysis of the Group's assets and liabilities is regularly provided to the CODM for review.

a. Segment revenue and results

An analysis of the Group's revenue for the Track Record Period is as follows:

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$* (unaudited)	*S$*
Revenue from external customers					
- Trucking services	19,017,742	19,923,874	21,845,794	14,541,204	14,239,061
- Freight forwarding services	13,312,750	16,550,548	17,399,097	11,115,041	9,934,940
- Value added transport services	4,417,991	4,193,852	4,431,405	3,083,771	2,447,673
	36,748,483	40,668,274	43,676,296	28,740,016	26,621,674
Segment result					
- Trucking services	8,127,955	7,903,595	9,117,494	6,046,100	4,927,821
- Freight forwarding services	4,020,830	4,791,543	5,313,438	3,416,526	3,077,002
- Value added transport services	1,329,851	1,716,238	2,611,994	1,898,638	1,278,980
	13,478,636	14,411,376	17,042,926	11,361,264	9,283,803

No entity-wide disclosure in respect of revenue from provision of outbound and inward freight forwarding services are made as the information is not available and the cost to develop it would be excessive.

The Group derives its revenue from provision of trucking services at a point in time, whereas revenue from provision of freight forwarding services and value added transport services are over time. All performance obligations for provision of services are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

During the Track Record Period, all the contracts for services provided to external customers are short-term, and the contract prices for trucking services and freight forward services are agreed based on factors such as weight and distance etc. and for value added transport services are based on storage space occupied and labour hour used.

The accounting policies for segment information are the same as Group's accounting policies described in Note 4. Segment results represent the profit earned by each segment without allocation of other income, other gains and losses, selling expenses, administration expenses, finance costs and listing expenses.

b. Geographical information

The Group principally operates in Singapore, which is also the place of domicile.

The Group's all non-current assets other than financial assets are all located in Singapore.

c. Information about major customers

No single customer contributes 10% or more of total revenue of the Group during the Track Record Period.

7. OTHER INCOME

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* (*unaudited*)	*S$*
Government grants *(Note)*	58,707	37,480	22,621	18,548	736,529
Interest income					
- from restricted bank deposit and bank balances	1,666	1,596	3,092	1,210	2,609
- from non-current trade receivable	54,527	—	—	—	—
- from directors of Richwell and Radiant	13,174	—	—	—	—
	69,367	1,596	3,092	1,210	2,609
Rental income	352,449	383,049	337,748	242,706	184,302
Yard utilities income	80,832	31,466	34,171	21,066	11,423
Other	11,088	23,583	27,897	15,143	18,743
	572,443	477,174	425,529	298,673	953,606

Note:

The government grants received mainly comprise the Wage Credit Scheme ("WCS"), the Productivity Innovation Credit ("PIC"), the Temporary Employment Credit ("TEC"), the Special Employment Credit ("SEC") and the Job Support Scheme ("JSS"), all of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

During the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2019 and 2020, grants of S$20,723, S$22,740, S$15,666, S$15,666 (unaudited) and S$40,583, respectively were received under the WCS. Under this credit scheme, the government provides assistance to Singapore-registered businesses by way of co-funding 20%, 20%, 20% and 15% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S$4,000, S$4,000, S$5,000 and S$5,000 and below in 2017, 2018, 2019 and 2020 respectively.

During the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2019 and 2020, the Group received grants of S$31,803, S$7,697, nil, nil (unaudited) and nil, respectively under the TEC. Under this scheme, the government provides assistance to alleviate business costs due to increases in contribution rates of employee's national saving schemes.

During the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2019 and 2020, the Group received grants of S$3,511, S$7,043, S$6,955, S$2,882 (unaudited) and S$4,535, respectively under the SEC. Under this scheme, the government aims to encourage and facilitate Singapore-registered business to hire Singaporean workers more than 50 years old and persons with disabilities.

During the eight months ended 31 August 2020, the Group recognised grants of $560,337, under the JSS. Under this scheme, the government provides wage support to employers, helping businesses retain their local employees (including Singapore citizens and permanent residents) during the economic uncertainty caused by the Corona Virus Disease 2019 ("COVID-19").

During the eight months ended 31 August 2020, the Group received rebates of $105,000, under the Foreign Worker Levy Rebates ("FWL Rebates"). Under this scheme, the government provides support to firms with workers who are unable to work during the economic uncertainty caused by the COVID-19.

The remaining balances of grants are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

8. OTHER GAINS AND LOSSES

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$* *(unaudited)*	*S$*
Gain on disposal of property and equipment, net	45,497	162,957	7,373	7,373	960
Loss on disposal of intangible assets	—	(709)	—	—	—
Allowance for doubtful debts/allowance for impairment (recognised)/reversed on					
- trade receivables	(26,114)	(516,161)	(478,213)	(304,000)	127,530
Net foreign exchange (losses)/ gains	(2,345)	45,185	27,138	45,607	19,369
Others	—	(3,224)	—	—	—
	17,038	(311,952)	(443,702)	(251,020)	147,859

9. FINANCE COSTS

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Interests on:					
Bank borrowings	52,340	22,374	30,254	18,460	23,015
Leases liabilities	—	—	110,182	47,088	134,545
Obligation under finance leases	19,267	19,681	—	—	—
	71,607	42,055	140,436	65,548	157,560
Less: amounts capitalised in relation to bank borrowings	(11,348)	—	—	—	—
	60,259	42,055	140,436	65,548	157,560

For the year ended 31 December 2017, the capitalised amounts in relation to bank borrowings were calculated by applying a capitalisation rate of 2.05% per annum to expenditure on qualifying assets.

10. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$* *(unaudited)*	*S$*
Auditor's remuneration *(Note i)*	—	50,000	55,000	—	—
Depreciation of property and equipment					
- Recognised as cost of sales	692,906	765,348	1,461,770	760,494	1,677,933
- Recognised as administrative expenses	384,411	266,910	198,626	116,087	171,946
	1,077,317	1,032,258	1,660,396	876,581	1,849,879
Depreciation of investment properties	165,800	189,140	189,140	126,094	126,095
Amortisation of intangible assets	22,727	17,380	37,570	20,962	33,313
Total depreciation and amortisation	1,265,844	1,238,778	1,887,106	1,023,637	2,009,287
Directors' remuneration (Note 12)	804,750	843,770	916,600	526,400	599,850
Other staff costs					
- Salaries and other benefits	6,186,498	6,894,752	7,716,262	4,656,895	5,000,125
- Contributions to CPF	498,537	556,267	582,043	345,742	361,977
Total staff costs	7,489,785	8,294,789	9,214,905	5,529,037	5,961,952
Gross rental income from investment properties recognised as other income	(352,449)	(383,049)	(337,748)	(242,706)	(184,302)
Less: Direct operating expenses incurred for investment properties that generated rental income	208,885	214,398	267,494	160,324	155,720
	(143,564)	(168,651)	(70,254)	(82,382)	(28,582)
COVID-19-related rent concessions *(Note ii)*	—	—	—	—	269,196

During the eight months ended 31 August 2020, waiver of foreign worker levy was obtained from the local government which led to a reduction against staff cost in costs of services for the period.

Notes:

(i) No remuneration has been incurred prior to the appointment of the Company's statutory auditor in 2018.

(ii) The lease concessions received from the landlords led to a reduction against rental in costs of services for the eight months ended 31 August 2020, the leases liabilities of S$269,196 were derecognised accordingly.

11. INCOME TAX EXPENSE

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Tax expense comprises:					
Current tax					
- Singapore corporate income tax ("CIT")	897,516	1,043,180	1,416,479	882,553	776,420
- Under/(over) provision in prior years	3,135	(22,892)	43,423	43,423	—
Deferred tax (Note 28)	79,228	43,577	35,000	30,000	(15,000)
	979,879	1,063,865	1,494,902	955,976	761,420

Singapore CIT is calculated at 17% of the estimated assessable profit and the subsidiaries in Singapore further eligible for CIT rebate of 40%, capped at S$15,000 for Year of Assessment 2018, 20% capped at S$10,000 for Year of Assessment 2019, 25% capped at S$15,000 for the Year of Assessment 2020 and nil for Year of Assessment 2021, determined based on financial year end date of the group companies.

Rejoice, Richwell and Radiant can also enjoy 75% tax exemption on the first S$10,000 of chargeable income and a further 50% tax exemption on the next S$290,000 of chargeable income, for Year of Assessment of 2018 and 2019. Real Time Forwarding enjoys 100% tax exemption on the first $100,000 of chargeable income and a further 50% on the next $200,000 of chargeable income, for the Year of Assessment 2018 and 2019.

In Year of Assessment 2020, Rejoice, Richewell, Radiant and Real Time can enjoy 75% tax exemption on the first S$10,000 of chargeable income and a further 50% tax exemption on the next S$190,000 of chargeable income.

The subsidiaries incorporated in Singapore are entitled to additional 400% tax deductions/allowances for qualified capital expenditures and operating expenses under the PIC scheme in Singapore for the Year of Assessment of 2018.

The taxation for the Track Record Period can be reconciled to the profit before taxation per the combined statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* *(unaudited)*	*S$*
Profit before taxation	6,941,142	4,679,627	7,561,035	5,484,612	4,201,706
Tax at applicable tax rate of 17%	1,179,994	795,537	1,285,376	932,384	714,290
Tax effect of expenses not deductible for tax purpose	96,362	483,273	255,134	53,990	184,473
Tax effect of income not taxable for tax purpose	—	—	—	—	(95,258)
Effect of tax concessions and partial tax exemption	(299,612)	(192,053)	(89,031)	(73,821)	(42,085)
Under/(over) provision of current tax in prior years	3,135	(22,892)	43,423	43,423	—
Taxation for the year/period	979,879	1,063,865	1,494,902	955,976	761,420

12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION

Directors' and chief executive's emoluments

Mr. Ng and Mr. Ng Kong Hock were appointed as executive directors of the Company on 20 June 2018.

The emoluments paid or payable to the directors and chief-executive of the Company (including emoluments for services as employee/directors of the Group prior to becoming the directors of the Company) by entities comprising the Group during the Track Record Period are as follows:

Year ended 31 December 2017

	Fees	**Discretionary bonus**	**Salaries and allowances**	**Contributions to CPF**	**Total**
	S$	*S$*	*S$*	*S$*	*S$*
Executive Directors					
Mr. Ng	48,000	16,000	528,000	14,960	606,960
Mr. Ng Kong Hock	—	15,000	168,000	14,790	197,790
	48,000	31,000	696,000	29,750	804,750

Year ended 31 December 2018

	Fees	Discretionary bonus	Salaries and allowances	Contributions to CPF	Total
	S$	*S$*	*S$*	*S$*	*S$*
Executive Directors					
Mr. Ng	48,000	44,000	528,000	13,980	633,980
Mr. Ng Kong Hock	—	15,000	180,000	14,790	209,790
	48,000	59,000	708,000	28,770	843,770

Year ended 31 December 2019

	Fees	Discretionary bonus	Salaries and allowances	Contributions to CPF	Total
	S$	*S$*	*S$*	*S$*	*S$*
Executive Directors					
Mr. Ng	48,000	88,000	528,000	13,260	677,260
Mr. Ng Kong Hock	12,000	30,000	180,000	17,340	239,340
	60,000	118,000	708,000	30,600	916,600

Eight months ended 31 August 2019 (unaudited)

	Fees	Discretionary bonus	Salaries and allowances	Contributions to CPF	Total
	S$	*S$*	*S$*	*S$*	*S$*
Executive Directors					
Mr. Ng	32,000	—	352,000	6,240	390,240
Mr. Ng Kong Hock	8,000	—	120,000	8,160	136,160
	40,000	—	472,000	14,400	526,400

Eight months ended 31 August 2020

	Fees	Discretionary bonus	Salaries and allowances	Contributions to CPF	Total
	S$	*S$*	*S$*	*S$*	*S$*
Executive Directors					
Mr. Ng	32,000	44,000	352,000	10,140	438,140
Mr. Ng Kong Hock	16,000	15,000	120,000	10,710	161,710
	48,000	59,000	472,000	20,850	599,850

(i) Mr. Ng acts as chief executive of the Company with effect from 20 June 2018 and his emoluments disclosed above included those for services rendered by him as the chief executive in management of the affairs of the group entities.

(ii) The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.

(iii) No other retirement benefits were paid to directors in respect of their respective services in connection with the management of the affairs of the Company or its subsidiaries undertaking.

(iv) The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group and of the Company upon its incorporation.

During the Track Record Period, no remuneration was paid by the Group to the director of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any remuneration during the Track Record Period.

Employees' remuneration

During the Track Record Period, included in the remunerations of the five highest paid individuals are 2, 2, 2, 2 (unaudited) and 2 directors whose remunerations are disclosed above.

The remunerations in respect of the five highest paid individuals other than directors during the Track Record Period are as follows:

	Year ended 31 December			**Eight months ended 31 August**	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* *(unaudited)*	*S$*
Salaries and allowances	498,790	558,049	584,762	355,842	357,842
Contribution to CPF	35,784	40,540	37,140	20,640	23,420
	534,574	598,589	621,902	376,482	381,262

During the Track Record Period, the remunerations of the five highest paid individuals, including 2, 2, 2, 2 (unaudited) and 2 directors, are within following bands:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
				(unaudited)	
Emolument bands					
Nil to HK$1,000,000 (S$172,000)*	2	3	1	4	4
HK$1,000,001 (S$172,001)* to HK$1,500,000 (S$259,000)*	2	1	3	—	—
HK$2,500,001 (S$259,001)* to HK$3,000,000 (S$517,000)*	—	—	—	1	1
HK$3,000,001 (S$517,001)* to HK$3,500,000 (S$603,000)*	—	—	—	—	—
HK$3,500,001 (S$603,001)* to HK$4,000,000 (S$690,000)*	1	1	1	—	—
	5	5	5	5	5

* The amount in S$ is approximately equivalent to the amount in HK$.

During the Track Record Period, no remuneration was paid by the Group to the five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

13. DIVIDENDS

During the year ended 31 December 2017

- Rejoice declared a dividend of S$4,000,000 in respect of the financial year ended 31 December 2016. S$1,600,000 was offset against amount owing from the shareholders during the year ended 31 December 2017, and the remaining amount of S$2,400,000 was paid out at the beginning of 2018.

- Richwell declared a dividend of S$200,000 in respect of the financial year ended 31 December 2016. The dividend was paid out during the year ended 31 December 2017.

- Radiant declared a dividend of S$620,000 in respect of the financial year ended 31 December 2016. The dividend was paid out during the year ended 31 Decembers 2017.

During the year ended 31 December 2018

- Rejoice declared a dividend of S$600,000 in respect of the financial year ended 31 December 2017. S$300,000 was offset against amount owing from Mr. Ng and the remaining amount of S$300,000 was paid out during the year ended 31 December 2018.

- Richwell declared a dividend of S$1,203,370 in respect of the financial year ended 31 December 2017. S$205,454 was offset against amount owing from Mr. Ng, and the remaining amount of S$997,916 was paid out during the year ended 31 December 2018.

- Radiant declared a dividend of S$280,000 in respect of the financial year ended 31 December 2017. S$276,658 was offset against amount owing from Mr. Ng, and the remaining amount of S$3,342 was paid out during the year ended 31 December 2018.

- Clear Bliss declared a dividend of S$1,000,000 in respect of the financial year ended 31 December 2018 which is fully paid out during the year.

During the year ended 31 December 2019

No dividend declared or paid during the year ended 31 December 2019.

During the eight months ended 31 August 2019 (unaudited)

No dividend declared or paid during the eight months ended 31 August 2019.

During the eight months ended 31 August 2020

Clear Bliss declared a dividend of S$4,000,000 in respect of the financial year ended 31 December 2019. The dividend was paid out during the eight months ended 31 August 2020.

