Legion Consortium Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2129)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2022

The board (the "**Board**") of directors (the "**Directors**") of Legion Consortium Limited (the "**Company**") is pleased to present the unaudited consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2022 together with comparative figures for the corresponding period in 2021 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	**30 June 2022 (unaudited)**	30 June 2021 (unaudited)
		S$	S$
Revenue	*6*	**26,671,302**	21,425,543
Cost of services		**(19,090,534)**	(14,846,325)
Gross profit		**7,580,768**	6,579,218
Other income	*7*	**252,259**	428,321
Other gains and losses	*8*	**364,308**	173,134
Selling expense		**(51,714)**	(48,808)
Administrative expenses		**(4,888,001)**	(4,628,575)
Finance costs	*9*	**(75,383)**	(122,007)
Listing expenses	*10*	**—**	(815,030)
Profit before tax		**3,182,237**	1,566,253
Income tax expense	*11*	**(427,500)**	(420,492)
Profit and other comprehensive income for the period	*10*	**2,754,737**	1,145,761
Basic and diluted earnings per share (Singapore cents)	*13*	**0.22**	0.09

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	**As at 30 June 2022 (unaudited)**	As at 31 December 2021 (audited)
		S$	S$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*14*	**5,558,625**	6,642,386
Investment properties	*15*	**3,740,083**	3,834,655
Intangible assets	*16*	**76,992**	97,915
Deposits	*18*	**1,524,331**	3,418,468
		10,900,031	13,993,424
Current assets			
Trade receivables	*17*	**12,285,074**	10,887,339
Other receivables, deposits and prepayments	*18*	**2,043,823**	1,297,244
Amount due from related parties	*19*	**9,705**	373,268
Restricted bank deposit	*20*	**100,000**	550,000
Bank balances and cash	*20*	**26,932,416**	23,908,104
		41,371,018	37,015,955
Current liabilities			
Trade and other payables	*21*	**4,273,115**	4,050,473
Amount due to related parties	*19*	**63,860**	97,874
Bank borrowings	*22*	**43,290**	45,757
Lease liabilities	*23*	**2,029,595**	2,622,473
Provisions	*24*	**480,000**	389,000
Income tax payable		**826,665**	842,003
		7,716,525	8,047,580
Net current assets		**33,654,493**	28,968,375
Non-current liability			
Trade and other payables	*21*	**36,600**	472,200
Bank borrowings	*22*	**515,833**	535,058
Lease liabilities	*23*	**152,165**	768,352
Provisions	*24*	**—**	91,000
Deferred tax liabilities	*25*	**409,500**	409,500
		1,114,098	2,276,110
Total liabilities		**8,830,623**	10,323,690
Net assets		**43,440,426**	40,685,689
EQUITY			
Share capital	*26*	**2,133,905**	2,133,905
Reserves		**41,306,521**	38,551,784
Total equity attributable to owners of the Company		**43,440,426**	40,685,689

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 of the Company in Singapore is at 7 Keppel Road, #03-22, Tanjong Pagar Complex, Singapore and in Hong Kong is at Unit 912, 9/F, Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong.

The Company is an investment holding company. The Company's subsidiaries were engaged in the provision of trucking services, freight forwarding services, and value added transport services ("**VATS**").

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 January 2021 (the "**Listing**").

Mirana Holdings Limited ("**Mirana Holdings**"), a company incorporated in the British Virgin Islands (the "**BVI**"), is the immediate holding company of the Company, and in the opinion of the Directors, which is also the ultimate holding company of the Company.

As at 30 June 2022, the Company has direct and indirect interests in its subsidiaries, all of which are private limited liability companies (or, if incorporated outside Hong Kong, have substantially similar characteristics to a private company incorporated in Hong Kong), the particulars of which are set out below:

Company name	Country of incorporation	Percentage of equity attributable to the Company		Principal activities
		Direct	Indirect	
		%	%	
Held by the Company				
Clear Bliss Holdings Limited	BVI	100	—	Investment holding
Held through a subsidiary				
Rejoice Container Services (Pte) Ltd	Singapore	—	100	Trucking and VATS
Radiant Overseas Pte Ltd	Singapore	—	100	Freight forwarding
Richwell Global Forwarding Pte. Ltd.	Singapore	—	100	Freight forwarding
Real Time Forwarding Pte. Ltd.	Singapore	—	100	Freight forwarding
Will Knight Limited	Hong Kong	—	100	Business development

The historical financial information are expressed in Singapore dollars ("**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

For the purpose of the Listing, the companies comprising the Group underwent a group reorganisation (the "**Reorganisation**") as set out in the section headed "History, Development and Reorganisation" to the prospectus of the Company dated 30 December 2020.

The Group resulting from the Reorganisation is regarded as a continuing entity. Accordingly, the interim condensed consolidated financial statements have been prepared to include the financial statements of the companies now comprising the Group.

