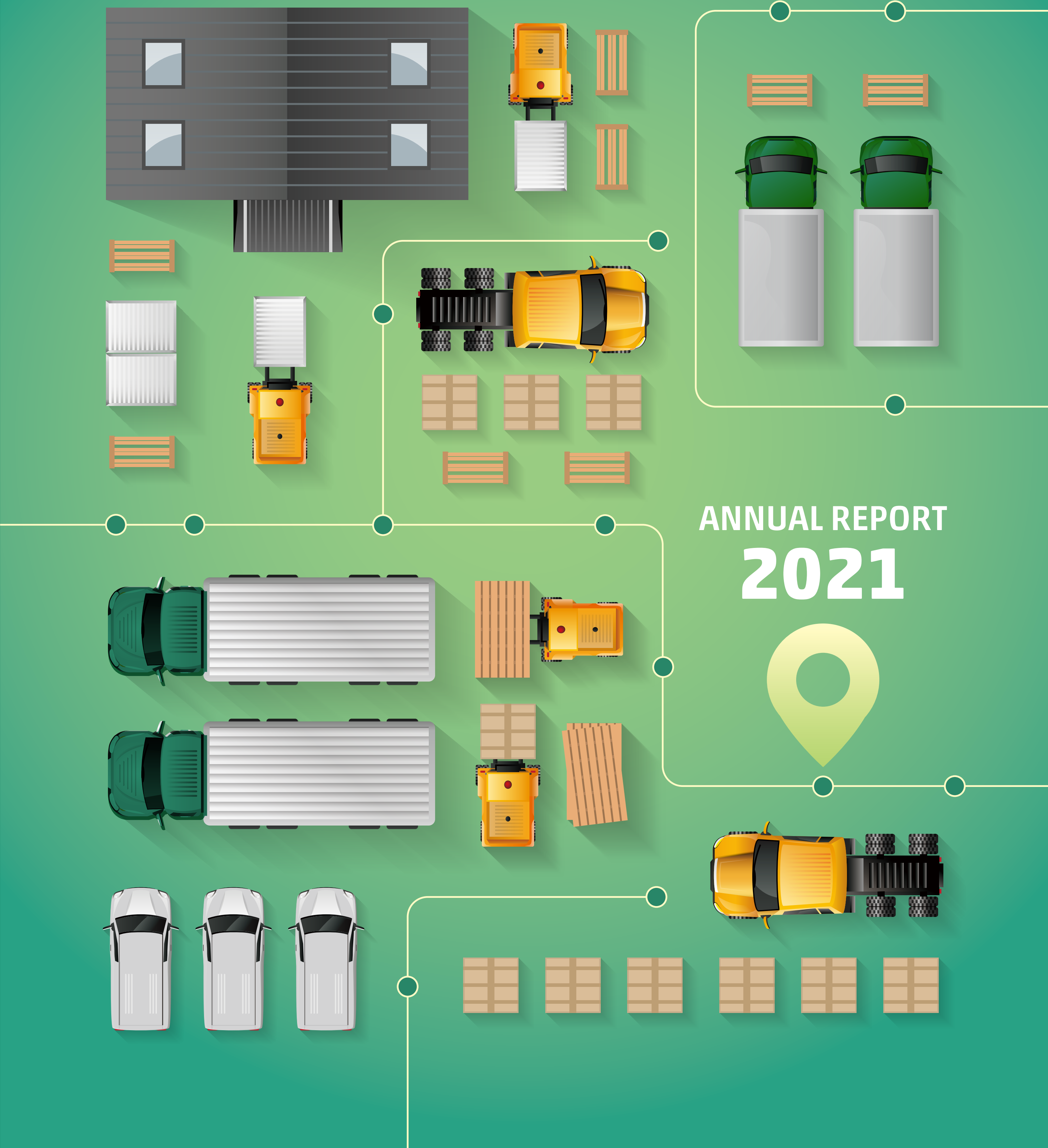
LEGION CONSORTIUM LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 2129



ANNUAL REPORT 2021

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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

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of Legion Consortium Limited (the "**Company**"), I am pleased to present the annual report of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2021.

During the year 2021, the Group was successfully listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 13 January 2021 which marked a significant milestone.

The widespread outbreak of COVID-19 has occurred globally, including in Singapore and Hong Kong. The consequences and impacts of this outbreak are still manifesting with the potential disruption to economic and social activities in the markets. In these unprecedented and rapidly changing times, the Group expects that the demand in the logistics supply chain industry in Singapore still will continue to grow.

Going forward, despite the challenges of the pandemic, the Group will continuously focus its efforts to expand its business by strategic acquisition for long-term growth, we are confident that we will emerge stronger and more agile.

The pandemic is expected to remain a significant risk to the performance in 2022, but the Group is optimistic about the long-term economic prospects in Singapore and is well placed to benefit from its growth opportunities.

Our progress thus far would not have been possible without the support, understanding and cooperation of our stakeholders. We would like to express our sincere gratitude for the relentless support of all our valuable shareholders, business partners and customers.