No dividend was paid or declared by the Company since its incorporation.

The rate of dividend and number of shares ranking for the above dividends are not presented as such information is not considered meaningful having regard to the purpose of this report.

14. EARNINGS PER SHARE

No earnings per share information is presented for the purpose of this report as its inclusion is not considered meaningful having regard to the Reorganisation of the Group and the result of the Group for the Track Record Period that is prepared on a combined basis as set out in Note 2.

15. PROPERTY AND EQUIPMENT

	Machineries	Computer and office equipment	Motor vehicles	Leasehold buildings	Leasehold improvement	Furnitures and fittings	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
COST							
At 1 January 2017	1,202,800	404,859	11,881,085	—	1,617,969	54,346	15,161,059
Additions	107,484	62,142	792,134	—	29,795	2,171	993,726
Disposals/written off	—	—	(395,872)	—	(189,500)	—	(585,372)
At 31 December 2017	1,310,284	467,001	12,277,347	—	1,458,264	56,517	15,569,413
Additions	14,500	49,293	767,473	—	10,620	5,875	847,761
Disposals/written off	(20,000)	(134,169)	(556,100)	—	(404,855)	(10,295)	(1,125,419)
At 31 December 2018	1,304,784	382,125	12,488,720	—	1,064,029	52,097	15,291,755
Adjustment (Note 3)	—	66,913	—	55,577	—	—	122,490
At 1 January 2019	1,304,784	449,038	12,488,720	55,577	1,064,029	52,097	15,414,245
Additions	—	21,838	1,034,520	4,865,346	—	710	5,922,414
Disposals/written off	—	—	(485,874)	—	—	—	(485,874)
At 31 December 2019	1,304,784	470,876	13,037,366	4,920,923	1,064,029	52,807	20,850,785
Additions	—	80,506	36,407	2,224,259	57,944	1,014	2,400,130
Disposals/written off	—	(20,408)*	—	—	—	—	(20,408)
At 31 August 2020	1,304,784	530,974	13,073,773	7,145,182	1,121,973	53,821	23,230,507
ACCUMULATED DEPRECIATION							
At 1 January 2017	547,343	225,359	8,752,047	—	954,524	41,357	10,520,630
Charge for the year	251,308	62,901	441,598	—	316,518	4,992	1,077,317
Disposals/written off	—	—	(381,278)	—	(162,332)	—	(543,610)
At 31 December 2017	798,651	288,260	8,812,367	—	1,108,710	46,349	11,054,337
Charge for the year	192,699	69,730	572,645	—	192,064	5,120	1,032,258
Disposals/written off	(20,000)	(129,867)	(545,279)	—	(307,382)	(8,681)	(1,011,209)
At 31 December 2018	971,350	228,123	8,839,733	—	993,392	42,788	11,075,386
Adjustment (Note 3)	—	35,791	—	5,271	—	—	41,062
At 1 January 2019	971,350	263,914	8,839,733	5,271	993,392	42,788	11,116,448
Charge for the year	144,507	81,118	624,329	774,129	32,126	4,187	1,660,396
Disposals	—	—	(459,549)	—	—	—	(459,549)
At 31 December 2019	1,115,857	345,032	9,004,513	779,400	1,025,518	46,975	12,317,295
Charge for the period	96,338	52,633	447,715	1,231,453	19,154	2,586	1,849,879
Disposals	—	(16,552)*	—	—	—	—	(16,552)
At 31 August 2020	1,212,195	381,113	9,452,228	2,010,853	1,044,672	49,561	14,150,622
CARRYING VALUES							
At 31 December 2017	511,633	178,741	3,464,980	—	349,554	10,168	4,515,076
At 31 December 2018	333,434	154,002	3,648,987	—	70,637	9,309	4,216,369
At 31 December 2019	188,927	125,844	4,032,853	4,141,523	38,511	5,832	8,533,490
At 31 August 2020	92,589	149,861	3,621,545	5,134,329	77,301	4,260	9,079,885

* For the eight months ended 31 August 2020, the disposal refers to early termination of a lease under IFRS 16 with carrying values of a right-of-use asset and corresponding lease liability of S$3,856 and S$4,816 measured at the date of derecognition, respectively, the gain amounted to S$960 has been recognised in profit or loss (Note 8).

The above items of property and equipment are depreciated on a straight-line basis over the following useful lives after taking into account the residual values:

Machineries	5 years
Computer and office equipment	3-5 years
Motor vehicles	10 years
Leasehold buildings	lease terms of 2-3 years
Leasehold improvement	Shorter of 5 years and lease term
Furnitures and fittings	3-5 years

During the years ended 31 December 2017 and 2018, included in the additions of machineries, computer and office equipment and motor vehicles were S$504,640 and S$482,346 respectively that were acquired under hire purchase arrangements. These acquisition constituted as non-cash transactions during the respective year (Note 37).

The carrying value of below items that are assets held under finance leases prior to the adoption of IFRS 16 starting from 1 January 2019:

	As at 31 December	
	2017	**2018**
	S$	*S$*
Computer and office equipment	35,736	15,542
Motor vehicles	1,531,746	895,523
	1,567,482	911,065

The carrying value of rights-of-use assets as at 31 December 2019, 31 August 2020 and the depreciation by classes of rights-of-use assets are set out as below:

	As at 31 December 2019	**As at 31 August 2020**
	S$	*S$*
Carrying values		
Leasehold buildings	4,141,523	5,134,329
Computer and office equipment	24,660	44,505
Motor vehicles	1,370,058	1,307,863
	5,536,241	6,486,697

	Year ended 31 December	Eight months ended 31 August	
	2019	2019	2020
	S$	*S$*	*S$*
		(unaudited)	
Depreciation recognised in profit or loss			
Leasehold buildings	774,129	296,787	1,231,453
Computer and office equipment	22,004	17,046	11,260
Motor vehicles	135,134	67,815	62,195
	931,267	381,648	1,304,908

	Year ended 31 December	Eight months ended 31 August	
	2019	2019	2020
	S$	*S$*	*S$*
		(unaudited)	
Additions			
Leasehold buildings	4,865,346	1,789,342	2,224,259
Computer and office equipment	—	—	38,024
Motor vehicles	777,088	777,088	—
	5,642,434	2,566,430	2,262,283

Restrictions or covenants on leases

In addition, lease liabilities of S$4,833,089 and S$5,487,138 (Note 25) are recognised with related right-of-use assets of S$5,536,241 and S$6,486,697 as at 31 December 2019 and 31 August 2020. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

16. INVESTMENT PROPERTIES

	Investment properties	Properties under construction	Total
	S$	*S$*	*S$*
COST			
At 1 January 2017	4,623,868	372,991	4,996,859
Additions	—	531,482	531,482
Transfer	904,473	(904,473)	—
At 31 December 2017, 2018, 2019 and 31 August 2020	5,528,341	—	5,528,341
ACCUMULATED DEPRECIATION			
At 1 January 2017	771,326	—	771,326
Charge for the year	165,800	—	165,800
At 31 December 2017	937,126	—	937,126
Charge for the year	189,140	—	189,140
At 31 December 2018	1,126,266	—	1,126,266
Charge for the year	189,140	—	189,140
At 31 December 2019	1,315,406	—	1,315,406
Charge for the period	126,095	—	126,095
At 31 August 2020	1,441,501	—	1,441,501
CARRYING VALUES			
At 31 December 2017	4,591,215	—	4,591,215
At 31 December 2018	4,402,075	—	4,402,075
At 31 December 2019	4,212,935	—	4,212,935
At 31 August 2020	4,086,840	—	4,086,840

The investment properties comprise industrial properties that are leased to external customers. The leases contain initial non-cancellable period of between 1 to 4 years. Subsequent renewal are negotiated with the lessees. Investment properties with net carrying value amounting to S$2,009,165, S$1,932,807, S$1,856,449 and S$1,805,543 are mortgaged to the bank to secure bank loans as at 31 December 2017, 2018 and 2019, and 31 August 2020 respectively.

The above items of investment properties, other than properties under construction, are depreciated on a straight-line basis over 30 years after taking into account the residual values.

The Group is able to obtain economic benefits either from the sale, re-lease or use of investment properties at the end of the lease term.

At 31 December 2017, 2018 and 2019, and 31 August 2020, the fair values of the investment properties amounted to S$5,910,000, S$5,900,000, S$5,900,000 and S$5,900,000, respectively. The fair value as at respective dates was determined based on the management's estimation by reference to the valuation performed by Ravia Global Appraisal Advisory Limited (the "Valuer", a party not connected to the Group) whose method of valuation has been disclosed below. The address of the Valuer is at Unit B, 7/F, Chang Pao Ching Building, No.427-429 Hennessy Road, Wan Chai, Hong Kong. The investment properties are categorised within level 3 of the fair value hierarchy.

The fair value was determined using direct comparison approach assuming sale of the properties by making reference to comparable sales transactions as available in the relevant market and adjusted to reflect the conditions and locations of the subject properties. There has been no change to the valuation technique during the Track Record Period.

In estimating the fair value of the property, the highest and best use of the property is its current use.

Details of the Group's investment properties and information about the fair value hierarchy as at end of the reporting period are as follows:

		Fair Value Level 3			
		As at 31 December			**As at 31 August**
		2017	**2018**	**2019**	**2020**
		S$	*S$*	*S$*	*S$*
1.	1 Commonwealth Lane, #06-24 to #06-26, Singapore 149544	2,620,000	2,610,000	2,610,000	2,610,000
2.	1 Commonwealth Lane, #06-27, Singapore 149544	870,000	870,000	870,000	870,000
3.	2 Buroh Crescent #09-04, Ace@Buroh, Singapore 627546	920,000	920,000	920,000	920,000
4.	55 Serangoon North Avenue 4 #01-07 S9 SINGAPORE 555859	1,500,000	1,500,000	1,500,000	1,500,000
		5,910,000	5,900,000	5,900,000	5,900,000

There was no transfer into or out of Level 3 during the Track Record Period.

17. INTANGIBLE ASSETS

	Software
	S$
COST	
At 1 January 2017	142,158
Additions	66,453
At 31 December 2017	208,611
Additions	38,201
Written off	(3,271)
At 31 December 2018	243,541
Additions	92,905
At 31 December 2019	336,446
Additions	6,195
At 31 August 2020	342,641
ACCUMULATED DEPRECIATION	
At 1 January 2017	86,147
Charge for the year	22,727
At 31 December 2017	108,874
Charge for the year	17,380
Written off	(2,562)
At 31 December 2018	123,692
Charge for the year	37,570
At 31 December 2019	161,262
Charge for the period	33,313
At 31 August 2020	194,575
CARRYING VALUES	
At 31 December 2017	99,737
At 31 December 2018	119,849
At 31 December 2019	175,184
At 31 August 2020	148,066

The above items of intangible assets are depreciated on a straight-line basis over 3 to 5 years after taking into account the residual values.

18. TRADE RECEIVABLES

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Trade receivables	11,029,979	9,914,800	10,745,473	9,794,681
Less: Allowance for doubtful debts/impairment allowance	(4,699)	(466,986)	(456,000)	(125,518)
	11,025,280	9,447,814	10,289,473	9,669,163

As at 1 January 2017, net trade receivables from contracts with customers amounted to S$8,538,441.

The Group provides trucking services to new customers at cash upon delivery and grants credit terms to other customers typically ranging from 30 to 90 days from the invoice date. The following is an aged analysis of trade receivables, net of allowance for doubtful debts/impairment loss, presented based on the invoice date which approximated the revenue recognition date at the end of each reporting period:

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Within 30 days	4,281,060	4,082,257	4,317,667	3,253,705
31 days to 60 days	2,999,492	2,753,962	3,252,340	3,027,860
61 days to 90 days	1,436,857	1,589,807	1,578,989	1,580,131
91 days to 180 days	1,017,949	917,053	973,120	1,221,428
181 days to 1 year	983,470	95,753	115,965	413,151
Over 1 year	306,452	8,982	51,392	172,888
	11,025,280	9,447,814	10,289,473	9,669,163

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed when necessary. The majority of the Group's accounts receivables that are past due but not impaired have no history of defaulting on repayment. As at 31 December 2017, 2018 and 2019, and 31 August 2020, the Group does not charge interest nor hold any collateral over the balances.

Prior to 1 January 2018, in determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted to the end of the reporting period and no impairment is considered necessary for those balances which are not past due at each reporting date.

Starting from 1 January 2018, the Group applied simplified approach to provide the ECL prescribed by IFRS 9. The impairment methodology is set out in Note 4.

As part of the Group's credit risk management, the Group assess the impairment for its customers based on different group of customers which share common risk characteristics. The ECL of trade receivables as at 1 January 2018 (upon the application of IFRS 9) was insignificant based on the counterparties' past repayment history and expected subsequent settlement.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables
Low risk	The counterparty has low risk of default, and does not have any prior default record and considered as not credit impaired	Lifetime ECL — not credit-impaired
Watch list	Debtor frequently repays after due dates but expect to settle in full	Lifetime ECL — not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL — credit-impaired

As part of the Group's credit risk management, the Group applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2018 and 2019 and 31 August 2020 within lifetime ECL (not credit impaired). Customers with credit-impaired were assessed individually.

	Average loss rate	Gross trade receivables	ECL
		S$	*S$*
As at 31 December 2018			
Assessed based on provision matrix			
Low risk	0.75%	9,447,814	—*
Assessed individually			
Loss	100%	466,986	466,986
		9,914,800	466,986

	Average loss rate	Gross trade receivables	ECL
		S$	*S$*
As at 31 December 2019			
Assessed based on provision matrix			
Low risk	1.02%	10,289,473	—*
Assessed individually			
Loss	100%	456,000	456,000
		10,745,473	456,000

	Average loss rate	Gross trade receivables	ECL
		S$	*S$*
As at 31 August 2020			
Assessed based on provision matrix			
Low risk	0.48%	9,059,263	—*
Assessed individually			
Watch list	0.61%	609,900	—*
Loss	100%	125,518	125,518
		9,794,681	125,518

* *The amount is insignificant, no adjustment made for impairment loss.*

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and forward-looking information that is available without undue cost or effort.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL	Total
	S$	*S$*
1 January 2018	4,699	4,699
Impairment losses recognised	516,161	516,161
Write-offs	(53,874)	(53,874)
31 December 2018	466,986	466,986
Impairment losses recognised	478,213	478,213
Write-offs	(489,199)	(489,199)
31 December 2019	456,000	456,000
Impairment losses recognised	138,470	138,470
Impairment losses reversed	(266,000)*	(266,000)*
Write-offs	(202,952)	(202,952)
31 August 2020	125,518	125,518

* *During the eight months ended 31 August 2020, a reversal of impairment loss of S$266,000 has been made because the Group obtained evidence on the improvement of the debtor's credit risk.*

The directors of the Company are of the opinion that there has low default risk for trade receivables aged over 90 days which categorised as "Low risk" and the balances are still considered fully recoverable due to long-term/on-going business relationship and sound repayment record from these customers.

The table below is an analysis of trade receivables as at year end:

	31 December 2017
	S$
Not past due and not impaired (i)	2,382,753
Past due but not impaired (ii)	8,642,527
Total trade receivables	11,025,280

(i) There has not been a significant change in credit quality of these trade receivables that are not past due and not impaired.

(ii) Aging of receivables that are past due but not impaired. The following is an analysis of trade receivables by age, presented based on the due date at the end of each reporting period.