3 ADOPTION OF NEW AND REVISED STANDARDS

New and amended International Financial Reporting Standards ("IFRSs") that are effective for the current period

The Group has applied the following amendments to IFRSs to these financial statements for the current period:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform — phase 2
Amendments to IFRS 16	COVID-19-related rent concessions beyond 30 June 2021

Other than the amendments to IFRS 16, the Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance and/or on the disclosures set out in these consolidated financial statements.

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract[1]
Amendments to IFRSs	Annual improvements to IFRS standards 2018–2020 Cycle[1]
Amendments to IAS 16	Property, Plant and Equipment: Proceeds before intended use[1]
Amendments to IFRS 3	Reference to Conceptual Framework[1]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[2]
IFRS 17	Insurance Contracts and the Related Amendments[2]
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies[2]
Amendments to IAS 8	Definition of Accounting Estimates[2]
Amendments to IAS 12	Deferred tax related to Assets and Liabilities arising from a Single Transaction[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an investor and its Associate or Joint Venture[3]

The Directors do not expect that the adoption of the new and amendments to IFRSs and IASs listed above will have a material impact on the consolidated financial statements of the Group in future periods.

[1] *Effective for annual periods beginning on or after 1 January 2022*

[2] *Effective for annual periods beginning on or after 1 January 2023*

[3] *Effective for annual periods beginning on or after a date to be determined*

4 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The consolidated financial statements of the Group have been prepared in accordance with IFRS issued by the IASB.

In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the applicable disclosures required by the Companies Ordinance.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group's 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.

6 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of trucking services, freight forwarding services and VATS 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. During the six months ended 30 June 2022 and 2021, there is no inter-segment sales.

Information is reported to the Mr. Ng, 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
- VATS

No further detailed analysis of the Group's results nor assets and liabilities is regularly provided to the CODM for review.

An analysis of the Group's revenue and segment result for the financial periods are as follows:

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Revenue from external customers		
– Trucking services	**9,602,951**	8,750,185
– Freight forwarding services	**13,933,633**	10,204,942
– VATS	**3,134,718**	2,470,416
	26,671,302	21,425,543
Segment result		
– Trucking services	**2,336,752**	2,881,494
– Freight forwarding services	**3,830,530**	2,642,577
– VATS	**1,413,486**	1,055,147
	7,580,768	6,579,218

The Group derives its revenue from provision of trucking services, freight forwarding services and VATS over time. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

During the six months ended 30 June 2022 and 2021, the contract prices for trucking services and freight forward services are agreed based on factors such as weight and distance etc. and for VATS are based on storage space occupied and storage duration.

The accounting policies for segment information are the same as Group's accounting policies with segment results represent the profit earned by each segment without allocation of other income, other gains and losses, selling expenses, administrative expenses, impairment gains and losses (including reversals of impairment losses), finance costs and listing expenses.

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.

Information about major customers

During the six months ended 30 June 2022 and 2021, no single customer contributes 10% or more of total revenue of the Group.

7 OTHER INCOME

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Government grants (Note 1)	**57,327**	262,549
Interest income	**1,386**	3,419
Rental income	**131,331**	133,655
Yard utilities income	**62,215**	9,039
Others	**—**	19,659
	252,259	428,321

Note:

(1) The government grants received mainly comprise Wage Credit Scheme ("**WCS**"), Job Growth Incentive ("**JGI**"), Special Employment Credit ("**SEC**") and 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.

8 OTHER GAINS AND LOSSES

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Net impairment gain (loss)	**3,087**	(922)
(Loss)/Gain on disposal of property and equipment, net	**(31,309)**	30,669
Net foreign exchange gains	**392,530**	143,387
	364,308	173,134

9 FINANCE COSTS

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Interest on:		
Bank borrowings	**7,975**	18,562
Lease liabilities	**67,408**	103,445
	75,383	122,007

10 PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging (crediting):

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Depreciation of property, plant and equipment		
– Recognised as cost of services	**1,895,910**	1,567,606
– Recognised as administrative expenses	**289,361**	229,530
	2,185,271	1,797,136
Depreciation of investment property	**94,572**	93,049
Amortisation of intangible assets	**20,923**	21,394
Listing expenses	**—**	815,030
Directors' remuneration	**546,921**	621,109
Other staff costs:		
– Salaries and other benefits	**3,965,355**	4,033,114
– Contributions to CPF	**343,488**	331,471
Total staff costs (including directors' remuneration) (Note i)	**4,855,764**	4,985,694
Gross rental income from investment property recognised as other income (Note 7)	**131,331**	133,655
Less: Direct operating expenses incurred for investment property that generated rental income	**(119,474)**	(120,155)
	11,857	13,500

Note:

(i) The total staff costs of S$1,315,334 (30 June 2021: S$1,497,163) is included in cost of services and S$3,540,430 (30 June 2021: S$3,488,531) is included in administrative expenses respectively.

