

LEGION CONSORTIUM LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2129



2022
INTERIM REPORT



CONTENTS

	Page
1 Corporate Information	2
2 Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
3 Interim Condensed Consolidated Statement of Financial Position	5
4 Interim Condensed Consolidated Statement of Changes in Equity	7
5 Interim Condensed Consolidated Statement of Cash Flows	8
6 Notes to the Interim Condensed Consolidated Financial Statements	10
7 Management Discussion and Analysis	36
8 Other Information	45



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Ng Choon Eng

(Chairman and Chief Executive Officer)

Mr. Ng Kong Hock

Independent Non-Executive Directors

Mr. Yeo Teck Chuan

Mr. Ho Wing Sum

Mr. Teo Rainer Jia Kai

AUDIT COMMITTEE

Mr. Yeo Teck Chuan *(Chairman)*

Mr. Ho Wing Sum

Mr. Teo Rainer Jia Kai

REMUNERATION COMMITTEE

Mr. Ho Wing Sum *(Chairman)*

Mr. Yeo Teck Chuan

Mr. Teo Rainer Jia Kai

Mr. Ng Kong Hock

NOMINATION COMMITTEE

Mr. Teo Rainer Jia Kai *(Chairman)*

Mr. Yeo Teck Chuan

Mr. Ho Wing Sum

Mr. Ng Kong Hock

COMPANY SECRETARY

Mr. Man Yun Wah *(ACG, HKACG)*

AUTHORISED REPRESENTATIVES

Mr. Ng Kong Hock

Mr. Man Yun Wah

REGISTERED OFFICE

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

7 Keppel Road, #3-20/21/22/23/24

Tanjong Pagar Complex

Singapore, 089053

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 912, 9/F, Two Harbourfront

22 Tak Fung Street, Hunghom

Kowloon, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited

Windward 3, Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

CORPORATE INFORMATION

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited
Suites 3301-04, 33/F.
Two Chinachem Exchange Square
338 King's Road, North Point
Hong Kong

COMPLIANCE ADVISER

Ample Capital Limited
Unit A, 14/F.
Two Chinachem Plaza
135 Des Voeux Road Central
Central
Hong Kong

PRINCIPAL BANKS

Malayan Banking Berhad
United Overseas Bank Limited

AUDITOR

Crowe (HK) CPA Limited
9/F Leighton Centre
77 Leighton Road
Causeway Bay, Hong Kong

COMPANY'S WEBSITE

www.legionconsortium.com

STOCK CODE

2129

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 (Unaudited) S\$	2021 (Unaudited) 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	214,578	428,321
Other gains and losses	8	401,989	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	10	3,182,237	1,566,253
Income tax expense	11	(427,500)	(420,492)
Profit and other comprehensive income for the period		2,754,737	1,145,761
Basic and diluted earnings per share (Singapore cents)	13	0.22	0.09

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) 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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

	Share capital S\$	Share premium S\$	Other reserve (Note a) S\$	Retained earnings S\$	Total S\$
Balance at 1 January 2021 (Audited)	134,698	–	5,194,165	19,751,211	25,080,074
Profit for the period, representing total comprehensive income for the period	–	–	–	1,145,761	1,145,761
Transactions with owners, recognised directly in equity					
Issue of new shares upon initial public offering (Note 26b)	399,842	15,593,812	–	–	15,993,654
Capitalisation issue of shares (Note 26a)	1,599,365	(1,599,365)	–	–	–
Shares issuance costs (Not 26b)	–	(3,244,391)	–	–	(3,244,391)
	1,999,207	10,750,056	–	1,145,761	13,895,024
Balance at 30 June 2021 (Unaudited)	2,133,905	10,750,056	5,194,165	20,896,972	38,975,098
Balance at 1 January 2022 (Audited)	2,133,905	10,750,056	5,194,165	22,607,563	40,685,689
Profit for the period, representing total comprehensive income for the period	–	–	–	2,754,737	2,754,737
Balance at 30 June 2022 (Unaudited)	2,133,905	10,750,056	5,194,165	25,362,300	43,440,426

Note:

a. Other reserves includes:

- 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. The balance of S\$1,865,306 represents difference between the share capital of Rejoice, Radiant, Richwell Global Forwarding Pte. Ltd. (“**Richwell**”), Real Time Forwarding Pte. Ltd. (“**Real Time**”) and Clear Bliss Holdings Limited (“**Clear Bliss**”) at the date on which they were acquired by the Group and the share capital issued by the Company as consideration for the acquisition.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Operating activities		
Profit before tax	3,182,237	1,566,253
Adjustments for:		
Impairment gains and losses (including reversals of impairment losses) on financial assets	(3,087)	922
Depreciation and amortisation	2,300,766	1,911,579
Finance costs	75,383	122,007
Interest income	(1,386)	(3,419)
Gain on disposal of property, plant and equipment	(6,372)	(30,669)
Operating cash flows before movements in working capital	5,547,541	3,566,673
(Increase)/decrease in trade receivables	(1,394,648)	354,184
Decrease in amount due from related parties	363,563	2,805
Increase in other receivables, deposits and prepayments	(352,442)	(58,600)
Decrease in trade and other payables	(212,958)	(725,888)
Decrease in amount due to related parties	(34,014)	(16,779)
Cash generated from operations	3,917,042	3,122,395
Income taxes paid	(442,838)	(873,656)
Net cash from operating activities	3,474,204	2,248,739

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2022

	For the six months ended 30 June	
	2022	2021
	(Unaudited) S\$	(Unaudited) S\$
Investing activities		
Proceeds from disposal of property, plant and equipment	45,507	50,343
Purchase of property, plant and equipment	(1,140,645)	(390,022)
Interest received	1,386	3,419
Receipts from refundable deposit paid for strategic acquisition	1,500,000	–
Purchase on intangible assets	–	(5,991)
Release of restricted bank deposit	450,000	–
Issue costs paid on behalf of a shareholder	–	(75,667)
Net cash from (used in) investing activities	856,248	(417,918)
Financing activities		
Proceed from share issues	–	12,749,263
Interest paid on bank borrowings	(7,975)	(18,562)
Interest paid on lease liabilities	(67,408)	(103,445)
Repayments of borrowings	(21,692)	(493,154)
Repayment of lease liabilities	(1,209,065)	(1,516,966)
Issue costs paid	–	(2,505,072)
Net cash (used in) from financing activities	(1,306,140)	8,112,064
Net increase in cash and cash equivalents	3,024,312	9,942,885
Cash and cash equivalents at beginning of financial period	23,908,104	12,740,393
Cash and cash equivalents at end of financial period, represented by bank balances and cash	26,932,416	22,683,278

NOTES TO THE INTERIM CONDENSED 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, Hungghom, Kowloon, Hong Kong.

The Company is an investment holding company. The Company's subsidiaries were principally 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

1 GENERAL *(Continued)*

The historical financial information are expressed in Singapore dollars (“S\$”), which is also the functional currency of the Company.

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
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Amendments to IFRS 16	COVID-19-related rent concessions beyond 30 June 2021
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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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

3 ADOPTION OF NEW AND REVISED STANDARDS *(Continued)*

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

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) S\$	30 June 2021 (Unaudited) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

6 REVENUE AND SEGMENT INFORMATION *(Continued)*

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) S\$	30 June 2021 (Unaudited) S\$
Government grants (Note a)	57,327	262,549
Interest income	1,386	3,419
Rental income	131,331	133,655
Yard utilities income	24,534	9,039
Others	–	19,659
	214,578	428,321

Note:

- (a) 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) S\$	30 June 2021 (Unaudited) S\$
Net impairment gain (loss)	3,087	(922)
Gain on disposal of property, plant and equipment, net	6,372	30,669
Net foreign exchange gains	392,530	143,387
	401,989	173,134

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

9 FINANCE COSTS

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

10 PROFIT BEFORE TAX

Profit before tax is arrived at after charging (crediting):

	30 June 2022 (Unaudited) S\$	30 June 2021 (Unaudited) 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 (Note 27)	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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

10 PROFIT BEFORE TAX *(Continued)*

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) S\$	30 June 2021 (Unaudited) 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) S\$	30 June 2021 (Unaudited) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 S\$	Computer and office equipment S\$	Motor vehicles S\$	Leasehold buildings S\$	Leasehold improvement S\$	Furniture and fittings S\$	Total 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

14 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

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) S\$	As at 31 December 2021 (Audited) S\$
<i>Carrying values</i>		
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

14 PROPERTY, PLANT AND EQUIPMENT *(Continued)*

	For the six months ended	
	30 June 2022 (Unaudited) S\$	30 June 2021 (Unaudited) S\$
<i>Depreciation recognised in profit and loss</i>		
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
<i>Additions</i>		
Leasehold buildings	524,298	1,597,722
Computer and office equipment	–	–
Motor vehicles	–	–
	524,298	1,597,722

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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) S\$	As at 31 December 2021 (Audited) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