	31 December 2017
	S$
Within 30 days	3,967,836
31 days to 60 days	1,991,627
61 days to 90 days	724,018
91 days to 180 days	648,605
181 days to 1 year	926,259
Over 1 year but not more than 2 years	147,626
More than 2 years	236,556
	8,642,527

The movement in the allowance for impairment in respect of trade receivables during the Track Record Period was as follows:

	31 December 2017
	S$
At the beginning of the year	116,686
Addition	26,114
Written off	(138,101)
At the end of the year	4,699

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

The Group

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Non-current				
Rental and other deposits *(Note a)*	120,269	1,514,600	436,414	576,646
Current				
Staff advances *(Note b)*	78,700	61,750	56,050	51,000
Advances to directors of Richwell and Radiant *(Note c)*	355,231	—	—	—
Grant receivables *(Note d)*	—	—	—	189,408
Prepayments	26,075	147,588	19,770	172,110
Rental and other deposits	666,947	630,862	228,524	215,653
Others	80,347	36,064	73,005	41,410
Deferred issue costs	—	536,280	719,639	829,561
Issue costs reimbursable by a shareholder *(Note e)*	—	178,760	239,880	276,520
	1,207,300	1,591,304	1,336,868	1,775,662
	1,327,569	3,105,904	1,773,282	2,352,308

Notes:

a. As at 31 December 2018, the balance includes (i) the payment for deposit of S$950,000 in relation to an agreement to purchase a property at 12 Penjuru Lane with a third party, which is refundable and non-interest bearing; (ii) S$564,600 representing tax payment which is refundable, condition on meeting certain criteria should the purchase is not completed, and non-interest bearing. The purchase is subjected to the approval from Jurong Town Corporation ("JTC") and Urban Redevelopment Authority, which are government authorities in Singapore, and the approval and admittance of the Group on the official list of the Stock Exchange. At 31 December 2019, the original purchase agreement was terminated, the deposit of S$950,000 and tax payment of S$564,600 is fully refunded to the Group.

   As at 31 December 2017 and 2019, and 31 August 2020, the balance of S$120,269 and S$436,414, and S$576,646 represent the refundable rental deposit which is expected to be refunded after 1 year from the end of the reporting period.

b. The balances are non-interest bearing, unsecured and repayable on demand.

c. As at 31 December 2017, the balances bears fixed interest at 5% per annum, the balances are unsecured and repayable on demand.

d. As at 31 August 2020, there was reasonable assurance that the Group will comply with the conditions attached and the grants under the JSS (Note 7). Hence a grant receivable and a deferred grant income (Note 27) was recognised as at 31 August 2020.

e. The balance is interest free and will be repaid within 12 months from the date of this report.

The Company

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Deferred issue costs	—	536,280	719,639	829,561
Issue costs reimbursable by a shareholder *(Note)*	—	178,760	239,880	276,520
	—	715,040	959,519	1,106,081

Note: The balance is interest free and will be repaid within 12 months from the date of this report.

20. AMOUNT(S) DUE FROM (TO) RELATED PARTIES/A SHAREHOLDER/REJOICE

a. Amount due from a shareholder

	As at 31 December			As at 31 August	Maximum amounts outstanding during the year/period: Year ended 31 December			Eight months ended 31 August
	2017	2018	2019	2020	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*	*S$*
Analysed as:								
Non-trade related								
- Mr. Ng*	212,151	—	—	—	668,006	296,400	—	—

* The balances at 31 December 2017 is unsecured, interest free and repayable on demand.

b. Amounts due from related parties

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Trade related				
- JH Tyres & Batteries Pte. Ltd.*	2,433	1,329	6,663	2,345
- R&G Shipping Pte. Ltd.*	891	—	—	—
- R&S Engineering Works Pte. Ltd.*	711	765	783	404
- Crystal Parts Pte. Ltd.*	6,478	163	305	354
	10,513	2,257	7,751	3,103
Non-trade related				
- Mr. Stephen Yeo**	119,015	—	—	—
	129,528	2,257	7,751	3,103

* The directors of the Company are the shareholders and directors of these companies.

** Mr. Stephen Yeo was a member of the Group's senior management prior to 2018. At 31 December 2017, the balance is unsecured, repayable on demand, and bears interest at 5% per annum. The maximum amount outstanding during the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2020 amounted to S$119,015, S$124,656, nil and nil.

The average credit period for provisions of services to the related parties is 30 days. The aging of trade related amounts due from the related parties presented based on the invoice date at the end of each reporting period is as follows:

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Within 30 days	9,309	1,489	7,751	2,240
31 days to 60 days	1,204	768	—	863
	10,513	2,257	7,751	3,103

The Group assesses the related party credit quality and defines credit limits by related party. Credit term granted to related parties are reviewed regularly. The Group's amounts due from related parties of trade nature aged within 30 days are neither past due nor impaired as there is no history of defaulting on repayments. During the Track Record Period, no allowance for doubtful debts are provided for the past due balances/no impairment allowance are provided as information indicating that the counterparty is highly likely to repay and the Group is able to closely monitor the repayment.

c. Amounts due to related parties/Rejoice

The Group

	As at 31 December			As at 31 August
	2017	**2018**	**2019**	**2020**
	S$	*S$*	*S$*	*S$*
Trade related				
- R&S Engineering Works Pte. Ltd.	—	34,197	52,478	45,618
- JH Tyres & Batteries Pte. Ltd.	—	35,150	44,962	26,354
	—	69,347	97,440	71,972

The average credit period for provisions of services is 30 days. The aging of trade related amounts due to the related parties presented based on the invoice date at the end of each reporting period is as follows:

	As at 31 December			As at 31 August
	2017	**2018**	**2019**	**2020**
	S$	*S$*	*S$*	*S$*
Within 30 days	—	69,347	97,440	71,972

The Company

At 31 December 2018, 2019 and 31 August 2020, the balance represents amount due to Rejoice which is non-trade related, unsecured, non-interest bearing and without a fixed repayment term.

21. RESTRICTED BANK DEPOSIT/BANK BALANCES AND CASH

As at 31 December 2017, 2018 and 2019, and 31 August 2020, the bank balances carry interest ranging from 0.01% to 0.05% per annum.

As at 31 December 2019 and 31 August 2020, an amount of S$350,000 represents restricted bank deposit for issuance of a letter of credit with original maturity of 6 months and being renewed automatically by month.

22. TRADE AND OTHER PAYABLES

The Group

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	S$	S$	S$
Current:				
Trade payables	972,231	1,350,181	1,085,141	741,971
Trade accruals	100,336	93,715	129,380	82,343
	1,072,567	1,443,896	1,214,521	824,314
Goods and Services Tax ("GST") payables	231,545	175,825	195,504	100,297
Accrued operating expenses	385,979	637,212	801,285	1,005,457
Security and rental deposits	166,911	497,390	103,900	93,840
Accrual for purchase of property and equipment	87,969	69,351	—	—
Accrued listing expenses *(Note)*	—	311,907	689,939	867,587
Dividend payables	2,400,000	—	—	—
Other payables	—	101,163	7,540	7,540
	3,272,404	1,792,848	1,798,168	2,074,721
	4,344,971	3,236,744	3,012,689	2,899,035
Non-current:				
Deposits	372,660	—	272,318	503,318
	4,717,631	3,236,744	3,285,007	3,402,353

Note: As at 31 December 2018 and 2019 and 31 August 2020, the balance includes S$140,432 and S$144,449 and S$186,162 respectively representing accrued issue cost.

The credit period on purchases from suppliers is between 0 to 30 days or payable upon delivery.

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Within 30 days	511,367	767,481	606,223	499,822
31 days to 60 days	359,825	405,433	338,504	201,690
61 days to 90 days	75,490	63,200	86,441	26,146
Over 90 days	25,549	114,067	53,973	14,313
	972,231	1,350,181	1,085,141	741,971

The Company

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Accrued listing expenses	—	311,907	689,939	867,587

23. BANK BORROWINGS

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Bank borrowings — secured and guaranteed	1,303,507	1,220,758	1,193,816	1,128,927
Analysed as carrying amount repayable:				
- within one year	100,236	96,304	94,082	102,293
- more than one year, but not exceeding two years	101,940	98,181	97,190	104,640
- more than two years, but not exceeding five years	316,296	308,332	310,730	328,556
- more than five years	785,035	717,941	691,814	593,438
	1,303,507	1,220,758	1,193,816	1,128,927
Less: Amounts due within one year shown under current liabilities	(100,236)	(96,304)	(94,082)	(102,293)
Amounts shown under non-current liabilities	1,203,271	1,124,454	1,099,734	1,026,634

The bank borrowings are secured by:

(i) First legal mortgage over the Group's investment properties (Note 16); and

(ii) Joint and several guarantees from the directors and shareholders of the Group in their personal capacities. As represented by the directors of the Company, the guarantees will be released upon the listing of the Company's shares on the Stock Exchange.

The bank borrowings bear variable interest rates and the weighted average effective interest rate of the loans are ranged from 1.48% to 1.98%, 1.48% to 1.98%, and 2.48% to 4.18% and 2.00% to 2.48% per annum as at 31 December 2017, 2018 and 2019, and 31 August 2020 respectively. The amounts are repayable at various dates throughout to 2033.

During the eight months ended 31 August 2020, a loan of principal amount of S$647,697 was refinanced by another commercial bank bearing interest rate of 2.00% per annum, the transaction involved no cash transaction.

24. OBLIGATIONS UNDER FINANCE LEASES

	lease payments		Present value of minimum lease payments	
	As at 31 December		As at 31 December	
	2017	2018	2017	2018
	S$	*S$*	*S$*	*S$*
Amounts payable under finance leases				
- Within one year	498,010	352,739	484,039	341,500
- more than one year but not more than two years	111,899	60,864	107,060	58,192
- more than two years but not more than five years	15,592	6,111	13,569	5,324
	625,501	419,714	604,668	405,016
Less: future finance charges	(20,833)	(14,698)	—	—
Present value of lease obligations	604,668	405,016	604,668	405,016
Less: Amounts due for settlement within one year shown under current liabilities			(484,039)	(341,500)
Amounts due for settlement after one year shown under non-current liabilities			120,629	63,516

Interest rates underlying all the obligations under finance leases are fixed at respective contract dates during the Track Record Period:

	Year ended 31 December	
	2017	2018
Effective interest rate per annum	2.47%-6.43%	2.47%-6.43%

The average lease term is 3 years. The Group's obligations under finance leases are secured by the lessor's charge over the leased assets (Note 15).

25. LEASE LIABILITIES

The exposure of the Group's lease liabilities are as follows:

	Group	
	Present value of lease liabilities	
	As at 31 December 2019	As at 31 August 2020
	S$	*S$*
Lease liabilities payable:		
- Within one year	2,103,301	2,717,167
- more than one year but not more than two years	1,828,209	2,128,115
- more than two years but not more than five years	901,579	641,856
	4,833,089	5,487,138
Less: amounts due for settlement within one year shown under current liabilities	(2,103,301)	(2,717,167)
Amounts due for settlement after one year shown under non-current liabilities	2,729,788	2,769,971

The Group leases offices, staff dormitory and warehouses, computer and office equipment and motor vehicles for operation and these lease liabilities were measured at the present value of the lease payment that are not yet paid. All leases are entered at fixed prices.

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

Extension options are not involved in lease agreements entered by the Group.

The total cash outflows for leases for the year ended 31 December 2019 and the eight months ended 31 August 2019 and 2020 were S$2,449,770, S$1,557,560 (unaudited) and S$1,722,555, respectively.

26. PROVISIONS

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Analysed for reporting purposes as:				
Current liabilities	452,000	389,000	—	—
Non-current liabilities	133,000	—	389,000	480,000
	585,000	389,000	389,000	480,000

Movement in provisions:

	Year ended 31 December			Eight months ended 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
At the beginning of the year/period	713,000	585,000	389,000	389,000
(Utilisation)/provision	(128,000)	(196,000)	—	91,000
At the end of the year/period	585,000	389,000	389,000	480,000

Provisions costs were recognised for the expected costs associated with restoring the requirements of the lease contract, based on of the estimated costs of dismantlement, removal and restoration to be incurred for the leased office and yard spaces. The provisions is based on estimates made from historical data associated with reinstatement works incurred for similar properties, adjusted for size of the properties.

27. DEFERRED INCOME

During the eight months ended 31 August 2020, the Group received government grants of S$684,969 in cash in connection with JSS for the purpose of retaining local employees during the period of economic uncertainty. At 31 August 2020, grants receivables of S$189,408 (Note 19) have been recognised as there is reasonable assurance that the conditions attached to the grants have been fulfilled under the JSS.

The grants relating to the relevant staff costs are recognised in other income over the period necessary to match them with the costs that the grant are intended to compensate. This scheme has resulted in a credit to income in the eight months ended 31 August 2020 of S$560,337. As at 31 August 2020, an amount of S$314,040 remains to be deferred.

28. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and the movements thereon:

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
At the beginning of the year/period	281,119	360,347	403,924	403,924	438,924
Charged/(credited) to profit or loss for the year/period	79,228	43,577	35,000	30,000	(15,000)
At the end of the year/period	360,347	403,924	438,924	433,924	423,924

The deferred tax liabilities resulted from temporary taxable differences arising from accelerated depreciation in relation to capital allowance claims on qualified assets in accordance with prevailing tax laws in Singapore.

29. SHARE CAPITAL/RESERVES (DEFICITS)

Share Capital

The Group

The issued share capital as at 31 December 2017 represented the combined share capital of Rejoice, Richwell, Real Time Forwarding and Radiant.

On 1 November 2017, Clear Bliss was incorporated in the BVI with limited liability and is authorised to issue a maximum of 50,000 shares with a par value of US$1.00 each.

On 16 March 2018, two share with a par value of US$1.00 each were allotted and issued by Clear Bliss to Mr. Ng for cash at par.

On 2 April 2018, eight new shares were issued by Clear Bliss as fully paid up by Mr. Ng in exchange for the equity shares in Rejoice, Radiant, Richwell and Real Time Forwarding held by Mr. Ng (Note 2).

On 20 June 2018, the Company was incorporated with one fully paid share issued to the initial subscriber and transferred to Mirana Holdings at nil-paid on the same day. The authorised share capital of the Company was HK$380,000 divided into 38,000,000 shares of par value of HK$0.01 each at the time of incorporation.

The issued share capital as at 31 December 2018 and 2019, and 31 August 2020 represented the combined share capital of the Company and Clear Bliss.

The Company

Details of movement of the share capital of the Company are as follows:

	Number of shares	Amount
		HK$
Ordinary shares of HK$0.01 each		
Authorised:		
At date of incorporation (i.e. 20 June 2018), 31 December 2018, 2019 and 31 August 2020	38,000,000	380,000
Issued and fully paid:		
At date of incorporation, 31 December 2018, 2019 and 31 August 2020	1	—*

* The amount is less than HK$1.

Deficits of the Company

Below table sets out the details of the deficits of the Company:

	Accumulated losses	Total
	S$	*S$*
At date of incorporation (i.e. 20 June 2018)	—	—
Loss and total comprehensive expense for the year	(2,475,831)	(2,475,831)
At 31 December 2018	(2,475,831)	(2,475,831)
Loss and total comprehensive expense for the year	(1,032,352)	(1,032,352)
At 31 December 2019	(3,508,183)	(3,508,183)
Loss and total comprehensive expense for the period	(695,349)	(695,349)
At 31 August 2020	(4,203,532)	(4,203,532)

30. RETIREMENT BENEFIT PLAN

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore, who are Singapore Citizens or Permanent Residents, are required to join the CPF scheme. During the Track Record Period, the Group contributes up to 17% of the eligible employees' salaries, with each employee's qualifying salary capped at S$6,000 per month to the CPF scheme.

The total costs charged to profit or loss, amounting to S$528,287, S$585,037, S$612,643, S$360,142 (unaudited) and S$382,827 for the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2019 and 2020 respectively, representing contributions paid to the retirement benefits scheme by the Group.

Contributions of S$79,925, S$103,098, S$246,144, S$93,884 (unaudited) and S$110,335 for the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2019 and 2020, were accrued respectively. The amounts were paid subsequent to the end of the year/period.