11 INCOME TAX EXPENSE

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Tax expense comprises:		
Current tax:		
– Singapore corporate income tax (“**CIT**”)	**427,500**	477,492
Deferred tax expense (Note 25)	**—**	(57,000)
	427,500	420,492

Singapore CIT is calculated at 17% of the estimated assessable profit and the subsidiaries in Singapore 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$190,000 of chargeable income for both the Year of Assessment 2022 and 2023.

The income tax expense for the period can be reconciled to the profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Profit before taxation	**3,182,237**	1,566,253
Tax at applicable tax rate of 17%	**540,980**	266,263
Tax effect of expenses not deductible for tax purpose	**391,130**	201,671
Tax effect of income not taxable for tax purpose	**(473,512)**	(16,344)
Effect of tax concessions and partial tax exemptions	**(31,098)**	(31,098)
Taxation for the period	**427,500**	420,492

12 DIVIDENDS

No dividend has been declared by the Company or any Group entities during the six months ended 30 June 2022 and 2021 or subsequent to the month end.

13 EARNINGS PER SHARE

	30 June 2022 (unaudited)	30 June 2021 (unaudited)
Profit for the period attributable to the owners of the Company (S$)	**2,754,737**	1,145,761
Weighted average number of ordinary shares in issue	**1,250,000,000**	1,250,000,000
Basic and diluted earnings per share (S$ cents)	**0.22**	0.09

The calculation of basic earnings per share for the six months ended 30 June 2022 and 2021 is based on the profit for the period attributable to owners of the Company and the weighted average number of shares in issue.

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive securities that are convertible into shares during the six months ended 30 June 2022 and 2021.

14 PROPERTY, PLANT AND EQUIPMENT

	Machinery	Computer and office equipment	Motor vehicles	Leasehold buildings	Leasehold improvement	Furniture and fittings	Total
	S$	S$	S$	S$	S$	S$	S$
Cost:							
At 1 January 2021	1,304,784	523,778	13,085,749	7,090,464	1,121,973	54,566	23,181,314
Additions	31,000	105,639	157,385	1,940,038	379,073	13,784	2,626,919
Disposals/Written off	—	(48,170)	(1,463,539)	(217,577)	—	—	(1,729,286)
At 31 December 2021	**1,335,784**	**581,247**	**11,779,595**	**8,812,925**	**1,501,046**	**68,350**	**24,078,947**
Additions	**—**	**21,997**	**554,798**	**524,297**	**29,298**	**10,255**	**1,140,645**
Disposals/Written off	**—**	**—**	**(472,992)**	**(1,571,763)**	**—**	**—**	**(2,044,755)**
At 30 June 2022	**1,335,784**	**603,244**	**11,861,401**	**7,765,459**	**1,530,344**	**78,605**	**23,174,837**
Accumulated depreciation:							
At 1 January 2021	1,260,364	386,036	9,678,401	2,772,713	1,059,078	50,932	15,207,524
Charge for the year	27,347	63,351	666,247	3,013,436	119,155	3,542	3,893,078
Disposals/Written off	—	(48,171)	(1,398,293)	(217,577)	—	—	(1,664,041)
At 31 December 2021	**1,287,711**	**401,216**	**8,946,355**	**5,568,572**	**1,178,233**	**54,474**	**17,436,561**
Charge for the period	**14,573**	**31,599**	**342,980**	**1,711,635**	**80,266**	**4,218**	**2,185,271**
Disposals/Written off	**—**	**—**	**(433,857)**	**(1,571,763)**	**—**	**—**	**(2,005,620)**
At 30 June 2022	**1,302,284**	**432,815**	**8,855,478**	**5,708,444**	**1,258,499**	**58,692**	**17,616,212**
Carrying amounts:							
At 31 December 2021	48,073	180,031	2,833,240	3,244,353	322,813	13,876	6,642,386
At 30 June 2022	**33,500**	**170,429**	**3,005,923**	**2,057,015**	**271,845**	**19,913**	**5,558,625**

The above items of property, plant and equipment are depreciated on a straight-line basis at the following useful lives:

Machinery	5 years
Computer and office equipment	3 – 5 years
Motor	10 years
Leasehold buildings	Lease terms of 2 – 3 years
Leasehold improvement	Shorter of 5 years and lease term
Furniture and fittings	3 – 5 years

The carrying value of rights-of-use assets and the depreciation by classes of rights-of-use assets are set out as below:

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Carrying values		
Leasehold buildings	**2,057,015**	3,244,353
Computer and office equipment	**63,636**	72,520
Motor vehicles	**988,455**	1,064,776
	3,109,106	4,381,649

