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Legion Consortium Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2129)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 70% EQUITY INTEREST IN THE TARGET COMPANY

THE ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of Legion Consortium Limited (the “**Company**”) announces that on 7 July 2022 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor in relation to the Acquisition of the Target Company, pursuant to which, amongst others, the Purchaser has agreed to purchase and the Vendor has agreed to sell, the Sale Shares, representing 70% of the entire issued and paid-up share capital of the Target Company at the total Consideration of S\$2,100,000.

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as below:

Date

7 July 2022

Parties

- (1) the Purchaser as purchaser;
- (2) the Vendor as vendor; and
- (3) the Target Company as target company.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Vendor, the Target Company and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Subject Matter

Pursuant to the Sale and Purchase Agreement, the Purchaser agreed to purchase, and the Vendor agreed to sell, the 70% of the entire issued and paid-up share capital of the Target Company at a total Consideration of S\$2,100,000.

Consideration and payment terms

The total consideration of the Acquisition is S\$2,100,000, which shall be paid by the Purchaser using internal resources of the Group to the Vendor on the Completion Date by way of cashier's order or electronic transfer to such bank accounts as may be specified by the Vendor.

The Consideration is not paid out of the IPO proceeds.

Basis of consideration of the Acquisition

The Consideration was determined upon arm's length negotiations between the Parties to the Sale and Purchase Agreement after taking into account (i) the current business operation and qualification of the Target Company; (ii) the future development prospects of the business activities of the Target Company; (iii) the current market value of the Target Company; and (iv) the guaranteed net asset value of the Target Company.

The Directors consider the Consideration is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion shall be subject to the fulfillment (or waiver, if applicable) of the following conditions precedent on or before the Completion Date:

- (a) there having been no material breach of any of the warranties set out in the Sale and Purchase Agreement by the Parties as at the date of the Sale and Purchase Agreement and as at the Completion Date;
- (b) the Target Company's board approval having been obtained, approving:
 - (i) the transfer of the Sale Shares in accordance with the terms of the Sale and Purchase Agreement, including the cancellation of the original share certificate(s) issued by the Target Company to the Vendor and the issue of new share certificate(s) by the Target Company to the Purchaser in respect of the Sale Shares and the registration of the said transfer subject to the same being duly stamped;

- (ii) the entry of the name of the Purchaser into the Target Company's electronic register of members as the holder of the Sale Shares and the making of such other entries into other corporate records of the Target Company and filings with the Accounting and Corporate Regulatory Authority of Singapore or other statutory registers of the Target Company as may be necessary;
- (c) there shall not be any occurrence taking place on or prior to the Completion Date of any event, change, circumstance, effect and/or other matter which results in a change of the Target Company's net asset value being more than S\$100,000 as at the Completion Date;
- (d) no person having commenced any proceedings or investigations in good faith for the purpose of prohibiting the transactions contemplated by the Sale and Purchase Agreement; and
- (e) the execution and performance of the Sale and Purchase Agreement by the Parties not being prohibited or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority.

Completion

The Completion shall take place within 5 Business Days from the fulfillment or waiver (as the case may be) of all conditions precedent, or such other date as the parties to the Agreement may mutually agree in writing.

Upon Completion, the Company will hold 70% of the entire issued and paid-up share capital of the Target Company and the Target Company will become a non-wholly owned subsidiary of the Company. The financial results of the Target Company will be included in the consolidated financial statements of the Group.

INFORMATION ON THE TARGET COMPANY

The Target Company is a private company limited by shares incorporated on 24 January 2018 under the laws of Singapore. It is principally engaged in handling less than container load (the "LCL") shipments and providing services to freight forwarders and consignees including the delivery of goods to and from local ports for custom clearance, local distribution island-wide for events, shopping malls, places of attractions and construction sites. The Target Company have delivery expertise to service clients in various industries such as industrial goods, F&B, DG certified truck (up to certain class type), retail and pharmaceutical.

The summary of the audited financial information of the Target Company for the financial years ended 31 December 2019, 2020 and 2021 is as follows:

	For the year ended 31 December		
	2019	2020	2021
	<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
	<i>(approximately)</i>	<i>(approximately)</i>	<i>(approximately)</i>
Revenue	1,506	1,879	2,036
Net profit (before taxation)	128	543	20
Net profit (after taxation)	112	482	24

As at 31 December 2021, the audited net assets value of the Target Company amounted to approximately S\$589,000.