31. COMMITMENTS

a. Lease commitments

The Group as lessee

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$* (*unaudited*)	*S$*
Minimum lease payments paid under operating lease/lease arrangement in respect of yard spaces and office	3,080,002	2,379,292	N/A*	N/A*	N/A*

* Upon application of modified retrospective approach under IFRS 16 at transition, the Group elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of date of initial application. Also the Group applies the short-term lease recognition exemption to leases of offices, staff dormitory and warehouses, computer and office equipment and motor vehicles that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Total short-term lease expenses of offices, staff dormitory and warehouses, computer and office equipment and motor vehicles for the year ended 31 December 2019 and the eight months ended 31 August 2019 and 2020 are S$1,033,493, S$884,774 (unaudited) and S$253,788.

The Group had commitments for future minimum lease payments under non-cancellable operating leases/lease arrangement as at the end of each reporting period which fall due as follows:

	As at 31 December	
	2017	2018
	S$	*S$*
Within one year	1,688,613	960,491
In the second to fifth year inclusive	338,029	45,736
	2,026,642	1,006,227

The leases have tenures ranging from one month to five years. The lease payments are fixed over the lease term and no contingent rent provisions is included in the contracts.

The Group as lessor

The details of rental income earned on investment properties are disclosed per Note 7.

At the end of reporting period, the Group had contracted with tenants for the following future minimum lease receivables:

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Within one year	383,050	245,246	344,948	98,000
In the second to fifth year inclusive	269,246	24,000	226,604	63,000
	652,296	269,246	571,552	161,000

The leases have tenures ranging from one to four years. The lease receivables are fixed over the lease term and no contingent rent income is included in the contracts.

b. Capital commitments

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Capital expenditure in respect of the acquisition of property and equipment contracted for but not provided in the Historical Financial Information	310,544	18,050,000*	—	—

* It is related to the purchase agreement which total sum of contract is S$19 million, the completion of the agreement is subject to certain precedent as detailed in Note 19. The original purchase agreement is of a definite exercise period and was terminated as explained in Note 19.

32. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the Track Record Period.

The capital structure of the Group consists of debt, which includes advances from a shareholder, borrowings, obligations under finance leases and lease liabilities, as disclosed in Notes 20(a), 23, 24 and 25, respectively, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves. The Group is not subject to any extremely imposed capital requirement.

The management of the Group reviews the capital structure on a regular basis. As a part of this review, the management considers the cost of capital and the risks associated with each class of items in the context of capital structure, and takes approximate actions to adjust the Group's capital structure. Based on recommendations of the management, the Group will balance its overall capital structure through continuity of funding of cash flows from operating activities.

33. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	S$	S$	S$
Financial assets				
- Amortised costs				
Trade receivables	11,025,280	9,447,814	10,289,473	9,669,163
Other receivables and deposits*	1,301,494	2,422,036	1,033,873	1,161,229
Amount due from a shareholder	212,151	—	—	—
Amounts due from related parties	129,528	2,257	7,751	3,103
Restricted bank deposit	—	—	350,000	350,000
Bank balances and cash	5,041,625	4,406,208	11,152,613	11,739,944
	17,710,078	16,278,315	22,833,710	22,923,439
Financial liabilities				
- Amortised cost				
Trade and other payables**	4,486,086	3,060,919	3,089,503	3,302,056
Bank borrowings	1,303,507	1,220,758	1,193,816	1,128,927
Amounts due to related parties	—	69,347	97,440	71,972
	5,789,593	4,351,024	4,380,759	4,502,955

The Company

	As at 31 December			As at 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Financial assets				
- Amortised cost				
Bank balances and cash	—	9,342	9,235	9,303
Issue costs reimbursable by a shareholder	—	178,760	239,880	276,520
	—	188,102	249,115	285,823
Financial liabilities				
- Amortised costs				
Trade and other payables**	—	311,907	689,939	867,587
Amount due to Rejoice	—	2,888,306	3,786,998	4,451,329
	—	3,200,213	4,476,937	5,318,916

* Grant receivables, prepayments and deferred issue costs are excluded

** GST payables are excluded

Financial risk management objectives and policy

The Group's financial instruments include, trade and other receivables, amounts due from/to related parties/a shareholder, restricted bank deposit, bank balances and cash, trade and other payables and bank borrowings. The Company's financial instruments include trade and other payables, amount due to Rejoice, bank balances and cash and issue costs reimbursable by a shareholder. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and obligations under finance leases/lease liabilities include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Management has assessed there is minimal exposure of the interest rate risk on the variable interest earned in relation to the bank balance and incurred on bank borrowings. The Group is exposed to fair value interest rate risk in relation to fixed-rate obligations under finance leases/lease liabilities and bank deposit. It is the Group's policy to raise borrowings at fixed-rate or variable-rate according to business needs and as to minimise the fair value and cash flow interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

If interest rates of the variable-rate borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the years ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2020 would decrease/increase by approximately S$5,410, S$5,066, S$4,954 and S$3,123 respectively.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherence interest risk as the year/period end exposure does not reflect the exposure during the year/period.

No sensitivity analysis on variable interest rate bearing bank balances is presented as the impact is expected to be insignificant.

Currency risk

The Group has certain receivables and payables denominated in US$ and European Dollars ("**Euro**") other than the functional currency of the respective group entities, which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

The carrying amounts of the Group's monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are as below:

	As at 31 December			As at 31 August
	2017	**2018**	**2019**	**2020**
	S$	*S$*	*S$*	*S$*
Monetary assets				
- denominated in US$	786,355	1,343,176	1,519,983	1,825,693
Monetary liabilities				
- denominated in US$	268,268	371,676	302,386	190,185
- denominated in Euro	41,222	38,043	84,258	31,159

Sensitivity analysis

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

A negative number below indicates a decrease in profit for the year/period where S$ strengthens 10% against US$. For a 10% weakening of S$ against US$, there would be an equal but opposite impact on the profit for the year/period. The financial instruments denominated in Euro is not material and therefore no sensitivity analysis has been prepared.

	Year ended 31 December			Eight months ended 31 August
	2017	2018	2019	2020
	S$	*S$*	*S$*	*S$*
Profit for the year/period				
- US$ impact	(43,001)	(80,635)	(101,061)	(135,747)

Credit risk

Under IAS 39 and IFRS 9

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statements of financial position.

The Group's concentration of credit risk by geographical location is mainly in Singapore, which accounted for 99%, 96%, 96% and 96% of the total financial assets as at 31 December 2017, 2018 and 2019, and 31 August 2020 respectively.

Trade receivables consist of a large number of customers, spread across diverse industries. The Group reviews the recoverable amount of each individual trade debt, including trade receivable and amounts due from related parties of trade nature, at the end of each reporting period to ensure that adequate impairment losses are made to reflect changes in credit risk since initial recognition of the respective trade debts.

Approximately 31%, 18%, 12% and 27% of total trade receivables outstanding at 31 December 2017, 2018 and 2019, and 31 August 2020 were due from top 5 customers , and the Group has no significant concentration of credit risk.

The Group also has concentration of credit risk on bank balances which are deposited with several banks with high credit ratings as set out in Note 21. The credit risk on bank balances is limited because the counterparties are reputable financial institutions.

Under IAS 39

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In order to minimise the credit risk on trade receivables, other receivables and deposits, non-trade related amounts due from a shareholder, amounts due from related parties, restricted bank deposit and bank balance and cash, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balances of other receivables. In addition, the credit risk on amounts due from a shareholder/related companies are reduced as the Group can closely monitor the repayment of the related companies. Other than concentration of credit risk on the amounts due from a shareholder/related parties, the Group has no other significant concentration on recognised financial assets with exposure spread over a number of counterparties.

Under IFRS 9

Starting from 1 January 2018, the Group reassess the lifetime ECL for trade receivables and trade-related amount due from related parties at the end of each reporting period to ensure that adequate impairment losses are made for significant increases in the likelihood or risk of a default occurring since initial recognition. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

For other receivables and deposits, non-trade related amount due from a shareholder, amounts due from related parties, restricted bank deposit and bank balance and cash, the Group has assessed and concluded that the ECL rate for these receivables is immaterial under 12-month ECL method based on the Group's assessment on the risk of the default of that counterparty. Thus, no loss allowance provision for the amounts as recognised during the years ended 31 December 2018 and 2019 and the eight months ended 31 August 2020.

From 1 January 2018, the Group applied credit risk modelling upon adoption of IFRS 9. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis.

To assess whether there is a significant increase in credit risk the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, it considers available reasonable the supportive forwarding looking information, including below indicators:

— internal credit rating based on historical information

— actual or expected significant changes in the operating results of the debtors

— significant changes in the expected performance and behaviour of the debtors, include changes in the payment status of debtors

The Group has applied the simplified approach under IFRS 9 to measure the loss allowance at lifetime ECL. The ECL on trade receivables are assessed individually for credit-impaired debtors and collectively for not credit-impaired debtors grouped under a provision matrix. The ECL rates applied in the provision matrix are derived according to the debtors characteristics, including their trading history with the Group and existence of default history. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected and the Group's view of economic conditions over the credit characteristics of the debtors.

Relevant information with regard to the exposure of credit risk and ECL for trade receivables as at 31 August 2020 are set out in Note 18.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities, obligations under finance leases and lease liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows, where applicable.

The Group

As at 31 December 2017	Weighted average interest rate	On demand or within 90 days	91 to 180 days	181 days to 1 year	Second to fifth year	Over fifth year	Total undiscounted cash flow	Carry amount
	%	S$	S$	S$	S$	S$	S$	S$
Non-interest bearing								
Trade and other payables	N/A	4,486,086	—	—	—	—	4,486,086	4,486,086
Interest bearing								
Obligations under finance leases	2.47% - 6.43%	203,126	140,659	154,225	127,491	—	625,501	604,668
Bank borrowings	1.48% - 1.98%	30,615	30,615	61,230	489,847	848,192	1,460,499	1,303,507
Total		4,719,827	171,274	215,455	617,338	848,192	6,572,086	6,394,261

As at 31 December 2018	Weighted average interest rate	On demand or within 90 days	91 to 180 days	181 days to 1 year	Second to fifth year	Over fifth year	Total undiscounted cash flow	Carry amount
	%	S$	S$	S$	S$	S$	S$	S$
Non-interest bearing								
Trade and other payables	N/A	3,060,919	—	—	—	—	3,060,919	3,060,919
Amounts due to related parties	N/A	69,347	—	—	—	—	69,347	69,347
Interest bearing								
Obligations under finance leases	2.91%-5.46%	108,455	97,003	147,281	66,975	—	419,714	405,016
Bank borrowings	1.48%-1.98%	30,615	30,615	61,230	489,847	742,670	1,354,977	1,220,758
Total		3,269,336	127,618	208,511	556,822	742,670	4,904,957	4,756,040

As at 31 December 2019	Weighted average interest rate	On demand or within 90 days	91 to 180 days	181 days to 1 year	Second to fifth year	Over fifth year	Total undiscounted cash flow	Carry amount
	%	S$	S$	S$	S$	S$	S$	S$
Non-interest bearing								
Trade and other payables	N/A	3,089,503	—	—	—	—	3,089,503	3,089,503
Amounts due to related parties	N/A	97,440	—	—	—	—	97,440	97,440
Interest bearing								
Bank borrowings	2.48%-4.18%	33,353	33,171	66,343	530,745	795,877	1,459,489	1,193,816
Lease liabilities	2.92%-5.46%	601,185	565,682	1,104,775	2,830,931	—	5,102,573	4,833,089
Total		3,821,481	598,853	1,171,118	3,361,676	795,877	9,749,005	9,213,848

As at 31 August 2020	Weighted average interest rate	On demand or within 90 days	91 to 180 days	181 days to 1 year	Second to fifth year	Over fifth year	Total undiscounted cash flow	Carry amount
	%	S$	S$	S$	S$	S$	S$	S$
Non-interest bearing								
Trade and other payables	N/A	2,798,738	—	—	503,318	—	3,302,056	3,302,056
Amounts due to related parties	N/A	71,972	—	—	—	—	71,972	71,972
Interest bearing								
Bank borrowings	2.00%-2.48%	31,538	31,538	63,077	504,622	632,851	1,263,626	1,128,927
Lease liabilities	3.11%-5.46%	755,117	752,663	1,394,504	2,866,638	—	5,768,922	5,487,138
Total		3,657,365	784,201	1,457,581	3,874,578	632,851	10,406,576	9,990,093

The Company

As at 31 December 2018	Weighted average interest rate	On demand or within 90 days	91 to 180 days	181 days to 1 year	Second to fifth year	Over fifth year	Total undiscounted cash flow	Carry amount
	%	S$	S$	S$	S$	S$	S$	S$
Non-interest bearing								
Trade and other payables	N/A	311,907	—	—	—	—	311,907	311,907
Amount due to Rejoice	N/A	2,888,306	—	—	—	—	2,888,306	2,888,306
Total		3,200,213	—	—	—	—	3,200,213	3,200,213

As at 31 December 2019	Weighted average interest rate	On demand or within 90 days	91 to 180 days	181 days to 1 year	Second to fifth year	Over fifth year	Total undiscounted cash flow	Carry amount
	%	S$	S$	S$	S$	S$	S$	S$
Non-interest bearing								
Trade and other payables	N/A	689,939	—	—	—	—	689,939	689,939
Amount due to Rejoice	N/A	3,786,998	—	—	—	—	3,786,998	3,786,998
Total		4,476,937	—	—	—	—	4,476,937	4,476,937

As at 31 August 2020	Weighted average interest rate	On demand or within 90 days	91 to 180 days	181 days to 1 year	Second to fifth year	Over fifth year	Total undiscounted cash flow	Carry amount
	%	S$	S$	S$	S$	S$	S$	S$
Non-interest bearing								
Trade and other payables	N/A	867,587	—	—	—	—	867,587	867,587
Amount due to Rejoice	N/A	4,451,329	—	—	—	—	4,451,329	4,451,329
Total		5,318,916	—	—	—	—	5,318,916	5,318,916

The amounts included above for variable interest rate instruments for financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Fair value

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the Historical Financial Information approximate to their fair values.

34. NON-CASH TRANSACTIONS

Other than those disclosed elsewhere in the Historical Financial Information, the Group entered into the following non-cash transactions during the Track Record Period:

The Group acquired investment properties under construction in February 2014, which was financed through mortgage loan. During the year ended 31 December 2017, 2018 and 2019, and the eight months ended 31 August 2019 and 2020, the consideration of the acquisition were settled directly by the banks to the vendors, amounted to S$433,445, S$17,339, S$69,351, S$69,351 (unaudited) and nil, respectively.

During the year ended 31 December 2018, the following set off arrangements were effected upon entering into tri-parties agreement:

— an amount of S$123,656 receivable from Mr. Stephen Yeo owned by the Group was set off with a corresponding amount of dividend payable by the Group to Mr. Ng.

— an aggregate amount of S$105,000 receivable from the directors of Richwell and Radiant owned by the Group were set off with a corresponding amount of dividend payable to Mr. Ng by the Group.