	For the six months ended	
	30 June 2022 (unaudited)	30 June 2021 (unaudited)
	S$	S$
Depreciation recognised in profit and loss		
Leasehold buildings	**1,711,636**	1,365,086
Computer and office equipment	**8,884**	9,774
Motor vehicles	**76,321**	—
	1,796,841	1,374,860
Additions		
Leasehold buildings	**524,298**	1,597,722
Computer and office equipment	**—**	—
Motor vehicles	**—**	—
	524,298	1,597,722

15 INVESTMENT PROPERTIES

	Investment properties
	S$
Cost:	
At 1 January 2021, 31 December 2021 and 30 June 2022	**5,528,341**
Accumulated depreciation:	
At 1 January 2021	1,504,546
Charge for the year	189,140
At 31 December 2021	1,693,686
Charge for the period	94,572
At 30 June 2022	**1,788,258**
Carrying amount:	
At 31 December 2021	3,834,655
At 30 June 2022	**3,740,083**

The investment properties comprise industrial properties that are leased to external customers. The leases contain initial non-cancellable period of between 1 to 3 years. Subsequent renewal are negotiated with the lessees. Investment properties with net carrying value amounting to S$930,304 (31 December 2021: S$950,976) are mortgaged to the bank to secure bank loans (Note 22).

The above items of investment properties are depreciated on a straight-line basis over 30 years after taking into account the residual values.

As at 30 June 2022, the fair values of the investment property amounted to S$5,900,000. The fair value measurement of the Group's investment property as at 31 August 2020 was carried out by Ravia Global Appraisal Advisory Limited, an independent valuer not related to the Group, and who has the appropriate qualifications and relevant experience. Management has assessed that the key inputs and assumptions used by the valuer for valuation date 31 August 2020 remain applicable and reasonable as at 31 December 2021 and 30 June 2022. The fair values are based on comparable market transactions of similar properties in the neighbourhood that have been transferred in the open market.

The investment properties are categorised within level 3 of the fair value hierarchy.

In estimating the fair value of the property, the highest and best use of the property is its current use.

16 INTANGIBLE ASSETS

	Software
	S$
Cost:	
At 1 January 2021	342,641
Charge for the year	7,376
At 31 December 2021	350,017
Charge for the period	—
At 30 June 2022	**350,017**
Accumulated amortisation:	
At 1 January 2021	209,376
Charge for the year	42,726
At 31 December 2021	252,102
Charge for the period	20,923
At 30 June 2022	**273,025**
Carrying values:	
At 31 December 2021	97,915
At 30 June 2022	**76,992**

The intangible assets included above consist of software with useful live of 3 to 5 years, over which the assets are amortised, after taking into account the residual values.

17 TRADE RECEIVABLES

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Trade receivables	**12,362,293**	11,031,168
Allowance for doubtful receivable	**(77,219)**	(143,829)
	12,285,074	10,887,339

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 for trade receivables.

The following is an aged analysis of trade receivables, net of allowance for doubtful debts, presented based on the invoice date which approximated the revenue recognition date at the end of each financial period:

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Within 30 days	**6,663,197**	5,096,742
31 days to 60 days	**1,914,611**	2,446,328
61 days to 90 days	**1,217,787**	946,611
91 days to 180 days	**1,109,735**	965,383
181 days to 1 year	**325,750**	668,684
Over 1 year	**1,053,994**	763,591
	12,285,074	10,887,339

The following table shows the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (credit-impaired)
	S$
1 January 2021	149,277
Write-offs	(3,448)
Reversal of provision from prior year	(2,000)
31 December 2021	**143,829**
Write-offs	**(66,610)**
30 June 2022	**77,219**

18 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Rental and other deposits (Note a)	**2,859,220**	4,234,098
Prepayments	**232,887**	370,672
Staff advances	**46,350**	48,050
Others	**429,697**	62,892
	3,568,154	4,715,712
Analysed as:		
– Current	**2,043,823**	1,297,244
– Non-current	**1,524,331**	3,418,468
	3,568,154	4,715,712

Note:

(a) The deposit balances pertains to non-current deposit of yard, warehouse and office rental amounted to S$24,331 (31 December 2021: S$418,468). As at 30 June 2022, included in the non-current deposits was a refundable deposit of S$1,500,000 (31 December 2021: S$3,000,000) paid by the Group in respect of a strategic acquisition.

19 AMOUNT DUE FROM (TO) RELATED PARTIES

The average credit period for services provision from/to the related parties is 30 days. The balances as at 30 June 2022 are aged within 30 days (31 December 2021: 30 days) presented based on the invoice date.

20 BANK BALANCES AND CASH

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Cash and bank balances	**26,932,416**	23,908,104
Pledged deposits	**100,000**	550,000
	27,032,416	24,458,104

As at 30 June 2022, bank balances of S$26,932,416 (31 December 2021: S$23,908,104) carry interest ranging from 0.01% to 2.4% (31 December 2021: 0.01% to 0.05%) per annum.