INFORMATION ON THE PARTIES

The Company

The Company is a company incorporated in the Cayman Islands with limited liability and listed on the Main Board of the Stock Exchange which is, through its subsidiaries, principally engaged in provision of well-established logistics service in Singapore offering trucking services, freight forwarding services and value added transport services to customers.

The Purchaser

The Purchaser, a private company limited by shares under the laws of Singapore and a wholly-owned subsidiary of the Company, principally engaged in providing trucking services and value added transport services.

The Vendor

The Vendor is a third party independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE ACQUISITION

In view of the Group's long-term strategy in further developing its business, the Directors consider that the Acquisition will enlarge the scope of services that Legion is able to provide LCL services for the customers. The Company will have the ability to provide a fuller suite of services. With the Target Company as part of the Group, there will be a good synergy within the Group.

In light of the above, the Directors (including the independent non-executive Directors) considered that (i) the Sale and Purchase Agreement was entered into in the ordinary and usual course of business and on normal commercial terms; and (ii) the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

BUSINESS UPDATE

Reference is made to the Prospectus and the announcement of the Company dated 3 December 2021. The Company has been looking at prospective targets for strategic acquisition. Bearing unforeseen circumstances and adaptability of business to COVID-19, the Company expects that additional time is required for strategic acquisition to establish collaboration, plan for due diligence on acquisition targets and spend on the negotiation.

The Directors will from time to time assess the business objectives. If there is any material progress on the expected timeline for utilising the IPO proceeds for strategic acquisition, or in case any further adjustments on the use of the IPO proceeds are needed, the Company will make further announcement as and when appropriate.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition exceeds 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction and is subject to notification and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Acquisition”	acquisition of the Target Company by the Purchaser from the Vendor pursuant to the terms and conditions of the Sale and Purchase Agreement;
“Board”	the board of Directors;
“Business Day(s)”	a day (excluding Saturdays, Sundays and gazetted public holidays) on which banks are generally open for business in Singapore;

“Company”	Legion Consortium Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2129);
“Completion”	the completion of the Acquisition in accordance with the Sale and Purchase Agreement;
“Completion Date”	the five (5) Business Days from the date of the Sale and Purchase Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration payable by the Purchaser for acquiring 70% of the entire issued and paid-up share capital of the Target Company pursuant to the Sale and Purchase Agreement;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	an independent third party(ies) which is/are not connected with the chief executive, directors and substantial shareholders of the Company or any of its subsidiaries and their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“Prospectus”	the prospectus of the Company dated 30 December 2020;
“Purchaser”	Rejoice Container Services (Pte) Ltd, a private company limited by shares under the laws of Singapore and a wholly-owned subsidiary of the Company;

“Sale and Purchase Agreement”	the sale and purchase agreement dated 7 July 2022 entered into between the Purchaser, the Vendor and the Target Company, pursuant to which the Vendor have agreed to sell and the Purchaser has agreed to purchase 70% of the entire issued and paid-up share capital of the Target Company at the total Consideration of S\$2,100,000;
“Sale Shares”	210,000 Shares representing 70% of the entire issued and paid-up share capital of the Target Company;
“Singapore”	the Republic of Singapore;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary/(ies)”	has the meaning ascribed to it under the Listing Rules;
“S\$”	Singapore dollar, the lawful currency of Singapore;
“Target Company”	Resolute Solutions Pte Ltd., a private company limited by shares incorporated on 24 January 2018 under the laws of Singapore, which is 70% held by the Vendor;
“Vendor”	Mr. Goh Xiujun, Andy;
“%”	per cent.

By Order of the Board
Legion Consortium Limited
Ng Choon Eng
Chairman, Chief Executive Officer and Executive Director

Singapore, 7 July 2022

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Ng Choon Eng and Mr. Ng Kong Hock; and three independent non-executive Directors, namely Mr. Ho Wing Sum, Mr. Yeo Teck Chuan and Mr. Teo Rainer Jia Kai.