35. RELATED PARTY TRANSACTIONS

Apart from disclosure elsewhere in the Historical Financial Information, the Group entered into the following transactions with related parties during the Track Record Period:

	Year ended 31 December			Eight months ended 31 August	
	2017	**2018**	**2019**	**2019**	**2020**
	S$	*S$*	*S$*	*S$* (unaudited)	*S$*
Provision of services by the Group					
Provision of freight services					
JH Tyres & Batteries Pte. Ltd.. . . .	6,287	10,803	11,751	6,377	6,145
R&G Shipping Pte. Ltd.	1,301	—	—	—	—
Provision of trucking services					
Crystal Parts Pte. Ltd.	61,132	17,093	3,723	2,359	1,865
JH Tyres & Batteries Pte. Ltd.. . . .	10,982	6,405	13,366	7,692	6,832
R&G Shipping Pte. Ltd.	21,564	—	—	—	—
R&S Engineering Works Pte. Ltd. .	6,378	8,107	9,154	6,000	5,101
Provision of value added transport services					
R&S Engineering Works Pte. Ltd. .	1,621	—	—	—	—
Provision of labour					
R&S Engineering Works Pte. Ltd.	11,995	—	—	—	—
	121,260	42,408	37,994	22,428	19,943
Purchase of services by the Group					
Purchase of ad hoc delivery services					
JH Tyres & Batteries Pte. Ltd.. . . .	1,560	—	—	—	—
R&S Engineering Works Pte. Ltd. .	8,546	1,751	—	—	—
Purchase of motor vehicle upkeep services					
JH Tyres & Batteries Pte. Ltd.. . . .	414,978	436,934	434,293	264,580	238,704
R&S Engineering Works Pte. Ltd. .	439,349	493,387	615,628	427,750	389,393
	864,433	932,072	1,049,921	692,330	628,097

The remuneration of directors and other members of key management personnel during the Track Record Period were as follows:

	Year ended 31 December			Eight months ended 31 August	
	2017	2018	2019	2019	2020
	S$	*S$*	*S$*	*S$*	*S$*
				(unaudited)	
Short term benefits	1,122,790	1,215,249	1,363,002	743,842	893,692
Post-employment benefits	51,594	67,066	67,544	26,880	43,769
	1,174,384	1,282,315	1,430,546	770,722	937,461

Guarantees

In addition to legal charges over the Group's investment properties and motor vehicles provided for obtaining various banking facilities comprising bank borrowings, obligations under finance leases and lease liabilities by the Group, the directors and Controlling Shareholder of the Company provided personal guarantees for the banking facilities during the Track Record Period, of which S$1,303,507, S$1,505,145, S$1,796,143 and S$1,422,253 remained outstanding as at 31 December 2017, 2018 and 2019, and 31 August 2020 respectively.

As represented by the directors of the Company, the guarantees will be released upon the listing of the Company's shares on the Stock Exchange.

36. PARTICULARS OF SUBSIDIARIES

As at the date of this report, the Company has direct/indirect equity interests in the following subsidiaries:

			Equity interest attributable to the owners of the Company						
Name of subsidiary	Place and date of incorporation	Issued and fully paid capital	As at 31 December 2017	2018	2019	As at 31 August 2020	As at the date of this report	Principal activities	Notes
Directly held:									
Clear Bliss	BVI, 1 November 2017	US$10	100%	100%	100%	100%	100%	Investment holding	(a)
Indirectly held:									
Rejoice	Singapore, 1 March 1995	S$1,000,000	100%	100%	100%	100%	100%	Trucking and value added transport services	(b)
Radiant	Singapore, 17 May 2001	S$200,000	100%	100%	100%	100%	100%	Freight forwarding services	(b)
Richwell	Singapore, 6 December 2011	S$500,000	100%	100%	100%	100%	100%	Freight forwarding services	(b)
Real Time Forwarding	Singapore, 30 September 2015	S$300,000	100%	100%	100%	100%	100%	Freight forwarding services	(b)

All subsidiaries now comprising the Group adopted 31 December as their financial year end date. Real Time Forwarding has changed its financial year end date from 31 August to 31 December in year 2017, and Radiant has changed its financial year end date from 31 May to 31 December in year 2017 as to facilitate the preparation of the combined financial statements of the Company for the purpose of the proposed listing of the Company's shares on the Stock Exchange. There is no material financial impact on the combined financial statements of the Group as a result of the change of financial year end date of Real Time Forwarding and Radiant.

Notes:

(a) No audited financial statements of Clear Bliss has been prepared since its date of incorporation as it is incorporated in the jurisdiction where there is no statutory audit requirements.

(b) The statutory financial statements of Rejoice and Richwell for the year ended 31 December 2017 and 2018 were prepared in accordance with Singapore Financial Reporting Standards ("SFRSs") issued by Accounting Standards Council ("ASC") in Singapore and were audited by Deloitte & Touche LLP for the years ended 31 December 2017, 2018 and 2019 respectively, which is Public Accountants and Chartered Accountants registered in Singapore.

The statutory financial statements of Radiant for the year ended 31 May 2017 were prepared in accordance with SFRS issued by ASC in Singapore and were audited by K.A. Seah & Co. The financial statements for the 7 months ended 31 December 2017 and the financial statements for the years ended 31 December 2018 and 2019 were prepared in accordance with SFRS issued by ASC in Singapore were audited by Deloitte & Touche LLP.

The statutory financial statements of Real Time Forwarding for the year ended 31 August 2017 were prepared in accordance with SFRS issued by ASC in Singapore and were audited by K.A. Seah & Co. The financial statements for the 4 months ended 31 December 2017 and the financial statements for the years ended 31 December 2018 and 2019 were prepared in accordance with SFRS issued by ASC in Singapore were audited by Deloitte & Touche LLP.

37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's combined statements of cash flows as cash flows from financing activities.

	Bank borrowings	Obligations under finance leases	Dividends payable	Accrued issue cost	Lease liabilities	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*
At 1 January 2017	936,693	939,559	123,000	—	—	1,999,252
Financing cash flows	(55,283)	(839,531)	(943,000)	—	—	(1,837,814)
Non-cash changes						
Loan draw down for investment properties (Note 34)	433,445	—	—	—	—	433,445
Dividend declared (Note 13)	—	—	4,820,000	—	—	4,820,000
Finance costs capitalised (Note 9)	(11,348)	—	—	—	—	(11,348)
New financing lease raised (Note 15)	—	504,640	—	—	—	504,640
Offsetting arrangement (Note 13)	—	—	(1,600,000)	—	—	(1,600,000)
At 31 December 2017	1,303,507	604,668	2,400,000	—	—	4,308,175

	Bank borrowings	Obligations under finance leases	Dividends payable	Accrued issue cost	Lease liabilities	Total
	S$	*S$*	*S$*	*S$*	*S$*	*S$*
Financing cash flows	(100,088)	(681,998)	(4,701,258)	(395,848)	—	(5,879,192)
Non-cash changes						
Loan draw down for investment properties (Note 34)	17,339	—	—	—	—	17,339
Dividend declared (Note 13)	—	—	3,083,370	—	—	3,083,370
New finance lease raised (Note 15)	—	482,346	—	—	—	482,346
New issue cost accrued	—	—	—	536,280	—	536,280
Offsetting arrangement (Note 13)	—	—	(782,112)	—	—	(782,112)
At 31 December 2018	1,220,758	405,016	—	140,432	—	1,766,206
Adjustment (Note 3)	—	(405,016)	—	—	496,750	91,734
At 1 January 2019	1,220,758	—	—	140,432	496,750	1,857,940
Financing cash flows	(96,293)	—	—	(179,342)	(1,306,095)	(1,581,730)
Non-cash changes						
Loan draw down for investment properties (Note 34)	69,351	—	—	—	—	69,351
New lease raised (Note 15)	—	—	—	—	5,642,434	5,642,434
New issue cost accrued	—	—	—	183,359	—	183,359
At 31 December 2019	1,193,816	—	—	144,449	4,833,089	6,171,354
Financing cash flows	(64,889)	—	(4,000,000)	(68,209)	(1,334,222)	(5,467,320)
Non-cash changes						
New lease raised (Note 15)	—	—	—	—	2,262,283	2,262,283
New issue cost accrued	—	—	—	109,922	—	109,922
Early termination of a lease (Note 15)	—	—	—	—	(4,816)	(4,816)
Rental concession (Note 10)	—	—	—	—	(269,196)	(269,196)
Dividend declared (Note 13)	—	—	4,000,000	—	—	4,000,000
At 31 August 2020	1,128,927	—	—	186,162	5,487,138	6,802,227
For the eight months ended 31 August 2019 (unaudited)						
At 1 January 2019	1,220,758	—	—	140,432	496,750	1,857,940
Financing cash flows	(65,028)	—	—	(44,848)	(625,698)	(735,574)
Non-cash changes						
Loan draw down for investment properties (Note 34)	69,351	—	—	—	—	69,351
New lease raised (Note 15)	—	—	—	—	2,566,430	2,566,430
New issue cost accrued	—	—	—	140,713	—	140,713
At 31 August 2019	1,225,081	—	—	236,297	2,437,482	3,898,860

38. SUBSEQUENT EVENTS

Save as elsewhere disclosed in this report, events and transactions took place subsequent to 31 August 2020 are detailed as below:

On 18 December 2020, written resolutions of the shareholder of the Company were passed to approve the matters set out in the section headed "Statutory and General Information — A. Further information about our Company — 3. Written resolutions of our sole Shareholder passed on 18 December 2020" in Appendix VI to this Prospectus. It was resolved, among other things:

(i) the authorised share capital was increased from HK$380,000 divided into 38,000,000 Shares of par value of HK$0.01 each to HK$20,000,000 divided into 2,000,000,000 Shares of par value of HK0.01 each by the creation of a further 1,962,000,000 shares each valuing pair passu in all respects with the Shares in issue; and

(ii) conditional on the share premium account being credited as a result of the Share Offer, it was authorised to capitalise HK$9,375,000 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 937,500,000 shares for allotment and issue to shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on 18 December 2020.

39. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Company, any of its subsidiaries or the Group has been prepared in respect of any period subsequent to 31 August 2020.

The information set out in this Appendix does not form part of the accountants' report on the historical financial information of the Group for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020 (the "Track Record Period") (the "Accountants' Report") prepared by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, as set out in Appendix I to this Prospectus, and is included herein for information 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 out in Appendix I to this Prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED COMBINED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted combined net tangible assets of the Group prepared in accordance with paragraph 4.29 of the Listing Rules is for illustration only, and is set out in this appendix to illustrate the effect of the proposed public offer and placing of the Company's shares ("Share Offer") on the adjusted combined net tangible assets of the Group as at 31 August 2020, as if it had taken place on such 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 as at 31 August 2020 or any future dates following the Share Offer.

The following unaudited pro forma adjusted combined net tangible assets of the Group is prepared based on the audited combined net tangible assets of the Group as at 31 August 2020 as set out in Appendix I to this prospectus, and adjusted as described below.

	Audited combined net tangible assets of the Group as at 31 August 2020	Estimated net proceeds from the proposed Share Offer	Unaudited pro forma adjusted combined net tangible assets of the Group as at 31 August 2020	Unaudited pro forma adjusted combined net tangible assets of the Group as at 31 August 2020 per Share	
	S$	*S$*	*S$*	*S$*	*HK$*
	(Note 1)	*(Note 2)*		*(Note 3)*	*(Note 4)*
Based on Offer Price of HK$0.40 per Share	24,115,074	11,928,557	36,043,631	0.03	0.17
Based on Offer Price of HK$0.52 per Share	24,115,074	16,305,713	40,420,787	0.03	0.19

Notes:

(1) The audited combined net tangible assets of the Group is derived from the net assets of the Group as set out in the Accountants' Report set out in Appendix I to this Prospectus after adjusting for intangible asset of S$148,066.

(2) The estimated net proceeds from the issue of the New Shares pursuant to the proposed Share Offer are based on 234,375,000 New Shares at the Offer Price of lower limit and upper limit of HK$0.40 and HK$0.52 per New Share, respectively, after deduction of the associated underwriting commissions and fees and other related expenses, other than those expenses which had been recognised in profit or loss on or prior to 31 August 2020.

The calculation of such estimated net proceeds does not take into account of the Over-allotment Option or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares referred to in the sections headed "Share Capital — General mandate to issue Shares" or "Share Capital — General mandate to repurchase Shares" in this Prospectus. The estimated net proceeds from the proposed Share Offer are converted from Hong Kong dollars into Singapore dollars at an exchange rate of S$1.0 to HK$5.80. No representation is made that Hong Kong dollars amounts have been, could have been or could be converted to Singapore dollars, or vice versa, at that rate or at all.

(3) The unaudited pro forma adjusted combined net tangible assets of the Group as at 31 August 2020 per Share is calculated based on 1,250,000,000 Shares, being Shares in issue immediately following Group Reorganisation and after the completion of the proposed Share Offer and the Capitalisation Issue. It does not take into account of any Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Over-allotment Option, any Shares which may be allotted and issued pursuant to the grant of Shares under Share Award Scheme as defined in this Prospectus or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the Directors to issue or repurchase Shares referred to in the sections headed "Share Capital — General mandate to issue Shares" or "Share Capital — General mandate to repurchase Shares" in this Prospectus.

(4) The unaudited pro forma adjusted combined net tangible assets of the Group as at 31 August 2020 per Share is converted from Singapore dollars into Hong Kong dollars at the rate of S$1.0 to HK$5.80. No representation is made that the Singapore dollars amounts have been, could have been or could be converted to Hong Kong dollars, or vice versa, at that rate or at any other rates or at all.

(5) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets of the Group as at 31 August 2020 to reflect any trading results or other transactions of the Group entered into subsequent to 31 August 2020.

(6) By comparing the valuation of investment properties set out in the valuation report prepared by Ravia Global Appraisal Advisory Limited dated 30 December 2020, the net valuation surplus is approximately S$1,829,000 as compared to the carrying amounts of the properties as at 30 September 2020, which has not been included in the above combined net tangible assets of the Group. The valuation surplus of the properties will not be incorporated in the Group's financial statements in the future. If the valuation surplus were to be included in the financial statements, an additional annual depreciation charge of approximately S$86,000 would be incurred.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of the assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, the reporting accountants of our Company, in respect of the Group's unaudited pro forma financial information prepared for the purpose of incorporation in this Prospectus.

Deloitte. 德勤

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Legion Consortium Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Legion Consortium Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") prepared by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted combined net tangible assets as at 31 August 2020 and related notes as set out on pages II-1 to II-2 of Appendix II to the prospectus issued by the Company dated 30 December 2020 (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 proposed public offer and placing of the shares of the Company (the "Share Offer") on the Group's financial position as at 31 August 2020 as if the proposed Share Offer had taken place at 31 August 2020. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's combined financial information for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020, on which an accountants' report set out in Appendix I to the Prospectus has been published.

Directors' Responsibilities 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").

Our 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.

Our firm applies Hong Kong Standard on Quality Control 1 "*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*" issued by the HKICPA and accordingly maintains 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 do 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 reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 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 the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes 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 an investment circular 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 31 August 2020 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 unaudited 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' judgment, 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.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

30 December 2020

The forecast combined profit attributable to owners of our Company for the year ending 31 December 2020 is set out in "Financial Information — Profit forecast for the year ending 31 December 2020" in this prospectus.

A. BASES AND ASSUMPTIONS

Our Directors have prepared the forecast combined profit attributable to owners of our Company for the year ending 31 December 2020 based on our audited combined results for the eight months ended 31 August 2020, our unaudited combined results for the two months ended 31 October 2020 and a forecast of our combined results for the remaining two months ending 31 December 2020. The forecast has been prepared on the basis of the accounting policies consistent in all material respects with those currently adopted by our Group as summarised in the Accountants' Report as set out in Appendix I to this prospectus.

Our Directors have adopted the following principal assumptions in the preparation of the profit forecast:

- there will be no material changes in the existing government policies, legislation, rules or regulations, basis or rates of taxation, interest rates, exchange rates, inflation rates, or other fiscal, market or economic conditions in the markets our Group operates or otherwise related to our Group's business;

- our Group will not be materially or adversely affected by any of the risk factors set out in "Risk factors" in this prospectus;

- there will be no changes in the existing accounting policies, critical accounting estimates and judgment from those adopted in the preparation of our Group's results for each of the three years ended 31 December 2019 and the eight months ended 31 August 2020 which are included in this prospectus;

- our Group's operations and business will not be materially affected or interrupted by any force majeure events or unforeseeable factors or any unforeseeable reasons that are beyond the control of our Directors, including but not limited to the outbreak of COVID-19 in Singapore, the occurrence of natural disasters, supply failure, labour dispute, significant lawsuit and arbitration;

- there will be no material changes in our Group's mode of business dealings with our customers and suppliers, in the credit policies offered to our customers and granted by our suppliers, and our Group will be able to secure new orders with our major customers under normal business criteria;

- our Directors and key senior management personnel continue to be involved in the operations of our Group; and

- total listing expenses of approximately S$1.7 million are estimated to be incurred during the year ending 31 December 2020.