As at 30 June 2022, included in the pledged deposit of S$100,000 (31 December 2021: S$550,000) represents restricted bank deposit for issuance of letter of credits with original maturity of 1 year.

21 TRADE AND OTHER PAYABLES

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Trade payables	**1,951,600**	1,945,208
GST payables	**188,050**	177,486
Customer deposits	**825,518**	815,380
Accrued operating expenses	**1,340,200**	1,577,061
Others	**4,347**	7,538
	4,309,715	4,522,673
Analysed as:		
– Current	**4,273,115**	4,050,473
– Non-current (Note a)	**36,600**	472,200
	4,309,715	4,522,673

Note:

(a) Non-current trade and other payables arise from customer deposit rental for yard and investment properties rental. The lease term for these yard and investment properties rental range from 2 to 3 years (31 December 2021: 1 to 3 years).

The following is an aged analysis of trade payables presented based on the invoice date at the end of each reporting period:

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Within 30 days	**1,266,269**	1,421,308
31 to 60 days	**499,914**	378,440
61 to 90 days	**106,437**	38,503
Over 90 days	**78,980**	106,957
	1,951,600	1,945,208

The credit period on purchases from suppliers is between 0 to 30 days or payable upon delivery.

22 BANK BORROWINGS

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Secured and guaranteed - at amortised cost:		
Bank loans	**559,123**	580,815
Analysed as:		
Carrying amount repayable:		
– Within one year	**43,290**	45,757
– More than one year, but not exceeding two years	**44,737**	46,666
– More than two years, but not exceeding five years	**143,378**	145,748
– More than five years	**327,718**	342,644
	559,123	580,815
Less: Amount due for settlement within 12 months (show under current liabilities)	**(43,290)**	(45,757)
Amount due for settlement after one year shown under non-current liabilities	**515,833**	535,058

The bank borrowings are secured by:

(i) First legal mortgage over the Group's investment properties (Note 15); and

(ii) As at 31 December 2021, guarantee from a director of the Group in his personal capacity. As at 30 June 2022, the guarantee has changed to corporate guarantee from the Company.

As at 30 June 2022, the weighted average effective interest rate of the loans is ranged 2.00% to 4.04% (31 December 2021: 2.00% to 6.25%). The amounts are repayable at the dates throughout to 2033.

23 LEASE LIABILITIES

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
Minimum lease payments due:		
– Within one year	**2,029,595**	2,622,473
– More than one year but not more than two years	**119,815**	675,222
– More than two years but not more than five years	**32,350**	93,130
	2,181,760	3,390,825
Less: Amount due for settlement within one year shown under current liabilities	**(2,029,595)**	(2,622,473)
Amount due for settlement after one year shown under non-current liabilities	**152,165**	768,352

The Group leases offices, staff dormitory and warehouses, computer and office equipment 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.

24 PROVISIONS

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
At beginning of the period and at the end of the period	**480,000**	480,000
Analysed as:		
– Current	**480,000**	389,000
– Non-current	**—**	91,000
	480,000	480,000

Provisions for reinstatement cost were recognised for the expected costs associated with restoring the requirements of the lease contract, based on the estimated costs of dismantlement, removal and restoration to be incurred for yard spaces. The provisions is based on estimates made from historical data associated with reinstatement works incurred for similar properties, adjusted for the size of the properties.

25 DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and the movements thereon:

	As at 30 June 2022 (unaudited)	As at 31 December 2021 (audited)
	S$	S$
At the beginning of the period	**409,500**	426,500
Credit to profit or loss for the period (Note 11)	**—**	(17,000)
At the end of the period	**409,500**	409,500

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 law in Singapore.

26 SHARE CAPITAL

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 13 January 2021 by way of placement of 156,250,000 ordinary shares and public offer of 156,250,000 ordinary shares at the price of HK$0.40 per share (“**Share Offer**”).

	Number of ordinary shares	Par Value	Share capital
		HK$	HK$
Authorised share capital of the Company:			
As at 1 January 2021, 31 December 2021 and 30 June 2022	2,000,000,000	0.01	20,000,000

	Number of ordinary shares	Share capital
		S$
Issued and fully paid of the Company		
At 1 January 2021	78,125,000	134,698
Capitalisation issue (Note a)	937,500,000	1,599,366
Issue of shares under the initial public offering (Note b)	234,375,000	399,841
At 31 December 2021 and 30 June 2022	1,250,000,000	2,133,905

* The amount is less than S$1.

Notes:

(a) Pursuant to the written resolution passed on 18 December 2020, it was resolved that 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; and an amount of HK$9,375,000 (equivalents to approximately S$1,599,365) which is standing to the credit of the share premium account of the Company is capitalised and applied to pay up in full at par a total of 937,500,000 shares for allotment, each ranking pari passu in all respects with the shares then in issue.

