Legion Consortium Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2129)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the "**Board**") of directors (the "**Directors**") of Legion Consortium Limited (the "**Company**") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") for the six months ended 30 June 2023 together with comparative figures for the corresponding period in 2022 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Notes	**30 June 2023 (unaudited)**	30 June 2022 (unaudited)
		S$	S$
Revenue	*4*	**31,780,569**	26,671,302
Cost of services		**(21,078,341)**	(19,090,534)
Gross profit		**10,702,228**	7,580,768
Other income	*5*	**417,702**	252,259
Other gains and losses	*6*	**65,969**	364,308
Selling expense		**(56,258)**	(51,714)
Administrative expenses		**(7,234,711)**	(4,888,001)
Finance costs	*7*	**(352,701)**	(75,383)
Profit before tax	*8*	**3,542,229**	3,182,237
Income tax expense	*9*	**(483,000)**	(427,500)
Profit and other comprehensive income for the period		**3,059,229**	2,754,737
Basic and diluted earnings per share (Singapore cents)	*11*	**0.24**	0.22

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	**As at 30 June 2023 (unaudited)**	As at 31 December 2022 (audited)
		S$	S$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**19,347,529**	13,961,293
Investment properties		**3,550,942**	3,645,513
Intangible assets		**2,262,404**	2,299,170
Deposits		**2,661,882**	3,030,048
		27,822,757	22,936,024
Current assets			
Trade receivables	*12*	**13,196,250**	14,250,598
Other receivables, deposits and prepayments		**174,867**	2,909,156
Amount due from related parties		**—**	3,983
Restricted bank deposit		**100,000**	200,000
Bank balances and cash		**28,361,030**	24,681,599
		41,832,147	42,045,336
Current liabilities			
Trade and other payables	*13*	**3,093,847**	5,863,303
Amount due to related parties		**—**	359,099
Bank borrowings		**44,072**	106,413
Lease liabilities		**5,948,372**	3,820,533
Provisions		**—**	480,000
Income tax payable		**940,513**	1,059,983
		10,026,804	11,689,331
Net current assets		**31,805,343**	30,356,005
Non-current liability			
Other payables		**1,110,130**	80,300
Bank borrowings		**473,140**	495,084
Lease liabilities		**8,316,496**	6,044,042
Provisions		**—**	—
Deferred tax liabilities		**517,850**	521,348
		10,417,616	7,140,774
Total liabilities		**20,444,420**	18,830,105
Net assets		**49,210,484**	46,151,255
EQUITY			
Share capital	*14*	**2,133,905**	2,133,905
Reserves		**46,147,877**	43,090,992
Total equity attributable to owners of the Company		**48,275,782**	45,224,897
Non-controlling interests		**934,702**	926,358
Total equity		**49,210,484**	46,151,255

NOTES

For the six months ended 30 June 2023

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, #3-20/21/22/23/24, Tanjong Pagar Complex, Singapore, 089053 and in Hong Kong is at Unit 1307A, 13/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 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.

2 BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023 ("Interim Financial Statements") have been prepared in accordance with International Accounting Standard 34 ("IAS 34") issued by the International Accounting Standards Board (the "IASB") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

The Interim Financial Statements do not include all the information and disclosures required in a full set of financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2022.

The Interim Financial Statements have been prepared in accordance with the same accounting policies applied in the 2022 annual financial statements, except for additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs") and application of certain accounting policies which became relevant to the Group for the six months ended 30 June 2023 as set out in note 3.

The preparation of the Interim Financial Statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2022.

The Interim Financial Statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and financial performance of the Group since the 2022 annual financial statements. The Interim Financial Statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with IFRSs.

The Interim Financial Statements have been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3 PRINCIPAL ACCOUNTING POLICIES

Other than additional/change in accounting policies resulting from application of new and amendments to IFRS and application of certain accounting policies which became relevant to the Group in the current interim period, the accounting policies and methods of computation used in the Interim Financial Statements for the six months ended 30 June 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2022.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following new and amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2023 for the preparation of the Group's Interim Financial Statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules

Except as disclosed below, the application of the amendments to IFRSs in the current period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these Interim Financial Statements.

Impacts on application of Amendments to IAS 12 Income Taxes International Tax Reform-Pillar Two model Rules

IAS 12 is amended to add the exception to recognising and disclosing information about deferred tax assets and liabilities that are related to tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (the "Pillar Two legislation"). The amendments require that entities shall apply the amendments immediately upon issuance. The amendments also require that entities shall disclose separately its current tax expense/income related to Pillar Two income taxes, and the qualitative and quantitative information about its exposure to Pillar Two income taxes in periods in which the Pillar Two legislation is enacted or substantially enacted but not yet in effect in annual reporting periods beginning on or after 1 January 2023.