B. LETTER FROM OUR REPORTING ACCOUNTANTS ON PROFIT FORECAST

The following is the text of a letter received by our Directors from the reporting accountants of our Company, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, in connection with the profit forecast for the year ending 31 December 2020, for the purpose of incorporation in this prospectus.

Deloitte. 德勤

The Board of Directors
Legion Consortium Limited
7 Keppel Road
#03-22 Tanjong Pagar Complex
Singapore 089053

Ample Capital Limited (the "Sponsor")
Unit A, 14/F.
Two Chinachem Plaza
135 Des Voeux Road Central
Central
Hong Kong

30 December 2020

Dear Sirs,

Legion Consortium Limited ("the Company")

Profit Forecast for Year Ending 31 December 2020

We refer to the forecast of the combined profit of the Group attributable to equity holders of the Company for the year ending 31 December 2020 ("the Profit Forecast") set forth in the section headed Financial Information in the prospectus of the Company dated 30 December 2020 ("the Prospectus").

Directors' Responsibilities

The Profit Forecast has been prepared by the directors of the Company based on the audited combined results of the Company and its subsidiaries (collectively referred to as the "Group") for the eight months ended 31 August 2020, the unaudited combined results based on the management accounts of the Group for the two months ended 31 October 2020 and a forecast of the combined results of the Group for the remaining two months ending 31 December 2020.

The Company's directors are solely responsible for the Profit Forecast.

Our 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 Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains 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 on the accounting policies and calculations of the Profit Forecast based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 "Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness" and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company's directors have properly compiled the Profit Forecast in accordance with the bases and assumptions adopted by the directors and as to whether the Profit Forecast is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the accounting policies and calculations are concerned, the Profit Forecast has been properly compiled in accordance with the bases and assumptions adopted by the directors as set out in Appendix III of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants' report dated 30 December 2020, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

C. LETTER FROM THE SPONSOR ON PROFIT FORECAST

The following is the text of a letter, prepared for inclusion in this prospectus, received by our Directors from the Sponsor, in connection with the forecast combined profit attributable to owners of our Company for the year ending 31 December 2020.

AmCap
Ample Capital Limited
豐盛融資有限公司

Ample Capital Limited
Unit A, 14/F.
Two Chinachem Plaza
135 Des Voeux Road Central
Central
Hong Kong

30 December 2020

The Board of Directors
Legion Consortium Limited

Dear Sirs,

We refer to the forecast of the combined profit of Legion Consortium Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") attributable to owners of the Company for the year ending 31 December 2020 (the "Profit Forecast"), as set out in the section headed "Financial Information" of the prospectus issued by the Company dated 30 December 2020.

The Profit Forecast, for which you, as the directors of the Company are solely responsible, has been prepared by you based on the audited combined results of the Group for the eight months ended 31 August 2020, the unaudited combined results of the Group for the two months ended 31 October 2020 and a forecast of the combined results of the Group for the remaining two months ending 31 December 2020.

We have discussed with you the bases and assumptions upon which the Profit Forecast has been made, we have also considered the letter dated 30 December 2020 addressed to you and us from Deloitte Touche Tohmatsu regarding the accounting policies and calculations upon which the Profit Forecast has been made.

On the basis of the information comprising the Profit Forecast and on the basis of the accounting policies and calculations adopted by you and reviewed by Deloitte Touche Tohmatsu we are of the opinion that the Profit Forecast, for which you as directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully
For and on behalf of
Ample Capital Limited
H.W. Tang
President

RAVIA GLOBAL APPRAISAL ADVISORY LIMITED

30 December 2020

The Board of Directors
Legion Consortium Limited
7 Keppel Road
#03-20/21/22/23/24
Tanjong Pagar Complex
Singapore 089053

Dear Sirs/Madams,

Re: Property Valuation of Various Properties in Singapore

In accordance with the instructions of Legion Consortium Limited (the "Company", and together with its subsidiaries, the "Group") to value the property interests held by the Group in Singapore, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 30 September 2020 (the "Date of Valuation") for listing purpose.

1. BASIS OF VALUATION

Our valuations of properties are our opinion of the market values which we would define as intended to mean "the estimated amount for which a property should exchange on the date of valuation 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".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have valued the properties by direct comparison approach assuming sale of the properties by making reference to comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

For the properties in Singapore, we have carried out title searches at the Singapore Land Authority. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

4. VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the owner sells the properties in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, site / floor areas, ages of buildings and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

Our inspection was performed by Dr. Alan W K Lee in May 2018. We have inspected the exterior and, where possible, the interior of certain properties. No structural survey has been made in respect of the properties. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site / floor areas of the properties under consideration but we have assumed that the site / floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the properties 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.

In valuing the properties, we have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuations are in Singapore Dollars ("S$").

Our Summary of Values and Valuation Certificates are attached herewith.

Yours faithfully,
For and on behalf of
RAVIA GLOBAL APPRAISAL ADVISORY LIMITED
Dr. Alan W K Lee
PhD(BA) MFin BCom(Property)
MHKIS RPS(GP) AAPI CPV CPV(Business)
Co-Founder and Director

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 16 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

SUMMARY OF VALUES

Properties held by the Group for Investment Purpose in Singapore

No.	Property	Market Value in Existing State as at 30 September 2020
1.	1 Commonwealth Lane, #06-24 to #06-26, Singapore 149544	S$2,610,000
2.	1 Commonwealth Lane, #06-27, Singapore 149544	S$870,000
3.	2 Buroh Crescent #09-04, Ace@Buroh, Singapore 627546	S$920,000
4.	55 Serangoon North Avenue 4 #01-07 S9 Singapore 555859	S$1,500,000
	Total:	**S$5,900,000**

VALUATION CERTIFICATE

Properties held by the Group for Investment Purpose in Singapore

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2020
1.	1 Commonwealth Lane, #06-24 to #06-26, Singapore 149544	The property comprises 3 industrial units in a 9-storey Light Industrial (B1) building, completed in about 2008. The property has a total gross floor area ("GFA") of approximately 468 sq.m.. The property is a leasehold estate and it has been granted for a term expiring on 31 December 2061.	The property is subject to two tenancies with terms expiring on 31 October 2021 and 30 November 2023 respectively for a total monthly rent of S$14,000 plus GST.	S$2,610,000

Notes:

1. The registered owner of the property is Rejoice Container Services (Pte) Ltd with the lease for a term of 30 years commencing on 1 March 2008.

2. It is located at Commonwealth District, the central-western part of Singapore, about 7 km from the city centre. It is accessible through the nearest train stations such as Commonwealth (EW20), Buona Vista (CC22 EW21), and Holland Village MRT (CC21).

   This property is close to amenities like Sheng Siong Hypermarket(tanglin Halt), Cold Storage Holland Village, Buona Vista Bio Business Park and Ntuc Fairprice. The surrounding locality comprises industrial estates and densely populated housing estates. It has easy access to other parts of Singapore via Commonwealth Avenue.

3. In the course of our valuation, we have made reference to sales prices of comparable industrial properties. The prices of comparable industrial properties range from about S$500 per sq.ft. to S$600 per sq.ft..

4. For your accounting reference, our valuations of the property are as follows:-

Valuation as at 31 August 2020:	S$2,610,000
Valuation as at 31 December 2019:	S$2,610,000
Valuation as at 31 August 2019:	S$2,610,000
Valuation as at 31 December 2018:	S$2,610,000
Valuation as at 31 December 2017:	S$2,620,000

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2020
2.	1 Commonwealth Lane, #06-27, Singapore 149544	The property comprises an industrial unit in a 9-storey Light Industrial (B1) building, completed in about 2008. The property has a gross floor area ("GFA") of approximately 156 sq.m.. The property is a leasehold estate and it has been granted for a term expiring on 31 December 2061.	The property is subject to a tenancy for a term of 36 months commencing on 1 November 2019 with a monthly rent of S$4,500 plus of GST.	S$870,000

Notes:

1. The registered owner of the property is Radiant Overseas Pte Ltd with the lease for a term of 30 years commencing on 1 March 2008.

2. It is located at Commonwealth District, the central-western part of Singapore, about 7 km from the city centre. It is accessible through the nearest train stations such as Commonwealth (EW20), Buona Vista (CC22 EW21), and Holland Village MRT (CC21).

   This property is close to amenities like Sheng Siong Hypermarket(tanglin Halt), Cold Storage Holland Village, Buona Vista Bio Business Park and Ntuc Fairprice. The surrounding locality comprises industrial estates and densely populated housing estates. It has easy access to other parts of Singapore via Commonwealth Avenue.

3. In the course of our valuation, we have made reference to sales prices of comparable industrial properties. The prices of comparable industrial properties range from about S$500 per sq.ft. to S$600 per sq.ft..

4. For your accounting reference, our valuations of the property are as follows:-

Valuation as at 31 August 2020:	S$870,000
Valuation as at 31 December 2019:	S$870,000
Valuation as at 31 August 2019:	S$870,000
Valuation as at 31 December 2018:	S$870,000
Valuation as at 31 December 2017:	S$870,000

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2020
3.	2 Buroh Crescent #09-04, Ace@Buroh, Singapore 627546	The property comprises an industrial unit in a low-rise factory building, completed in about 2017. The property has a gross floor area ("GFA") of approximately 334 sq.m.. The property is a leasehold estate and it has been granted for a term expiring on 16 October 2961.	The property is subject to a tenancy for a term of 24 months expiring on 30 September 2022 with a monthly rent of S$3,200 plus GST.	S$920,000

Notes:

1. The registered owner of the property is Jurong Town Corporation.
2. The property is subject to a purchaser in favour of Rejoice Container Services (Pte) Ltd with a purchase price of S$866,888 and contract date of 20 February 2014.
3. The property is subject to a mortgage lodged on 21 May 2019 and registered on 29 May 2019 in favour of Oversea-Chinese Banking Corporation Limited.
4. The development is an industrial development located in District D22. The usage is primarily used for factory / workshop (B2). It is about 3 km away from EW29 Joo Koon MRT station and 20 km away from city centre.

   Located at the junction of Buroh Crescent, Buroh Street and Tanjong Kling Road, ACE @ Buroh is well connected to Singapore's major expressways namely AYE, PIE and the West Coast Highway with the nearest MRT stations located at nearby Pioneer and Joo Koon precinct.
5. In the course of our valuation, we have made reference to sales prices of comparable industrial properties. The prices of comparable industrial properties range from about S$230 per sq.ft. to S$330 per sq.ft..
6. For your accounting reference, our valuations of the property are as follows:-

Valuation as at 31 August 2020:	S$920,000
Valuation as at 31 December 2019:	S$920,000
Valuation as at 31 August 2019:	S$920,000
Valuation as at 31 December 2018:	S$920,000
Valuation as at 31 December 2017:	S$920,000

VALUATION CERTIFICATE

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2020
4.	55 Serangoon North Avenue 4 #01-07, S9, Singapore 555859	The property comprises an industrial unit in a 9-storey Light Industrial (B1) building, completed in about 2012. The property has a gross floor area ("GFA") of approximately 254 sq.m.. The property is a leasehold estate and it has been granted for a term expiring on 2 September 2081.	The property is subject to a tenancy for a term of 12 months expiring on 6 August 2021 with a monthly rent of S$4,000 plus GST.	S$1,500,000

Notes:

1. The registered owner of the property is Radiant Overseas Pte Ltd with the lease.
2. The property is subject to a mortgage lodged on 25 June 2020 and registered on 18 July 2020 in favour of United Overseas Bank Limited.
3. The property is leased to the Group for a term of 58 years commenced on 2 July 2012.
4. The development is an industrial development located in District D19. The usage is primarily used for light industrial (B1). It is about 2 km away from NE14 Hougang MRT station and 10 km away from city centre.

   Located in Serangoon North Avenue 4, the development is well connected to Singapore's major expressways namely CTE and Ang Mo Kio Ave 3 with the nearest MRT stations located at nearby Pioneer and Joo Koon.
5. In the course of our valuation, we have made reference to sales prices of comparable industrial properties. The prices of comparable industrial properties range from about S$550 per sq.ft. to S$650 per sq.ft..
6. For your accounting reference, our valuations of the property are as follows:-

Valuation as at 31 August 2020:	S$1,500,000
Valuation as at 31 December 2019:	S$1,500,000
Valuation as at 31 August 2019:	S$1,500,000
Valuation as at 31 December 2018:	S$1,500,000
Valuation as at 31 December 2017:	S$1,500,000

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 20 June 2018 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 18 December 2020 and effective on 13 January 2021. 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 authorised 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 lodgement 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 authorised 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 20 June 2018 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 27 June 2018.

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 30 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 authorised 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 Delivered to the Registrar of Companies in Hong Kong and Available for Inspection" in Appendix VII to this prospectus. 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 of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 20 June 2018. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 3 August 2018 and our principal place of business in Hong Kong is at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong. Mr. Man Yun Wah has been appointed as the authorised representative 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, our Company is subject to the relevant laws of the Cayman Islands and our constitution which comprises the Memorandum and the Articles. A summary of the relevant aspects of the Companies Law and certain provisions of the Articles is set out in Appendix V to this prospectus.

2. Changes in share capital of our Company

(a) As at the date of incorporation of our Company, the authorised share capital was HK$380,000 divided into 38,000,000 shares of par value of HK$0.01 each. One Share was allotted and issued fully paid to Reid Services Limited, the initial subscriber on 20 June 2018, which was subsequently transferred to Mirana Holdings on the same date.

(b) On 18 December 2020, the Company acquired the entire issued share capital of Clear Bliss from Mr. Ng for the consideration to be satisfied by the allotment and issue of an aggregate of 78,124,999 Shares, credited as fully paid, to Mirana Holdings (as directed by Mr. Ng).

(c) On 18 December 2020, our sole Shareholder resolved to increase the authorised share capital of our Company from HK$380,000 divided into 38,000,000 Shares of par value of HK$0.01 each to HK$20,000,000 divided into 2,000,000,000 Shares of par value of HK$0.01 each by the creation of an additional of 1,962,000,000 Shares of par value of HK$0.01 each, each ranking *pari passu* with the Shares then in issue in all respects.

(d) Immediately following completion of the Share Offer and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised and no Shares are issued pursuant to the grant of Shares under the Share Award Scheme), 1,250,000,000 Shares will be issued fully paid or credited as fully paid, and 750,000,000 Shares will remain unissued.

(e) Other than pursuant to the general mandate to issue Shares referred to in the paragraph "Further Information about our Company — Written resolutions of our sole Shareholder passed on 18 December 2020" in this appendix and pursuant to the exercise of Over-allotment Option or the grant of Shares under the Share Award Scheme, our Company does not have any present intention to issue any of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

(f) Save as disclosed in this prospectus, there has been no alteration in our Company's share capital since the date of its incorporation.