(b) On 13 Janaury 2021, in connection with the Listing, the Company issued 234,375,000 ordinary shares of HK$0.01 each (a public offer of 156,250,000 shares and placement of 78,125,000 shares) at a price of HK$0.40 per share (equivalent to approximately S$0.07 per share) for a total of HK$93,750,000 (equivalent to S$15,993,654) with issuance costs amounted to S$3,244,391 being charged to the Company’s share premium account.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

The Group is a well-established logistics service provider in Singapore offering trucking, freight forwarding and VATS to our customers.

The Group has developed a reputation as an integrated logistics solution provider equipped with a vehicle fleet, logistics yards, and experienced management team. We navigate the complexities of sea, air, and road logistics to move cargo more efficiently.

As at 30 June 2022, the Group had a vehicle fleet comprising 49 prime movers, 466 trailers and two flat vans, and machineries comprising two reach stackers and three forklifts. Furthermore, 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 VATS.

Prospects

The Group has managed well on the uncertainties and challenges attributable to geopolitical tensions, macro situations around the pandemic. We expect the lingering industrywide supply chain shocks to continue to have an ongoing impact on our freight and logistics business. Meanwhile, on the demand front, we saw a deceleration growth momentum for our services since 2021 compared to prior year, we expect this trend to continue through 2022. However, the logistics sector remains a key cornerstone of Singapore's economy. Not only does it play a critical role in connecting various supply chains, it also supports the operational continuity of other industries.

In preparation for the post-pandemic, the Group continues to identify Potential Targets and investments in VATS and operational scale through the strategic acquisition of logistics company which provides warehousing services and the expansion of our open-yard storage services, as well as improvements for our existing business.

In the first half of 2022, the Group constantly seeking ways to enhance our operational efficiency and the profitability of our business. The Group will also proactively explore opportunities to expand our customer base and our market share which will boost value to our shareholders.

The net proceeds from the Share Offer will provide financial resources to the Group to meet and achieve our business objectives and strategies which will further strengthen the Group's market position in Singapore.

We will also devote resources to improving the efficiency of our processes and through all these, enhance the value brought to our stakeholders.

FINANCIAL REVIEW

Revenue

Revenue increased by approximately 24.8% from approximately S$21.4 million for the six months ended 30 June 2021 to approximately S$26.7 million for the six months ended 30 June 2022. The increase was mainly attributable to the opening of global economy following better control of the COVID-19 situation following by aggressive vaccination efforts.

Trucking services

Our Group's trucking services revenue was approximately S$8.7 million and S$9.6 million for the six months ended 30 June 2021 and 2022 respectively. Trucking revenue consists of revenue from transportation fees in relation to the transportation of cargo. The increase of S$0.9 million or 10.3% was mainly due to re-opening border and lifting the restrictions imposed by the Singapore government to control the COVID-19 situation earlier which has greatly impact the driver's retention and recruitment efforts causing driver shortage, and the slowdown in customers importing COVID-19 essentials in 2021.

Freight forwarding services

Our Group's revenue from freight forwarding services was approximately S$10.2 million and S$13.9 million for the six months ended 30 June 2021 and 2022 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. The increase of S$3.7 million or 36.3% was due to the recovery of the global trade from COVID-19.

VATS

Our Group's revenue from VATS was approximately S$2.5 million and S$3.1 million for the six months ended 30 June 2021 and 2022 respectively. Revenue from VATS 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 increase of S$0.6 million or 24.0% was due to the revenue generated from the new logistics yard leased in May 2021 with ad-hoc storage.

Gross Profit and Gross Profit Margin

For the six months ended 30 June 2021 and 2022, we recorded a gross profit of approximately S$6.6 million and S$7.6 million respectively. The increase of S$1.0 million or approximately 15.2% was due to the recovery of global trade from COVID-19 on the local trucking and freight forwarding industry. Trucking services accounted for approximately 43.9% and 30.9% of our total gross profit for the six months ended 30 June 2021 and 2022 respectively. Freight forwarding services accounted for approximately 39.4% and 50.5% of our total gross profit for the six months ended 30 June 2021 and 2022 respectively. VATS accounted for approximately 16.7% and 18.6% of our total gross profit for the six months ended 30 June 2021 and 2022 respectively.

For the six months ended 30 June 2021 and 2022, we recorded a gross profit margin of approximately 30.8% and 28.5% respectively. Gross profit margin for trucking services were approximately 33.3% and 24.0% for the six months ended 30 June 2021 and 2022 respectively. The decrease in gross profit margin of trucking services was due to the increase in trucking cost of services. Gross profit margin for freight forwarding services increased from approximately 25.5% to 27.3% for the six months ended 30 June 2021 and 2022 respectively due to the increase in global freight prices. Gross profit margin for VATS increased from approximately 44.0% to 45.2% for the six months ended 30 June 2021 and 2022 respectively. The increase in gross profit margin of VATS was due to the new logistics yard leased in May 2021 with ad-hoc storage.