Last but not least, we also would like to extend our thanks to our fellow directors for their insights, guidance and support as the pandemic evolves. Besides that, our appreciation to our employees who have made exemplary responses to the challenges resulting from the pandemic and this is a reaffirmation of their commitment and dedication. The management team and all staff members of the Group will continue striving for better results for the Group and bringing returns to the shareholders.

Legion Consortium Limited
Ng Choon Eng
Chairman, Chief Executive Officer and Executive Director

30 March 2022

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 31 December 2021, 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.

The Company was successfully listed on the Main Board of the Stock Exchange on 13 January 2021. It represents an important milestone to the Group. Through our business, we seek not only to contribute to the success of our customers and stakeholders, but to the success of their customers, communities, and the realization of a better future.

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.

With ongoing COVID-19 outbreak, the Group will keep continuous attention on the situations, adhere to government measures and recommendations, and continue to mitigate the risk of further local transmission of COVID-19. The measures include the expansion of workplace premises and enhanced safe distancing measures.

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.

The Group is 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.

However, before we start to see the fruits, these growth areas will take time to fully realise, will require additional spending in our operating expenses and may affect the short- to medium-term business performance.

FINANCIAL REVIEW

Revenue

Revenue increased by approximately 13.6% from approximately S$40.3 million for the year ended 31 December 2020 to approximately S$45.8 million for the year ended 31 December 2021. The increase was mainly attributable to the COVID-19 having a global effect on the economy and demand for logistics space.

Trucking services

Our Group's trucking services revenue was approximately S$20.7 million and S$15.8 million for the years ended 31 December 2020 and 2021 respectively. Trucking revenue consists of revenue from transportation fees in relation to the transportation of cargo. The decrease of approximately S$4.9 million or 23.7% was due to COVID-19 impact on certain end customer's industry, but the impact is not significantly felt by the Group due to increase in request from customers in essential service e.g. supermarket chain, for trucking services.

Freight forwarding services

Our Group's revenue from freight forwarding services was approximately S$15.4 million and S$24.4 million for the years ended 31 December 2020 and 2021 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$9.0 million or 58.4% was due to high demand during the COVID-19 pandemic on global trade.

VATS

Our Group's revenue from VATS was approximately S$4.1 million and S$5.6 million for the years ended 31 December 2020 and 2021 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$1.5 million or 36.6% was due to increase in revenue from the new logistics yard leased in June 2020 and May 2021 with ad-hoc storage.

Gross Profit and Gross Profit Margin

For the years ended 31 December 2020 and 2021, we recorded a gross profit of approximately S$13.9 million and S$13.4 million respectively. The decrease of approximately S$0.5 million or 3.6% was due to COVID-19 having a adverse impact on the global economy causing the increase in cost incurred for the fuel cost and direct staff cost. Trucking services accounted for approximately 52.5% and 30.6% of our total gross profit for the years ended 31 December 2020 and 2021 respectively. Freight forwarding services accounted for approximately 33.1% and 50.7% of our total gross profit for the years ended 31 December 2020 and 2021 respectively. VATS accounted for approximately 14.4% and 18.7% of our total gross profit for the years ended 31 December 2020 and 2021 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

For the years ended 31 December 2020 and 2021, we recorded a gross profit margin of approximately 34.5% and 29.3% respectively. Gross profit margin for trucking services were approximately 35.3% and 25.9% for the years ended 31 December 2020 and 2021 respectively. The decrease in gross profit margin of trucking services was due to the increase in fuel cost and direct staff cost. There are substantially impacted by driver manpower shortage due to the Singapore government tightening rules on hiring foreign worker and entry restrictions for foreign workers after the COVID-19 pandemic. Gross profit margin for freight forwarding services remained consistent at approximately 29.9% and 27.9% for the years ended 31 December 2020 and 2021 respectively. Gross profit margin for VATS were approximately 48.8% and 44.6% for the years ended 31 December 2020 and 2021 respectively. The decrease in gross profit margin of VATS was due to the increase in costs incurred in the new logistics yard leased in May 2021.

Other income

Our Group reported other income of approximately S$1.3 million and S$0.8 million for the years ended 31 December 2020 and 2021 respectively. Other income mainly relates to government grants which mainly comprise of the Wage Credit Scheme, Special Employment Credit, Jobs Support Scheme (JSS), Jobs Growth Incentive (JGI), interest income and rental income from investment properties. The government grants comprise of the Foreign Worker Levy Rebates were received for the year ended 31 December 2020 only. The JSS was launched to help businesses retain their local employees during the period of uncertainty caused by the outbreak of COVID-19 and the Group received grants under this scheme of approximately S$0.8 million and S$0.2 million for the year ended 31 December 2020 and 2021 respectively.

Other gains and losses

Our Group reported other losses of S$5,061 and other gains of approximately S$0.5 million for the years ended 31 December 2020 and 2021 respectively. Other gains and losses relate to gain on disposal of property, plant and equipment, and net foreign exchange gains or losses.

