*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

# Legion Consortium Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 2129)**

## SUPPLEMENTAL ANNOUNCEMENT — DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 70% EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the announcement of the Company dated 7 July 2022 in relation to the acquisition of 70% in the Target Company (the "**Announcement**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to provide the following additional information in respect of the Acquisition to the Shareholders and potential investors of the Company.

### BASIS OF CONSIDERATION

The Company had conducted comparable analysis of 6 comparable companies in logistic industry listed on the Singapore Exchange Securities Trading Limited (the "**Comparable Companies**") during determining the Consideration with the Vendor with reference to the Price-to-Earnings ("**P/E**") ratio of the Target Company and the Comparable Companies. Given that there was no public information related to similar acquisition in Singapore available for reference, the Directors considered carrying out the following comparable analysis was appropriate.

Based on the audited financial statements of the Target Company, during the years ended 31 December 2020 ("**FY20**") and 2021 ("**FY21**"), the Directors noted that there were some one-off and non-operational items as mentioned in the following table.

After eliminating the one-off and non-operational items, the table below shows the adjusted financial results of the Target Company for FY20 and FY21 together with the adjusted P/E ratios:

| | **FY20**<br>*S$'000* | **FY21**<br>*S$'000* |
|---|---|---|
| Profit before tax*(Note)* | 543 | 20 |
| *Eliminating the one-off and non-operational items* | | |
| Government subsidy | -128 | -46 |
| Depreciation | — | 100 |
| Loss on disposal | — | 26 |
| Adjusted profits before tax | 415 | 100 |
| Adjusted profits before tax (70%) | 290.5 | 70 |
| Consideration | 2,100 | 2,100 |
| Adjusted P/E ratio (70%) | 7.2 | 30.0 |
| Average | | 18.6 |

Based on the management accounts of the Target Company for the six months ended 30 June 2022 ("**FY22**"), the Target Company recorded profit before tax of approximately S$112,000 for FY22. The Directors, on a conservative estimation basis, estimate that the adjusted P/E ratio of the Target Company for FY22 will be in line with the average adjusted P/E ratio of FY20 and FY21.

The table below shows the P/E ratio of the Comparable Companies with the same basis as the Target Company's P/E ratio.

| **Stock Code** | **Name of company** | **Principal business** | **Net profit/(loss) per share for the latest financial year**<br>*S$*<br>*(approximately)* | **Share price as at 30 June 2022**<br>*S$* | **P/E ratio (based on share price as at 30 June 2022)** |
|---|---|---|---|---|---|
| C52 | ComfortDelGro Corporation Limited | Principally provides public transport services, car rental and leasing and automotive engineering services. | 0.06 | 1.40 | 23.3 |

| Stock Code | Name of company | Principal business | Net profit/(loss) per share for the latest financial year *S$* *(approximately)* | Share price as at 30 June 2022 *S$* | P/E ratio (based on share price as at 30 June 2022) |
|---|---|---|---|---|---|
| S61 | SBS Transit Ltd | Principally provides bus and rail public transport services primarily in Singapore. | 0.1656 | 2.85 | 17.2 |
| 595 | GKE Corp Ltd | Principally provides freight forwarding, transportation, warehousing services and logistics services. | 0.0149 | 0.1050 | 7.1 |
| BIP | Vibrant Group Ltd | Principally provides integrated freight and logistics services, design and building of commercial and industrial facilities and property development. | 0.0134 | 0.081 | 6.0 |
| GIH | LHN Logistics Ltd | Principally provides tank and container transportation services and container depot services. | 0.0326 | 0.1480 | 4.5 |
| 5NV | Chasen Holdings Ltd | Principally provides relocation services, transportation, freight forwarding and shipping. | 0.008 | 0.067 | 8.4 |

According to the above tables, the average adjusted P/E ratio for FY20 and FY21 of the Target Company is 18.6, which falls within the range of the P/E ratios of the Comparable Companies (i.e., from 4.5 to 23.3). Notwithstanding the adjusted P/E ratios of the Target Company for FY21 is out of the range of the Comparable Companies, the Company was satisfied with using the adjusted P/E ratios for reference after taking into account the following factors:

1. The Target Company is principally engaged in provision of LCL services, which the Company did not provide such services before the Acquisition. Therefore, after the Acquisition, the Company can (i) enhance its logistic services by extending its services to LCL; (ii) reduce the costs of the Group where the Company does not need to outsource the LCL service; (iii) increase its revenue by incorporating the financial performance of the Target Company in the Group; and (iv) increase the market share of the Group by the synergy provided among the Target Company and the Group;

2. The improvement and potential growth of the Target Company with the expected rebound in the logistic market in Singapore;

3. The then available candidates to the Group for acquisition at reasonable consideration;

4. The Singapore logistics sector is poised to grow taking into account the high valuations of private deals in the market; and

5. The Group has endeavoured to conduct research on reasonability of the Consideration, and reached the Consideration after arm's length negotiation with the Vendor in a reasonable range with reference to the financial performance and potential growth of the Target Company and the business judgement of the management of the Company.

Hence, the Directors consider that the Consideration is fair and reasonable with reasonable business judgement as mentioned above.

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

Hong Kong, 30 September 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.*