Other income

Our Group reported other income of approximately S$0.4 million and S$0.3 million for the six months ended 30 June 2021 and 2022 respectively. Other income mainly relates to government grants which mainly comprise of the WCS, JGI, SEC and JSS, interest income and rental income from investment properties.

Other gains and losses

Our Group reported other gains of approximately S$0.2 million and S$0.4 million for the six months ended 30 June 2021 and 2022. Other gains and losses relate to (loss)/gain on disposal of property and equipment, net impairment gains or losses and net foreign exchange gains.

Administrative expenses

Our Group reported administrative expenses of approximately S$4.6 million and S$4.9 million for the six months ended 30 June 2021 and 2022 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 increase in the administrative expenses of approximately S$0.3 million is mainly due to the increase in depreciation of property, plant and equipment raised by additional property, plant and equipment.

Income tax expense

As our operations are based in Singapore, the Group is liable to pay corporate income tax in accordance with the tax regulations of Singapore. Income tax expense of the Group amounted to approximately S$0.4 million for both the six months ended 30 June 2021 and 2022 respectively.

The statutory corporate tax rate in Singapore was 17% for the six months ended 30 June 2021 and 2022, while our corresponding effective tax rates were approximately 25.0% and 12.5% respectively. The lower effective tax rate for the six months ended 30 June 2021 and 2022 as compared to the statutory corporate tax rate in Singapore were mainly due to the listing expenses incurred in 2021 periods which are non-deductible expenses for tax purpose.

Profit for the period

As a result of the foregoing, profit increased by approximately S$1.7 million from approximately S$1.1 million for the six months ended 30 June 2021 to approximately S$2.8 million for the six months ended 30 June 2022. Net profit margin increased from approximately 5.1% for the six months ended 30 June 2021 to approximately 10.5% for the six months ended 30 June 2022.

Interim dividend

The Board did not recommend a payment of an interim dividend for both the six months ended 30 June 2021 and 2022.

Liquidity and capital assets

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 13 January 2021 (the "**Listing Date**") and there has been no change in capital structure of the Group since then. The capital structure of the Group consists of debt, which includes amount due to related parties, trade and other payables, bank borrowings and lease liabilities as disclosed in Notes 19, 21, 22 and 23, to the consolidated financial statements of the Group for the six months ended 30 June 2022, respectively, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves.

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 30 June 2021 and 2022, we had bank balances and cash of approximately S$23.9 million and S$26.9 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 bank balances and cash of the Group, mainly denominated in SGD, HKD and USD, are generally deposited with authorised financial institutions. As at 30 June 2022, approximately 86.6% (31 December 2021: 43%) of the Group's bank balances and cash was denominated in SGD, approximately 3.8% (31 December 2021: 46%) was denominated in HKD and approximately 9.6% (31 December 2021: 11%) denominated in USD.

As at 30 June 2022, the Group had banking facilities with credit limit amounting to approximately S$0.1 million (31 December 2021: S$0.6 million). There was no unutilised credit facilities at the end of the period.

As at 30 June 2022, the gearing ratio of the Group, based on total interest-bearing liabilities (including bank borrowings and lease liabilities) to total equity (including all capital and reserves) of the Company was approximately 6.3% (31 December 2021: 9.8%). The decrease in gearing ratio was mainly attributable to the decrease in bank borrowings and lease liabilities.

Foreign currency exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. The Group currently does not have a foreign currency hedging policy but maintains a conservative approach to foreign currency management to ensure its exposure to fluctuations in foreign exchange rates is minimised.

Pledge of assets

The deposit of S$0.1 million (31 December 2021: S$0.6 million) is pledged as security with a financial institution to obtain letter of credit facilities with original maturity of 1 year.

Significant investment held, material acquisitions and disposal of subsidiaries, associated companies or joint ventures

Apart from the Reorganisation in relation to the Listing (as set out under the section headed "History, Development and Reorganisation" of the prospectus of the Company dated 30 December 2020 (the "**Prospectus**")), there were no significant investments held, material acquisitions or disposals of subsidiaries, associated companies or joint ventures by the Group during the six months ended 30 June 2022.

Save for the business plan as disclosed in the Prospectus, there was no plan for material investments or capital assets as at 30 June 2022.

Future plans for material investments or capital assets

Save as disclosed in the Prospectus, the Group did not have other future plans for material investments or capital assets as at 30 June 2022.