3. Written resolutions of our sole Shareholder passed on 18 December 2020

By written resolutions of our sole Shareholder passed on 18 December 2020:

(a) our Company approved and adopted the Memorandum and the Articles;

(b) conditional on the Stock Exchange granting the listing of, and permission to deal in, our Shares in issue and Shares to be issued as mentioned in this prospectus, including any Shares which may be allotted and issued pursuant to the Share Offer and Capitalisation Issue and the exercise of the Over-allotment Option and any Shares which may be allotted and issued pursuant to the grant of Shares under the Share Award Scheme, and on the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date falling 30 days after the date of this prospectus:

(i) the Share Offer and the grant of the Over-allotment Option were approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer and such number of Shares as may be allotted and issued upon the exercise of the Over-allotment Option in each case to rank *pari passu* with the Shares then in issue in all respects;

(ii) the rules of the Share Award Scheme were approved and adopted and our Directors or any committee established by the Board were authorised, at their sole discretion, to (i) administer the Share Award Scheme; (ii) modify and/or amend the Share Award Scheme from time to time as required by the Stock Exchange; (iii) grant share awards under the Share Award Scheme before up to the limits referred to in the Share Award Scheme; (iv) allot and issue, procure the transfer of and otherwise deal with the Shares underlying the share awards granted under the Share Award Scheme as and when the share awards vest; (v) make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the grant of share awards under the Share Award Scheme; and (vi) take all such actions as they consider necessary, desirable or expedient to implement or give effect to the Share Award Scheme; and

(iii) conditional upon the share premium account of our Company being credited as a result of the Share Offer, the Capitalisation Issue was approved, and our Directors were authorised to capitalise an amount of HK$9,375,000 standing to the credit of the share premium account of our Company and to appropriate such amount as to capital to pay up in full at par 937,500,000 Shares for allotment and issue to our sole Shareholder as the person whose name appears on the register of members of our Company at the close of business on 18 December 2020 (or as it may direct) in proportion as nearly as may be without involving fractions to its then existing shareholding in our Company, each ranking *pari passu* in all respects with the then existing issued Shares, and our Directors were authorised to give effect to such capitalisation and distributions;

(c) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with (otherwise than by way of rights or an issue of Shares pursuant to the exercise of the Over-allotment Option or any Shares which may be issued pursuant to the grant of Shares under the Share Award Scheme or any other share award scheme of the Company or any Shares allotted in lieu of the whole or part of a dividend on our Shares or similar arrangement in accordance with the Memorandum and the Articles or pursuant to a specific authority granted by our Shareholders in general meetings or pursuant to the Share Offer or the Capitalisation Issue) the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares, and to make or grant offers, agreements or options which might require the exercise of such power, with an aggregate nominal value not exceeding 20% of the total number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the grant of Shares under the Share Award Scheme, and such mandate to remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or

(iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting;

(d) a general unconditional mandate was given to our Directors authorising them 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 total number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the grant of Shares under the Share Award Scheme, and such mandate to remain in effect until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of our Company; or

(ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or

(iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting; and

(e) conditional on the passing of the resolutions referred to in sub-paragraphs (c) and (d) above, the general unconditional mandate mentioned in sub-paragraph (c) above was extended by the addition to the number of Shares which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate number of Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (d) above, provided that such extended amount shall not exceed 10% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and the grant of Shares under the Share Award Scheme.

4. Corporate reorganisation

Our Group underwent the Reorganisation to rationalise our Group's structure in preparation for the Listing and our Company became the holding company of our Group. For information relating to the Reorganisation, please refer to the section headed "History, Corporate Development and Reorganisation — Our Reorganisation" in this prospectus.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the Accountants' Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed above, and as mentioned in the section headed "A. Further Information about our Company — 4. Corporate reorganisation" in this appendix above and in the section headed "History, Corporate Development and Reorganisation — Our Reorganisation" in this prospectus, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. Repurchase of our Shares by our Company

This section includes information required by the Stock Exchange to be included in the prospectus concerning the repurchase of our Shares by our Company.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to the written resolutions of our sole Shareholder passed on 18 December 2020, a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors authorising our Directors to exercise all powers of our Company to purchase on the Stock Exchange or 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 representing up to 10% of the number of Shares in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Share which may fall to be allotted and issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme, and the Repurchase Mandate shall remain in effect until the earliest of the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held, or the time when the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles, the Listing Rules, and the laws of the Cayman Islands. A listed company may not repurchase its own shares 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 prevailing from time to time.

Any repurchases by our Company may be made out of profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account before or at the time our Shares are repurchased or, if authorised by the Articles and subject to the Companies Law, out of capital.

(iii) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a "core connected person" (as defined in the Listing Rules), which includes a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have a general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of our Company's net asset value and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 1,250,000,000 Shares in issue after completion of the Share Offer and the Capitalisation Issue, could accordingly result in up to 125,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(d) Funding of repurchase

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands. Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) General

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company if the Repurchase Mandate is exercised.

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 Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of our Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase of Shares if made immediately after the listing of our Shares pursuant to the Repurchase Mandate. At present, so far as is known to our Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that our Directors exercise the power in full to repurchase our Shares pursuant to the Repurchase Mandate.

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).

No core connected person of our Company has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material in relation to the business of our Company as a whole:

(a) a sale and purchase agreement dated 18 December 2020 entered into between our Company and Mr. Ng, pursuant to which Mr. Ng agreed to sell and our Company agreed to purchase 10 shares of US$1.00 each in Clear Bliss, representing the entire issued share capital of Clear Bliss, to be satisfied by the allotment and issue of 78,124,999 Shares, credited as fully paid, to Mirana Holdings (as directed by Mr. Ng);

(b) the Deed of Indemnity; and

(c) the Public Offer Underwriting Agreement.

2. Intellectual property rights

Set out below is a summary of our material intellectual property rights. Our material intellectual property rights were determined by our Directors on the basis of their materiality to our business operation, financial position and prospects.

(a) Trademarks

As at the Latest Practicable Date, our Group had registered the following trademarks:

Trademark	Registered owner	Place of registration	Class	Date of registration	Expiry date
Real Time forwarding pte ltd	Real Time Forwarding	Singapore	35, 39	12 October 2018	20 June 2028
Richwell Global Forwarding Pte Ltd	Richwell	Singapore	35, 39	12 October 2018	20 June 2028
Rejoice Container Services Pte Ltd SALE OF CONTAINERS	Rejoice	Singapore	35, 37, 39	2 November 2018	20 June 2028

As at the Latest Practicable Date, our Group had withdrawn the application for the registration of the following trademark, in view of the additional resources to be incurred to address the questions raised by registrar on the similarity of the below trademark and the registered trademark "RADIANT":

Trademark	Class	Application Number	Date of Application	Applicant	Place of Application
喜悅聯運有限公司 Radiant Overseas Pte Ltd International Freight Forwarder	35, 39	40201811928S	20 June 2018	Radiant	Singapore

Pursuant to Section 28(2) of the Singapore Trade Marks Act (Chapter 332 of the Laws of Singapore), a person does not infringe a registered trade mark by using an unregistered trade mark that is identical with or similar to the registered trade mark in relation to goods or services identical with or similar to those for which the trade mark is registered if he has continuously used in the course of trade the unregistered trade mark in relation to those goods and services from a time before (a) the date of registration of the registered trade mark; or (b) the date the proprietor of the registered trade mark first used the trade mark. As Radiant has put the "Radiant Overseas" trademark to use for its trade since 2011, which pre-dates the registration date of the registered mark "RADIANT", as advised by our Singapore Legal Advisers, the risks of the Singapore Courts making any orders for remedies for civil trade mark infringement such as injunction, account of profits or damages are low and such use may not constitute an infringement.

(b) Domain names

As at the Latest Practicable Date, our Group has registered the following domain names:

Registrant	Domain Name	Registration Date	Expiry Date
Company	www.legionconsortium.com	6 July 2018	6 July 2021
Rejoice	www.rejoice1.com.sg	11 July 2006	11 July 2021
Radiant	www.radiantoverseas.com.sg	5 June 2001	5 June 2021
Real Time Forwarding	www.rtf.com.sg	1 October 2015	1 October 2021
Rejoice	www.rejoicecontainer.com	10 June 2010	10 June 2021
Richwell	www.richwellglobal.com	28 February 2017	22 January 2021

C. FURTHER INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND EXPERTS

1. Disclosure of interests

(a) So far as our Directors are aware, immediately following completion of the Share Offer and the Capitalisation Issue, but taking into no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme, the interests and short positions of our Directors or chief executive of our Company in our Shares, underlying Shares and debentures of our Company or any of the associated corporations (within the meaning of Part XV of the SFO) which, once our Shares are listed on the Stock Exchange, 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 any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once our Shares are listed on the Stock Exchange, will be as follows:

(i) Long position in our Shares

Name of Director	Capacity/ Nature of interest	Number of Shares held/ interested in	Percentage of shareholding
Mr. Ng *(Note)*	Interest in controlled corporation	937,500,000	75%

Note: These 937,500,000 Shares are held by Mirana Holdings, a company incorporated in the BVI which is wholly-owned by Mr. Ng. Therefore, Mr. Ng is deemed, or taken to be interested in all the 937,500,000 Shares held by Mirana Holdings for the purposes of the SFO. Mr. Ng is the sole director of Mirana Holdings.

(ii) Long position in the ordinary shares of associated corporation

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares held/ interested in	Percentage of shareholding
Mr. Ng *(Note)*	Mirana Holdings	Beneficial owner	1	100%

Note : Mr. Ng beneficially owns 100% of the issued share capital of Mirana Holdings. Mr. Ng is also the sole director of Mirana Holdings.

(b) So far as is known to our Directors and taking no account of any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme, the following persons (not being a Director or chief executive of our Company) will, immediately following the completion of the Share Offer and the Capitalisation Issue, have interests or short positions in our 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 our Company or any other member of our Group:

Our Company

Name	Capacity/ Nature of interest	Number of Shares held/ interested in	Percentage of shareholding
Mirana Holdings	Beneficial owner	937,500,000	75%
Ms. Liyani.	Interest of spouse *(Note)*	937,500,000	75%

Note: Ms. Liyani is the spouse of Mr. Ng. Accordingly Ms. Liyani is deemed, or taken to be, interested in all the Shares in which Mr. Ng is interested for the purpose of the SFO.

2. Particulars of service agreements and letters of appointment

(a) Executive Directors

Each of our executive Directors has entered into a service agreement with our Company. The terms and conditions of each service agreement are similar in all material aspects other than the amount of salary and bonus. Each service agreement is for an initial term of three (3) years with effect from the Listing Date and shall continue thereafter unless and until it is terminated by our Company or our executive Directors giving to the other not less than three months' prior notice in writing and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. Under the service agreements, the initial annual salary payable to our executive Directors is as follows:

Name	HK$
Mr. Ng	3,062,400
Mr. KH Ng	1,044,000

Each of our executive Directors is entitled to a discretionary bonus to be recommended by the remuneration committee of our Company and determined by the Board, the amount of which is to be determined with reference to the operating results of our Group and the performance of the relevant executive Director. Each of our executive Directors shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board regarding the amount of annual salary and discretionary bonus payable to himself.

(b) Independent non-executive Directors

Each of our independent non-executive Directors has entered into a letter of appointment with our Company. The terms and conditions of each of such letter of appointment are similar in all material aspects. Each letter of appointment is for an initial term of three (3) years commencing from the Listing Date, which may be terminated by either party giving at least three (3) months' notice in writing to the other party and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles. The annual director's fee payable to the independent non-executive Directors under each of the letter of appointment is as follows:

Name	HK$
Yeo Teck Chuan	240,000
Wong Kwun Ho	240,000
Ho Wing Sum	240,000

Save for the annual director's fee mentioned above, none of the independent non-executive Directors are entitled to receive any other remuneration for holding his office as an independent non-executive Director.

3. Directors' remuneration

The aggregate amount of remuneration (including commission) paid to and benefits in kind receivable by our Directors by our Group in respect of the three financial years ended 31 December 2019 and the eight months ended 31 August 2020 were S$804,750, S$843,770, S$916,600 and S$599,850 respectively.

Under the arrangements currently in force, the aggregate emoluments (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to our Directors for the year ending 31 December 2020 will be approximately S$750,000.

4. Agency fees or commission received

Save as disclosed in the section headed "Underwriting" in this prospectus and this appendix, none of our Directors or the experts named in the section headed "E. Other Information — 7. Consents of experts" in this appendix had received any agency fee or commission from our Group within the two years preceding the date of this prospectus.

5. Related party transactions

Details of the related party transactions are set out under Note 35 to the Accountants' Report set out in Appendix I to this prospectus.

6. Disclaimers

Save as disclosed in this prospectus:

(a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;

(b) none of our Directors or the experts named in the paragraph headed "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 two years immediately preceding the date 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;

(c) none of our Directors or the experts named in the paragraph headed "E. Other Information — 6. Qualifications of experts" in this appendix 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 taken as a whole;

(d) taking no account of Shares which may be taken up under the Share Offer and Shares which may be issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Share Offer and the Capitalisation Issue, have any interest in Shares or 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 will be interested, directly or indirectly, 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;

(e) taking no account of Shares which may be taken up under Share Offer and Shares which may be issued pursuant to the exercise of the Over-allotment Option or the grant of Shares under the Share Award Scheme, none of our Directors or chief executive of our Company has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of the associated corporations (within the meaning of the SFO) which, once our Shares are listed on the Stock Exchange, 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 any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) 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, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to our Company and the Stock Exchange; and

(f) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. ADOPTION OF SHARE AWARD SCHEME

The Share Award Scheme was adopted on 18 December 2020, the principal terms of which are summarised below. The Share Award Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Share Award Scheme does not involve the grant of options by our Company to subscribe for new Shares.

1. Purposes

The purposes of the Share Award Scheme are to

(i) recognise and acknowledge the contributions that any employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group who the Board or its delegate(s) considers, in its sole and absolute discretion, to have contributed or will contribute to the Group (the "**Eligible Persons**") have (or may have) made or may make to the Group; and

(ii) align the interests of the Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on the Shares and/or the increase of value of the Shares, and to encourage and retain the Eligible Persons to make contributions to the long-term growth and profits of the Group.

2. Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of three (3) years commencing on 18 December 2020, being the date on which the Share Award Scheme is adopted by the Company as approved by the Board (the "**Adoption Date**").

3. Administration

Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the committee of the Board or persons to which the Board has delegated its authority may appoint a trustee in respect of granting administration or vesting of any Shares under the Share Award Scheme.

4. Grant of Awarded Shares

Pursuant to the rules relating to the Share Award Scheme (the "**Share Award Scheme Rules**"), the Board may select such Eligible Persons to participate in the Share Award Scheme (the "**Selected Participant(s)**") and determine, among others, (a) the number of such awarded Shares (the "**Awarded Shares**") made to the Selected Participants (the "**Award**") out of the pool of issued Shares held by the trustee; and (b) the applicable date on which the legal and beneficial ownership of the relevant Awarded Shares are transferred and vested in such Selected Participant(s) (the "**Vesting Dat**e"). In determining the Awarded Shares for a Selected Participant, the Board may take into consideration matters including without limitation, the general financial condition of the Group, the performance and contribution of the relevant Selected Participant and any other matter which the Board considers relevant.

After the Board has made an Award, the Board or the authorised representative(s) as appointed by the Board (the "**Authorised Representative(s)**") will notify the trustee and the Selected Participant of the details and terms of the Award under a grant notice (the "**Grant Notice**"), which will include, among other things, (i) the name, address, position (where applicable) of the Selected Participant; (ii) the number of Awarded Shares; (iii) the condition(s) or performance target(s) to be attained by the Selected Participant before the Awarded Shares will be vested in such Selected Participant; (iv) the Vesting Date; and (v) other terms and conditions of such Award as imposed by the Board.

Upon receipt of the Grant Notice, the Selected Participant shall confirm acceptance of the Awarded Shares being granted to him/her by signing and returning to the Board the acceptance form attached to the Grant Notice within five (5) Business Days after the date of the Grant Notice.

Prior to the Vesting Date, any Award made under the Share Award Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him/her pursuant to such Award.