The Group is yet to apply the temporary exception during the current interim period because the Group's entities are operating in jurisdictions which the Pillar Two legislation has not yet been enacted or substantially enacted. The Group will disclose known or reasonably estimable information that helps users of financial statements to understand the Group's exposure to Pillar Two income taxes in the Group's annual consolidated financial statements in which the Pillar Two legislation has been enacted or substantially enacted and will disclose separately current tax expense/income related to Pillar Two income taxes when it is in effect.

The Group has not applied any new and amendments to IFRSs that have been issued but not yet effective for the current accounting period.

4 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 2023 and 2022, there is no inter-segment sales.

Information is reported to the Mr. Ng Choon Eng, which is also the Chief Operating Decision Maker (the "**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 2023 (unaudited)	30 June 2022 (unaudited)
	S$	S$
Revenue from external customers		
– Trucking services	**15,521,889**	9,602,951
– Freight forwarding services	**12,304,874**	13,933,633
– VATS	**3,953,806**	3,134,718
	31,780,569	26,671,302
Segment result		
– Trucking services	**8,386,504**	2,336,752
– Freight forwarding services	**8,851,861**	3,830,530
– VATS	**3,839,976**	1,413,486
	21,078,341	7,580,768
Unallocated:		
– Other income	**417,702**	252,259
– Other gains, net	**65,969**	364,308
– Selling expense	**56,258**	51,714
– Administrative expenses	**7,714,711**	4,888,001
– Impairment gains and losses		
Reversal of provision of reinstatement cost (including reversals of impairment losses) on financial assets	**(480,000)**	—
– Finance costs	**352,701**	75,383
Profit before tax	**3,542,229**	3,182,237

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.

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) and finance costs.

5 OTHER INCOME

	30 June 2023 (unaudited)	30 June 2022 (unaudited)
	S$	S$
Government grants (Note 1)	**57,627**	57,327
Interest income	**185,946**	1,386
Rental income	**164,200**	131,331
Yard utilities income	**64,765**	62,215
Others	**(54,836)**	—
	417,702	252,259

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.

6 OTHER GAINS AND LOSSES

	30 June 2023 (unaudited)	30 June 2022 (unaudited)
	S$	S$
Reversal of impairment loss recognised in respect of gain/(loss)	**—**	3,087
Gain/(loss) on disposal of property and equipment, net	**559**	(31,309)
Net foreign exchange gains	**65,410**	392,530
	65,969	364,308

7 FINANCE COSTS

	30 June 2023 (unaudited)	30 June 2022 (unaudited)
	S$	S$
Interest on:		
Bank borrowings	**—**	7,975
Lease liabilities	**352,701**	67,408
	352,701	75,383

8 PROFIT BEFORE TAX

Profit before tax has been arrived at after charging (crediting):

	30 June 2023 (unaudited)	30 June 2022 (unaudited)
	S$	S$
Depreciation of property, plant and equipment		
– Recognised as cost of services	**3,579,299**	1,895,910
– Recognised as administrative expenses	**588,449**	289,361
	4,167,748	2,185,271
Depreciation of investment property	**94,571**	94,572
Amortisation of intangible assets	**21,002**	20,923
Directors' remuneration	**640,397**	546,921
Other staff costs:		
– Salaries and other benefits	**4,268,859**	3,965,355
– Contributions to Central Provident Fund	**462,852**	343,488
Total staff costs (including directors' remuneration) (Note i)	**5,372,108**	4,855,764

Note:

(i) The total staff costs of S$1,337,602 (30 June 2022: S$1,315,334) is included in cost of services and S$4,034,506 (30 June 2022: S$3,540,430) is included in administrative expenses respectively.

9 INCOME TAX EXPENSE

	30 June 2023 (unaudited)	30 June 2022 (unaudited)
	S$	S$
Tax expense comprises:		
Current tax:		
– Singapore corporate income tax (“**CIT**”)	**483,000**	427,500

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 2023 and 2024.

10 DIVIDENDS

No dividend has been declared by the Company or any Group entities during the six months ended 30 June 2023 and 2022 or subsequent to the month end.

11 EARNINGS PER SHARE

	30 June 2023 (unaudited)	30 June 2022 (unaudited)
Profit for the period attributable to the owners of the Company (S$)	**3,059,229**	2,754,737
Weighted average number of ordinary shares in issue	**1,250,000,000**	1,250,000,000

The calculation of basic earnings per share for the six months ended 30 June 2023 and 2022 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 2023 and 2022.