Employees and remuneration policy

As at 30 June 2022, the Group had a total of 169 employees (31 December 2021: 163 employees), including executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes in the six months ended 30 June 2022 amounted to approximately S$4.9 million (30 June 2021: approximately S$5.0 million). In order to attract and retain high quality staff and to enable smooth operation within the Group, the remuneration policy and package of the Group's employees are periodically reviewed. The salary and benefit levels of the employees of the Group are competitive (with reference to market conditions and individual qualifications and experience). The Group provides adequate job training to the employees to equip them with practical knowledge and skills. Apart from central provident fund and job training programs, salaries increment and discretionary bonuses may be awarded to employees according to the assessment of individual performance and market situation. The emoluments of the Directors have been reviewed by the remuneration committee of the Company, having regard to the Company's operating results, market competitiveness, individual performance and achievement, and approved by the Board.

Capital commitments and contingent liabilities

As at 30 June 2022, the Group had no capital commitment and contingent liabilities.

Use of proceeds from the Listing

The Group intends to apply the net proceeds from the issuance of 312,500,000 shares at the offer price of HK$0.40 per Share in accordance with the proposed applications as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. After deducting share issuance expense and professional fee relating to the Share Offer, the net proceeds amounted to approximately HK$41.5 million (equivalent to approximately S$7.2 million).

The below table sets out the proposed applications of the net proceeds:

	Percentage of net proceeds	Planned usage of net proceeds	Utilised net proceeds up to the date of this announcement	Unutilised net proceeds up to the date of this announcement	Expected timeline for utilising the remaining proceeds
	%	*HK$ million (approximately)*	*HK$ million (approximately)*	*HK$ million (approximately)*	
Strategic Acquisition	42.6%	17.7	—	17.7	Before 31 December 2022
Expansion of our fleet in relation to our trucking services segment	39.7%	16.5	1.9	14.6	Before 31 December 2023
Increase and strengthen our freight forwarding services segment	6.1%	2.5	1.9	0.6	Before 31 December 2023
Purchase of an accounting and operations system	11.1%	4.6	—	4.6	Before 31 December 2022
Working capital and other general corporate purposes	0.5%	0.2	0.2	—	
	100%	41.5	4.0	37.5	

The Company has been looking at prospective targets. 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. Moreover, there have been labour shortages in Singapore due to COVID-19 related border restrictions, the Company expects more time to recruit drivers, perform trucking fleet expansion and undergo expansion on freight forwarding services segment.

The Directors expect the COVID-19 pandemic to continue to present severe challenges to our operating environment and our use of the net proceeds in 2022. The Directors will from time to time assess the business objectives and the use of the net proceeds for the Company's benefit to cope with the changing market conditions.

Events after the reporting period

Reference is made to an announcement of the Company dated 7 July 2022. The Group 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 Group agreed to purchase and the Vendor 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.

Compliance with the model code for securities transactions by directors of listed issuers (the "Model Code")

The Company has adopted the Model Code as rules governing dealings by the Directors in the listed securities of the Company on 13 January 2021. Based on specific enquiry with the Directors, all the Directors have compiled with the required standards as set out in the code conduct and the Model Code since the Listing Date and up to the date of this announcement.

Corporate governance

During the six months ended 30 June 2022, the Company complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") except for the following deviation:

CG Code C.2.1

The Company is aware of the requirement under paragraph C.2.1 of the CG Code that the roles of chairman and chief executive should be separated and should not be performed by the same individual. The Company does not separately have any officer with the title of "chief executive". Mr. Ng Choon Eng, the chairman of the Board, executive Director and chief executive officer of the Company, is also responsible for the leadership and effective running of the Board, ensuring that all material issues are decided by the Board in a conducive manner. The Board will meet regularly to consider major matters affecting the operations of the Group. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company. The roles of the respective executive Directors and senior management, who are in charge of different functions complement the role of the chairman and chief executive. The Board is of the view that this structure provides the Group with strong and consistent leadership, facilitates effective and efficient planning and implementation of business decisions and strategies, and ensures the generation of shareholders' benefits.

The Board shall nevertheless review the structure from time to time to ensure appropriate measures would be taken should suitable circumstance arise.

Purchase, sale or redemption of the Company's listed securities

During the six months ended 30 June 2022 and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient amount of public float for its shares as required under the Listing Rules during the six months ended 30 June 2022 and up to the date of this announcement.

Audit committee

The Company has established the audit committee (the "**Audit Committee**") in accordance with the requirements of the Listing Rules for the purpose of, among others, reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls systems.

The Audit Committee has reviewed the Group's unaudited consolidated financial statements for the six months ended 30 June 2022 and discussed with the management of the Company on the accounting principles and practices adopted by the Group with no disagreement by the Audit Committee.

The interim financial results of the Group for the six months ended 30 June 2022 are unaudited but have been reviewed and approved by the Audit Committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements as well as the Listing Rules and that adequate disclosures have been made.

Publication of interim results announcement and interim report

This announcement is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.legionconsortium.com. The interim report of the Company for the six months ended 30 June 2022 will be dispatched to the shareholders of the Company and published on the aforesaid websites in due course.

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

Hong Kong, 31 August 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.