17 TRADE RECEIVABLES *(Continued)*

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) S\$	As at 31 December 2021 (Audited) 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
Reversal of provision for the year	(2,000)
Write-offs	(3,448)
31 December 2021	143,829
Reversal of provision for the year	(3,087)
Write-offs	(63,523)
30 June 2022	77,219

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

18 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

20 BANK BALANCES AND CASH

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) 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) S\$	As at 31 December 2021 (Audited) 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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

21 TRADE AND OTHER PAYABLES *(Continued)*

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) S\$	As at 31 December 2021 (Audited) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

22 BANK BORROWINGS

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) 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 was provided by Mr. Ng, an executive Director and the Controlling Shareholder, in his personal capacity. As at 30 June 2022, the guarantee had been changed to and provided by the Company solely.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

23 LEASE LIABILITIES

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

24 PROVISIONS

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) 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) S\$	As at 31 December 2021 (Audited) 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

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 HK\$	Share capital 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

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 (equivalent 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 January 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

27 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION

Directors' and chief executive's emoluments

During the six months ended 30 June 2022 and 2021, 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 pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) (the Regulation) are as follows:

For the six months ended 30 June 2022 (Unaudited)

	Fees	Discretionary bonus (Note a)	Salaries and allowances	Contributions to retirement benefit scheme (Note b)	Total
	S\$	S\$	S\$	S\$	S\$
Executive Directors					
Mr. Ng	24,000	–	316,800	9,240	350,040
Mr. Ng Kong Hock	18,000	–	108,000	11,200	137,200
Independent Non-executive Directors					
Mr. Ho Wing Sum	20,942	–	–	–	20,942
Mr. Yeo Teck Chuan	20,942	–	–	–	20,942
Mr. Wong Kwun Ho <i>(resigned on 25 January 2022)</i>	2,802	–	–	–	2,802
Mr. Teo Rainer Jia Kai <i>(appointed on 21 February 2022)</i>	14,995	-	-	-	14,995
	101,681	–	424,800	20,440	546,921

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

27 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION *(Continued)*

Directors' and chief executive's emoluments *(Continued)*

For the six months ended 30 June 2021 *(Unaudited)*

	Fees	Discretionary bonus (Note a)	Salaries and allowances	Contributions to retirement benefit scheme (Note b)	Total
	S\$	S\$	S\$	S\$	S\$
Executive Directors					
Mr. Ng	24,000	88,000	290,400	8,580	410,980
Mr. Ng Kong Hock	12,000	30,000	99,000	11,220	152,220
Independent Non-executive Directors					
Mr. Ho Wing Sum	19,305	–	–	–	19,305
Mr. Yeo Teck Chuan	19,302	–	–	–	19,302
Mr. Wong Kwun Ho	19,302	–	–	–	19,302
	93,909	118,000	389,400	19,800	621,109

Notes:

- (a) The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.
- (b) 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.

During the six months ended 30 June 2022 and 2021, no remuneration was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office and none of the directors of the Company waived any remuneration.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

27 DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION *(Continued)*

Employees' emoluments

During the six months ended 30 June 2022 and 2021, included in the five individuals with the highest emoluments in the Group, two were directors of the Company (2021: two) whose emoluments are included in the disclosures above. The emoluments of the remaining three (2021: three) individuals were as follows:

	For the six months ended 30 June	
	2022 (Unaudited) S\$	2021 (Unaudited) S\$
Salaries and allowances	267,993	231,993
Discretionary bonus	63,400	52,500
Contribution to retirement benefits scheme	22,718	21,080
	354,111	305,573

The emoluments of the five highest paid individuals (including directors of the Company) were within the following bands:

	Number of individuals For the six months ended 30 June	
	2022	2021
Nil to HK\$1,000,000	4	4
HK\$1,000,001 to HK\$1,500,000	—	—
HK\$1,500,001 to HK\$2,000,000	1	—
HK\$2,000,001 to HK\$2,500,000	—	1

During the six months ended 30 June 2022 and 2021, no remuneration was paid by the Group to the five individuals with the highest emoluments in the Group as an inducement to join or upon joining the Group or as compensation for loss of office and none of the employees waived any remuneration.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

28 OPERATING LEASE ARRANGEMENTS

Lease commitments

The Group as lessor

The details of rental income earned on investment properties are disclosed per Note 7 and 10.