12 TRADE RECEIVABLES

	As at 30 June 2023 (unaudited)	As at 31 December 2022 (audited)
	S$	S$
Trade receivables	**13,270,469**	14,325,817
Allowance for doubtful receivable	**(74,219)**	(75,219)
	13,196,250	14,250,598

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 2023 (unaudited)	As at 31 December 2022 (audited)
	S$	S$
Within 30 days	**5,816,234**	6,644,174
31 days to 60 days	**3,400,675**	3,969,181
61 days to 90 days	**1,216,733**	1,113,844
91 days to 180 days	**564,014**	1,025,961
181 days to 1 year	**2,198,594**	401,040
Over 1 year	**—**	1,096,398
	13,196,250	14,250,598

13 TRADE AND OTHER PAYABLES

	As at 30 June 2023 (unaudited)	As at 31 December 2022 (audited)
	S$	S$
Trade payables	**1,680,659**	2,424,032
GST payables	**293,165**	253,431
Customer deposits	**909,823**	725,949
Accrued operating expenses	**1,320,328**	2,540,191
Others	**—**	—
	4,203,975	5,943,603
Analysed as:		
– Current	**3,093,845**	5,863,303
– Non-current (Note a)	**1,110,130**	80,300
	4,203,975	5,943,603

Note:

(a) Non-current trade and other payables arise from customer deposit rental for yard and investment properties rental.

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 2023 (unaudited)	As at 31 December 2022 (audited)
	S$	S$
Within 30 days	**1,180,101**	2,222,656
31 to 60 days	**360,944**	38,836
61 to 90 days	**59,213**	86,878
Over 90 days	**80,401**	75,662
	1,680,659	2,424,032

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

14 SHARE CAPITAL

	Number of ordinary shares	Par Value	Share capital
		HK$	HK$
Authorised share capital of the Company:			
At the beginning/end of the reporting period	2,000,000,000	0.01	20,000,000

	Number of ordinary shares	Share capital
		S$
Issued and fully paid of the Company		
At the beginning/end of the reporting period	1,250,000,000	2,133,905

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 2023, the Group had a vehicle fleet comprising 49 prime movers, 465 trailers and 17 flat vans, and machineries comprising 3 reach stackers and three forklifts. Furthermore, we are operating three logistics yards of approximately 36,419 sq. m. for the provision of our open-yard storage services as part of our VATS.

Prospects

Currently, the Group has a vehicle fleet comprising 49 prim movers (31 December 2022: 50), 465 trailers (31 December 2022: 463) and 19 flat vans (31 December 2022: 19), and machineries comprising 3 reach stackers (31 December 2022: 2) and 3 forklifts (31 December 2022: 3). Furthermore, the Group is operating 3 logistics yards (31 December 2022: 4) and 2 warehouses (31 December 2022: 2) of approximately 38,240 sq. m. and 15,254 sq. m. (31 December 2022: 52,957 sq. m. and 15,254 sq. m.), respectively for the provision of our open-yard storage and warehousing services as part of our value added transportation services ("**VATS**").

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 2023, 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 19.1% from approximately S$26.7 million for the six months ended 30 June 2022 to approximately S$31.8 million for the six months ended 30 June 2023. 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$9.6 million and S$15.5 million for the six months ended 30 June 2022 and 2023 respectively. Trucking revenue consists of revenue from transportation fees in relation to the transportation of cargo. The increase of S$5.9 million or 61.5% 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$13.9 million and S$12.3 million for the six months ended 30 June 2022 and 2023, 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 decrease of S$1.6 million or 0.11% was due to the freight forwarding services has remained relatively similar at S$1.6 million.

VATS

Our Group's revenue from VATS was approximately S$3.1 million and S$3.9 million for the six months ended 30 June 2022 and 2023 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$0.8 million or 25.8% 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 2022 and 2023, we recorded a gross profit of approximately S$7.6 million and S$10.7 million, respectively. The increase of S$3.1 million or approximately 40.8% was due to the recovery of global trade from COVID-19 on the local trucking and freight forwarding industry. Trucking services accounted for approximately 30.9% and 66.7% of our total gross profit for the six months ended 30 June 2022 and 2023 respectively. Freight forwarding services accounted for approximately 50.5% and 32.3% of our total gross profit for the six months ended 30 June 2022 and 2023 respectively. VATS accounted for approximately 18.6% and 1.1% of our total gross profit for the six months ended 30 June 2022 and 2023 respectively.