5. Contribution to the Share Award Scheme

The Board will determine the amount of funds to be allocated out of the Company's resources for the purchase or subscription by the trustee of the Awarded Shares as the Board deems appropriate pursuant to the Share Award Scheme Rules (the "**Contributed Amount**") after taking into account all relevant circumstances and affairs of the Group, including without limitation, the Group's business and financial performance. The Contributed Amount will be applied to cover (i) the subscription or purchase prices for the Shares to be subscribed or purchased pursuant to the Share Award Scheme; and (ii) all related purchase or subscription expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy and Stock Exchange trading fee and such other necessary expenses).

Subject to compliance with all applicable laws, regulations and rules (including but not limited to the Listing Rules), the Board or the Authorised Representative(s) may from time to time instruct the trustee in writing to purchase Shares in the open market or subscribe for new Shares for the purpose of the Share Award Scheme. The trustee will hold, among others, (a) the Shares purchased or subscribed by the trustee, and (b) the Returned Shares until they are vested in the Selected Participants in accordance with the Share Award Scheme Rules.

For the purpose of the Share Award Scheme, the "**Related Income**" means in relation to an Awarded Share, all income derived from such Share held upon the trust (including but not limited to, any cash distribution, bonus Share, scrip Share, nil-paid right, bonus warrant, non-scrip distribution or proceeds of sale of the same).

For the purpose of the Share Award Scheme, the "**Returned Shares**" means the Related Income in the form of Shares that the Selected Participants have no entitlement pursuant to the Share Award Scheme, and such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Share Award Scheme, or such Shares being deemed to be Returned Shares in accordance with the terms of the Share Award Scheme.

6. Vesting of the Awarded Shares

Subject to the Share Award Scheme Rules, a Selected Participant shall not have (i) any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date; (ii) any rights in the Residual Cash or any of the Returned Shares, or any Related Income that has accrued before the vesting of the relevant Awarded Shares; or (iii) any rights in the balance fractional share of the Related Income and of the Shares not so allocated to him/her and the fractional share arising out of consolidation of the Shares (such Shares shall be deemed as Returned Shares for the purposes of the Share Award Scheme).

For the purpose of the Share Award Scheme, the "**Residual Cash**" means the cash in the trust fund of the trust (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) the Related Income (except the Vesting Shares) in the form of cash that the Selected Participants have no entitlement; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Related Income that is in the form of Share (except the Vesting Shares); and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition or subscription of any Shares.

For the purposes of the Share Award Scheme, the "**Vesting Shares**" means any Awarded Shares vested under terms of the Scheme but not yet transferred to a relevant Selected Participant.

In the event of (i) change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise; or (ii) consolidation, merger, association or reorganisation of the Group, the Board shall retain its absolute discretion to determine how to deal with the Awarded Shares, whether vested or not (including the time of vesting).

The trustee shall hold the Returned Shares to be applied towards future Awards in accordance with the Share Award Scheme Rules. When Returned Shares have been awarded, the Board shall notify the trustee accordingly.

The trustee shall not exercise the voting rights in respect of any Shares held by it as nominee or under the trust (if any) (including but not limited to the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares derived therefrom).

Subject to the receipt by the trustee of (a) the transfer documents and other documents prescribed by the trustee and, where applicable, duly signed by the Selected Participant within the period stipulated in the vesting notice referred to in the Share Award Scheme; and (b) a confirmation from the Company that all vesting conditions having been fulfilled, the trustee will either (i) transfer the relevant Awarded Shares to the relevant Selected Participant; or (ii) sell the relevant Awarded Shares on the market, and transfer the proceeds of the sale (after deduction of the related sales expenses) to the relevant Selected Participant, as soon as practicable after the Vesting Date and within the period stipulated in the Share Award Scheme.

In respect of a Selected Participant's employment or service or other contractual arrangement with the Company or any member of the Group which is terminated due to death, retirement or permanent disability at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his/her death, retirement with the Company or the relevant member of the Group or permanent disability.

7. Maximum limit

The Board shall not make any further award of Awarded Shares which will result in the number of the Shares awarded by the Board under the Share Award Scheme exceeding 15% of the Shares in issue upon the date on which the Shares are listed and permitted to be dealt in the Stock Exchange.

8. Restrictions

No Award shall be made by the Board, no payment shall be made to the trustee and no instructions to acquire or subscribe Shares shall be given to the trustee under the Share Award Scheme where any member of the Board is in possession of unpublished inside information in relation to the Group or where dealings by members of the Board are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

9. Lapse

In respect of a Selected Participant's employment or service or contractual arrangement with the Company or any member of the Group which is terminated for Cause or due to resignation at any time prior to or on the Vesting Date, all the Awarded Shares that have not yet been vested of the relevant Selected Participant shall become Returned Shares for the purposes of the Share Award Scheme.

For the purpose of the Share Award Scheme, a "**Cause**" means, with respect to a Selected Participant, such event as will entitle the Company or any member of the Group to terminate the employment or service or contractual arrangement of the Selected Participant with immediate notice without compensation under the relevant employment or service agreement or contract or, if it is not otherwise provided for in the relevant employment or service agreement or contract, (a) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence, (b) a material breach of any agreement or understanding between the Selected Participant and the Company or any member of the Group, including any applicable invention assignment, employment, non-disparagement, non-competition, confidentiality or other similar agreement, (c) misrepresentation or omission of any fact in connection with his/her employment agreement or service agreement or contract, (d) a failure to perform the customary duties of an employee of the Company or any member of the Group or perform the obligations of service agreement or other contractual obligations satisfactory to the Group in its sole discretion, to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group, or (e) any conduct that is materially adverse to the name, reputation or interests of the Group.

In the event that prior to or on the Vesting Date in respect of a Selected Participant, (i) the relevant Selected Participant ceases to be an Eligible Person, or (ii) the subsidiary by which a Selected Participant is employed ceases to be a subsidiary (or of a member of the Group), or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) (each of these, an event of "**Total Lapse**"), the Award shall automatically lapse forthwith and the Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

In the event that prior to or on the Vesting Date, a Selected Participant is found to be a resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Persons, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

10. Alteration of the Share Award Scheme

The Share Award Scheme may be altered in any respect by a resolution of the Board provided that such alteration shall be subject to compliance with the Articles, the trust deed and all applicable laws, regulations and rules (including but not limited to the Listing Rules).

11. Termination

The Share Award Scheme shall terminate on the earlier of (i) the third anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Share Award Scheme.

Upon termination of the Share Award Scheme:

(i) no further grant of Awarded Shares may be made under the Share Award Scheme;

(ii) the Company shall notify the trustee of such termination;

(iii) all the Awarded Shares of the Selected Participants granted under the Share Award Scheme shall become vested on the Selected Participants so referable on such date of termination save in respect of the Total Lapse, subject to the receipt by the trustee of the transfer documents prescribed by the trustee and duly executed by the Selected Participant within the period stipulated by the trustee;

(iv) the Returned Shares and such non-cash income remaining in the trust fund of the trust shall be sold by the trustee, after receiving notice of such termination of the Share Award Scheme (or such longer period as the Board may otherwise determine) at the then prevailing market price; and

(v) the Residual Cash, net proceeds of sale, and such other funds remaining in the trust fund of the trust managed by the trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to paragraph (iv) above).

12. Conditions of the Share Award Scheme

The Share Award Scheme shall take effect subject to the passing of the necessary resolution to adopt the Share Award Scheme by the shareholders of the Company in general meeting and is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be allotted and issued by the Company pursuant to the grant of the Awards in accordance with the terms and conditions of the Share Award Scheme and commencement of dealings in the Shares on the Stock Exchange. If the conditions are not satisfied on or before 13 January 2021 (or such later date as the Board may determine), the Share Award Scheme shall forthwith terminate and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Award Scheme.

An application has been made to the Listing Committee to the Stock Exchange for the listing of, and permission to deal in, the new Shares which may fall to be issued pursuant to the grant of Awards under the Share Award Scheme.

As of the Latest Practicable Date, no Award had been granted or agreed to be granted by our Company pursuant to the Share Award Scheme.

E. OTHER INFORMATION

1. Tax and other indemnities

Mr. Ng and Mirana Holdings (collectively, the "**Indemnifiers**") have entered into a deed of indemnity in favour of our Company (for ourselves and as trustee for our subsidiaries), to provide indemnity in respect of (a) any liability for Hong Kong estate duty which might be payable by any member of our Group under or by virtue of the provisions of Section 35 and/or Section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or legislation similar thereto in Hong Kong or any part of the world by reason of the death of any person at any time and by reason of the transfer of property to any member of our Group on or before the date on which the Share Offer becomes unconditional; (b) any taxation which might be payable by any member of our Group (i) in respect of or by reference to any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the date on which Share Offer becomes unconditional; or (ii) in respect of or by reference to any acts, omissions or events entered into or occurring or deemed to enter into or occur on or before the date on which the Share Offer becomes unconditional; (c) any penalties, claims, actions, demands, proceedings, suits, judgments, losses, payments, liabilities, damages, settlement payments, costs, administrative or other charges, fees, expenses and fines of whatever nature imposed on or suffered by or incurred by any member of our Group as a result of directly or indirectly or in connection with (i) any litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings, whether of criminal, administrative, contractual, tortuous or otherwise, instituted by or against any member of our Group in relation to any act, non-performance, omission, events or otherwise occurred on or before the date on which the Share Offer becomes unconditional; or (ii) any non-compliance with the applicable laws, rules or regulations by any member of our Group on or before the date on which the Share Offer becomes unconditional except that provisions, reserve or allowance has been made for such liabilities in the audited combined financial statements of our Company or any other member of our Group for the Track Record Period (if any).

The Indemnifiers will, however, not be liable under the deed of indemnity for taxation to the extent that, among others:

(a) specific provision, reserve or allowance has been made for such taxation liability or taxation claim in the audited combined financial statements of any member of our Group for the Track Record Period;

(b) the taxation liability arises or is incurred as a result of a retrospective change in law or a retrospective increase in tax rates coming into force after the date on which the Share Offer becomes unconditional; or

(c) the taxation liability arises in the ordinary course of business of our Group after 31 August 2020 and up to and including the date of which the Share Offer becomes unconditional.

Our Directors have been advised that there is no estate duty in the Cayman Islands applicable to the Company.

2. Litigation

Save as disclosed in the section headed "Business — Litigation and compliance" of this prospectus, as at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of our Group.

3. Sponsor

The Sponsor has made an application on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned herein including any Shares falling to be issued pursuant to the exercise of the Over-allotment Option and the grant of Shares under the Share Award Scheme.

The Sponsor has confirmed to the Stock Exchange that it satisfies the independence test as stipulated under Rule 3A.07 of the Listing Rules.

The Sponsor's fee in relation to the Listing is HK$4.7 million.

4. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK$33,540 and are payable by our Company.

5. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

6. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

Name	Qualifications
Ample Capital Limited	A licensed corporation under the SFO to engage in type 1 (dealing in securities), type 4 (advising in securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
Ravia Global Appraisal Advisory Limited	Property valuer
Appleby	Legal adviser to our Company as to the Cayman Islands laws

Name	Qualifications
RHTLaw Asia LLP	Legal adviser to our Company as to Singapore laws
Converging Knowledge Pte Ltd	Independent market research consultant
Hogan Lovells	Legal advisers as to International Sanctions laws
NSK Consulting Pte Ltd.	Singapore business advisory consultant to our Company

7. Consents of experts

Each of the experts named in the paragraph headed "E. Other information — 6. Qualifications of experts" has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports and/or letter and/or opinion and/or summary thereof (as the case may be) and/or reference to its name included herein in the form and context in which it is respectively included.

8. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

9. Registration procedures

The principal register of members of our Company in the Cayman Islands will be maintained by Ocorian Trust (Cayman) Limited and a branch register of members of our Company will be maintained by Tricor Investor Services Limited, our Hong Kong Branch Share Registrar. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, our Hong Kong Branch Share Registrar in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted into CCASS.

10. 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 transfer 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 our 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 our Shares. It is emphasised that none of our Company, our Directors or other 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.

11. No material adverse change

Our Directors confirm that there has not been any material adverse change in the financial or trading position or prospects of our Group since 31 August 2020 (being the date to which the latest audited combined financial statements of our Group were made up) and up to the date of this prospectus.

12. Particulars of the Selling Shareholder

The Selling Shareholder is Mirana Holdings, a company incorporated in the BVI with limited liability on 19 June 2018 with registered office at Jayla Place, Wickhams Cay I, Road Town, Tortola, BVI. Mirana Holdings, an investment holding company, is wholly owned by Mr. Ng.

13. Miscellaneous

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital of our Company or any of the subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration than cash;

(ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of the subsidiaries and no commission has been paid or is payable in connection with the issue or sale of any capital of our Company or any of the subsidiaries;

(iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares or debenture of any of our Company or our subsidiaries; and

(iv) no share or loan capital of our Company or any of the subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

(b) Neither our Company nor any of the subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures.

(c) Save as disclosed in the section headed "Underwriting" in this prospectus, none of the parties listed in the paragraph headed "E. Other Information — 6. Qualifications of experts" in this appendix is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries.

(d) The branch register of members of our Company will be maintained in Hong Kong by our Hong Kong Branch Share Registrar. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Hong Kong Branch Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to ensure our Shares to be admitted into CCASS for clearing and settlement.

(e) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

(f) No company within our Group is presently listed on any stock exchange or traded on any trading system.

(g) We have no outstanding convertible debt securities.

(h) The English text of this prospectus shall prevail over the Chinese text.

(i) There is no arrangement under which future dividends are waived or agreed to be waived.

14. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided in Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to a copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were (a) copies of the Application Forms; (b) the written consents referred to in the section headed "Statutory and General Information — E. Other Information — 7. Consents of experts" in Appendix VI to this prospectus; (c) copies of the material contracts referred to in the section headed "Statutory and General Information — B. Further Information about the Business — 1. Summary of material contracts" in Appendix VI to this prospectus; (d) the particulars of the Selling Shareholder; and (e) the statements of adjustments prepared by Deloitte Touche Tohmatsu.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Cheung & Choy of Suites 3804-3805, 38/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and the Articles of our Company;

(b) the Accountants' Report prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix I to this prospectus and the related statements of adjustments;

(c) the audited consolidated financial statements of Clear Bliss for the three years ended 31 December 2019 and the eight months ended 31 Augutst 2020;

(d) the report on the unaudited pro forma financial information prepared by Deloitte Touche Tohmatsu, the text of which is set out in Appendix II to this prospectus;

(e) the letters relating to profit forecast, the texts of which are set out in Appendix III to this prospectus;

(f) the letter, summary of values and valuation certificates relating to the property interests of our Group prepared by Ravia Global Appraisal Advisory Limited, the text of which is set out in Appendix IV to this prospectus;

(g) the letter of advice prepared by Appleby, our Cayman Islands legal adviser, summarising certain aspects of Cayman Islands company law referred to in Appendix V to this prospectus;

(h) the letter of advice prepared by NSK Consulting Pte Ltd., the Business Advisory Consultant;

(i) the material contracts referred to the section headed "Statutory and General Information — B. Further Information about the Business — 1. Summary of material contracts" in Appendix VI to this prospectus;

(j) the written consents referred to in the section headed "Statutory and General Information — E. Other Information — 7. Consents of experts" in Appendix VI to this prospectus;

(k) the service contracts and letters of appointment of our Directors;

(l) the Companies Laws;

(m) the Singapore legal opinion issued by RHTLaw Asia LLP, our Singapore Legal Advisers;

(n) the legal memorandum issued by Hogan Lovells, Legal advisers to our Company as to International Sanctions laws;

(o) the research report prepared by Converging Knowledge Pte Ltd as referred to in the section headed "Industry Overview" in this prospectus;

(p) the terms of the Share Award Scheme; and

(q) a list containing the particulars of the Selling Shareholder as set out in the section headed "Statutory and General Information — E. Other Information — 12. Particulars of the Selling Shareholder" in Appendix VI to this prospectus.

LEGION CONSORTIUM LIMITED