At the end of reporting period, the Group had contracted with tenants for the following future minimum lease receivables:

	As at 30 June 2022 (Unaudited) S\$	As at 31 December 2021 (Audited) S\$
Within one year	220,600	180,600
In the second to fifth year inclusive	202,300	33,700
	422,900	214,300

The leases have tenures ranging from one to three years. The lease receivables are fixed over the lease term and no contingent rent income is included in the contracts.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2022

29 RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. Related parties refer to entities in which directors of the Group has a beneficial interest in it.

Apart from disclosure elsewhere in the consolidated financial statements, the Group entered into the following transactions with related parties during the six months ended 30 June 2022 and 2021:

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	S\$	S\$
<u>Provision of services by the Group</u>		
<i>Provision of freight services</i>		
JH Tyres & Batteries Pte Ltd	6,031	3,908
<i>Provision of trucking services</i>		
Crystal Parts Pte Ltd	5,375	2,202
JH Tyres & Batteries Pte Ltd	6,062	7,291
R&S Engineering Works Pte Ltd	14,331	6,271
<u>Purchases of services by the Group</u>		
<i>Purchase of motor vehicle upkeep services</i>		
JH Tyres & Batteries Pte Ltd	(188,864)	(216,396)
R&S Engineering Works Pte Ltd	(241,671)	(279,166)

Compensation of directors and key management personnel

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
	S\$	S\$
Short-term benefits	692,193	826,893
Post-retirement benefits	35,358	43,260
	727,551	870,153

Mr. Ng, an executive Director and the Controlling Shareholder, provided personal guarantees in relation to bank borrowings, of which S\$nil (2021: S\$603,367) remained outstanding.



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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 with aggressive vaccination efforts.

Trucking services

Our Group's revenue from trucking services 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 approximately 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 impacted 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 approximately S\$3.7 million or 36.3% was due to the recovery of the global trade from the outbreak of 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 approximately 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.



MANAGEMENT DISCUSSION AND ANALYSIS

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 in gross profit of approximately S\$1.0 million or 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\$0.2 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 gain on disposal of property, plant 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 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 comprises 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 31 December 2021 and 30 June 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.



MANAGEMENT DISCUSSION AND ANALYSIS

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.

MANAGEMENT DISCUSSION AND ANALYSIS

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).

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Percentage of net proceeds %	Planned usage of net proceeds HK\$ million (approximately)	Utilised net proceeds up to the date of this announcement HK\$ million (approximately)	Unutilised net proceeds up to the date of this announcement HK\$ million (approximately)	Expected timeline for utilising the remaining proceeds
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 70.0% of the entire issued and paid-up share capital of the Target Company at the total consideration of S\$2,100,000.

MANAGEMENT DISCUSSION AND ANALYSIS

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 complied 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.

Share Option Scheme

The Group has no share option scheme pursuant to Chapter 17 of the Listing Rules as at the date of this report.

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 report, 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 report.



MANAGEMENT DISCUSSION AND ANALYSIS

Audit committee

The Company has established the audit committee (the "**Audit Committee**") in accordance with the requirements of the Listing Rules for the purposes 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 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.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code to the Listing Rules were as follows:

(a) Long positions in the ordinary shares of HK\$0.01 each of the Company

Name of Director	Nature of interest	Number of shares held	Percentage of issued share capital
Mr. Ng (Note)	Interest in controlled corporation	937,500,000	75%

Note: Mirana Holdings is legally and beneficially owned as to 100 % by Mr. Ng. Mr. Ng is deemed to be interested in the 937,500,000 Shares held by Mirana Holdings pursuant to the SFO.

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held	Percentage of interest in associated corporation
Mr. Ng (Note)	Interest in controlled corporation	Beneficial owner	1	100%

Note: Mirana Holdings is the direct shareholder of the Company and is an associated corporation within the meaning of Part XV of the SFO.

Save as disclosed above, as at 30 June 2022, none of the Directors or chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2022, the following persons (not being the Director or chief executive) had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name of shareholder	Nature of interest	Number of shares held	Percentage of issued share capital
Mirana Holdings (Note 1)	Beneficial owner	937,500,000	75%
Ms. Liyani (Note 2)	Interest of spouse	937,500,000	75%

Notes:

1. Mirana Holdings is the direct shareholder of the Company and is legally and beneficially owned as to 100% by Mr. Ng.
2. Ms. Liyani is the spouse of Mr. Ng. Accordingly, Ms. Liyani is deemed to be interested in the shares in which Mr. Ng is interested in under the SFO.

Save as disclosed above, as at 30 June 2022, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

By Order of the Board

Legion Consortium Limited

Ng Choon Eng

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 31 August 2022