For the six months ended 30 June 2022 and 2023, we recorded a gross profit margin of approximately 28.5% and 33.6% respectively. Gross profit margin for trucking services were approximately 24.0% and 46.0% for the six months ended 30 June 2022 and 2023 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 27.3% to 28.0% for the six months ended 30 June 2022 and 2023, respectively, due to the increase in global freight prices. Gross profit margin for VATS decreased from approximately 45.2% to 3.0% for the six months ended 30 June 2022 and 2023, respectively. The decrease 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$0.3 million and S$0.4 million for the six months ended 30 June 2022 and 2023 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$0.4 million and S$0.1 million for the six months ended 30 June 2022 and 2023. 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$4.9 million and S$7.2 million for the six months ended 30 June 2022 and 2023 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$2.3 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 and S$0.5 million for the six months ended 30 June 2022 and 2023 respectively.

The statutory corporate tax rate in Singapore was 17% for the six months ended 30 June 2022 and 2023, while our corresponding effective tax rates were approximately 12.5% and 14.3% respectively. The lower effective tax rate for the six months ended 30 June 2022 and 2023 as compared to the statutory corporate tax rate in Singapore were mainly due to the listing expenses incurred in 2022 periods which are non-deductible expenses for tax purpose.

Profit for the period

As a result of the foregoing, profit increased by approximately S$0.3 million from approximately S$2.8 million for the six months ended 30 June 2022 to approximately S$3.1 million for the six months ended 30 June 2023. Net profit margin decreased from approximately 10.5% for the six months ended 30 June 2022 to approximately 9.7% for the six months ended 30 June 2023.

Interim dividend

The Board did not recommend a payment of an interim dividend for the six months ended 30 June 2023 (2021: Nil).

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 and 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 2022 and 2023, we had bank balances and cash of approximately S$26.9 million and S$13.1 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 2023, approximately 82.5% (31 December 2022: 73.0%) of the Group's bank balances and cash was denominated in SGD, approximately 4.4% (31 December 2022: 2.0%) was denominated in HKD and approximately 14.1% (31 December 2022: 25.0%) denominated in USD.

As at 30 June 2023, the Group had banking facilities with credit limit amounting to approximately S$0.1 million (31 December 2022: S$0.2 million). There was no unutilised credit facilities at the end of the period.

As at 30 June 2023, 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 32.4% (31 December 2022: 22.7%). 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$15.3 million (31 December 2022: S$0.2 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

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 2023.

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 2023.

Employees and remuneration policy

As at 30 June 2023, the Group had a total of 221 employees (31 December 2022: 190 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 2023 amounted to approximately S$5.4 million (30 June 2022: approximately S$4.9 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 2023, the Group had no capital commitment and contingent liabilities.

Use of proceeds from the Listing

The Shares were listed on the Main Board of the Stock Exchange on the Listing Date for which the Company issued 312,500,000 Shares at the offer price of HK$0.40 per Share. 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).

Reference is made to the announcement of the Company dated 30 August 2023. In order to i) improve the efficiency of the use of the Net Proceeds; ii) avoid continuous and massive rental and other related expenses in relation to storage of the prime movers and containers of the Group; and iii) utilise the unoccupied portion of logistics yard for generating other income, rather than continuously holding onto the unutilised Net Proceeds for the planned Strategic Acquisition and earning minimal bank interest income by depositing in banks, the Board has resolved to change the use of the unutilised Net Proceeds.

The below table sets out the proposed applications of the Net Proceeds:

	Original allocation of the Net Proceeds	**Utilised Net Proceeds up to the date of this announcement**	**Unutilised Net Proceeds up to the date of this announcement**	**Revised allocation of the unutilised Net Proceeds**	**Expected timeline for utilising the remaining proceeds**
	HK$ million (approximately)	*HK$ million (approximately)*	*HK$ million (approximately)*	*HK$ million (approximately)*	
Strategic Acquisition	17.7	0.0	17.7	—	—
Expansion of our fleet in relation to our trucking services segment	16.5	(8.0)	8.5	8.5	Before 31 December 2023
Increase and strengthen our freight forwarding services segment	2.5	(2.1)	0.4	0.4	Before 31 December 2023
Purchase of a pallet racking system	4.6	(4.6)	0.0	0.0	—
Working capital and other general corporate purposes	0.2	(0.2)	0.0	0.0	—
Acquisition of the Property	—	—	—	17.7	—
	41.5	14.9	26.6	26.6	

Events after the reporting period

On 29 August 2023, the Group entered into a sale and purchase agreement in relation to an acquisition of property in Singapore at a consideration of S$18,000,000, which has constituted a major transaction of the Company under the Listing Rules. Please refer to the announcement of the Company dated 30 August 2023 for details.

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 of 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 2023, the Company complied with the code provisions as set out in the Corporate Governance Code (the "**CG Code**") contained 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 2023 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 2023 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 2023 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 2023 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 2023 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 2023

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.