Impairment gains and losses (including reversals of impairment losses) on financial assets

Impairment gains of approximately S$0.1 million and gains of S$2,000 were recognised for the years ended 31 December 2020 and 2021 respectively. The impairment gains recognised for the year ended 31 December 2021 was mainly due to the reversal of impairment losses recognised previously for the amounts owing from a certain customer which has been reassessed to be collectible.

Administrative expenses

Our Group reported administrative expenses of approximately S$8.3 million and S$9.9 million for the years ended 31 December 2020 and 2021 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 director salary, CPF contribution, bonuses and director fee. 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 mainly was due to increase in depreciation of right-of-use assets, staff cost and directors' remuneration.

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$1.0 million and S$0.9 million for the years ended 31 December 2020 and 2021 respectively. The decrease of S$0.1 million or 10.0% was due to the decrease in profit before tax.

The statutory corporate tax rate in Singapore was 17% for the years ended 31 December 2020 and 2021, while our corresponding effective tax rates were approximately 19.2% and 24.3% respectively. The higher effective tax rate for the year ended 31 December 2020 and 31 December 2021 as compared to the statutory corporate tax rate in Singapore were mainly due to the Company expenses (including IPO expenses) incurred in both years which are non-deductible expenses caused by different tax jurisdiction and there was under-provision of tax expenses in prior years amounting of S$36,853.

Profit for the year

As a result of the foregoing, profit of the Group decreased by approximately S$1.4 million from approximately S$4.3 million for the year ended 31 December 2020 to approximately S$2.9 million for the year ended 31 December 2021. Net profit margin decreased from approximately 10.7% for the year ended 31 December 2020 to approximately 6.3% for the year ended 31 December 2021.

Final dividend

No dividend was declared or paid out during the year ended 31 December 2021.

During the year ended 31 December 2020, a dividend of S$4.0 million was declared and paid out in respect of the financial year ended 31 December 2019.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

Liquidity and capital assets

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 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 amounts due to related parties, trade and other payables, lease liabilities and bank borrowings as disclosed in Notes 15 and 16, respectively, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves.

Our primary uses of cash are to satisfy our working capital needs. Our working capital needs have been financed through a combination of funds generated from operations and bank borrowings. As at 31 December 2020 and 31 December 2021, we had bank balances and cash of approximately S$12.7 million and S$23.9 million respectively. Going forward, we expect to fund our working capital and other capital requirements with a combination of various sources, including but not limited to cash generated from our operations and short-term or long-term indebtedness.

The bank balances and cash of the Group, mainly denominated in SGD, HKD and USD, are generally deposited with authorised financial institutions. As at 31 December 2021, approximately 43% (31 December 2020: 87.5%) of the Group's bank balances and cash was denominated in SGD, approximately 11% (31 December 2020: 12.4%) was denominated in USD and approximately 46% (31 December 2020: 0.1%) was denominated in HKD.

As at 31 December 2021, the Group had banking facilities with credit limit amounting to approximately S$0.6 million (31 December 2020: 1.1 million). There was no unutilised credit facilities at the end of the year 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

As at 31 December 2021, 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 9.8% (31 December 2020: 22.6%). The decrease in gearing ratio was mainly attributable to the decrease in bank borrowings of approximately S$0.5 million and the decrease in lease liabilities of approximately S$1.2 million.

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$0.6 million (2020: S$0.5 million) is pledged as security with a financial institution to obtain letter of credit facilities with original maturity of 6 months to 1 year and being renewed automatically by month.

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

Save for the business plan as disclosed in the prospectus of the Company dated 30 December 2020 (the "**Prospectus**"), there was no plan for material investments or capital assets as at 31 December 2021.

Future plans for material investments and capital assets

As at 31 December 2021, the Group did not have other plans for material investments and capital assets.

Employees and remuneration policy

As at 31 December 2021, the Group had a total of 163 employees (2020: 141 employees), including executive Directors. Total staff costs including Directors' emoluments, salaries, wages and other staff benefits, contributions and retirement schemes in the year ended 31 December 2021 amounted to approximately S$10.1 million (2020: approximately S$9.1 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.

Environmental policies and performance

Details of environmental policies, performance and compliance with laws and regulations are set out in the "Environmental, Social and Governance Report" section in this annual report.

Capital commitments

As at 31 December 2021, the Group had no any significant capital commitments (2020: nil).

Contingent liabilities

As at 31 December 2021, the Group had no material contingent liabilities (2020: nil).

Use of proceeds

On the Listing Date, the shares of the Company (the "**Shares**") were listed on the Main Board of the Stock Exchange. The Group intends to apply the proceeds from the issuance 312,500,000 Shares at the offer price of HK$0.40 per Share in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. After deducting share issuance expense and professional fee regarding to the Share Offer, the net proceeds amounted to approximately HK$41.5 million (equivalent to approximately S$7.0 million).

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

Intended uses of the Net Proceeds	Percentage of net proceeds	Planned usage of net proceeds *HK$ million (approximately)*	Utilised net proceeds up to 31 December 2021 *HK$ million (approximately)*	Unutilized net proceeds up to 31 December 2021 *HK$ million (approximately)*	Expected timeline for utilizing 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	0.2	16.3	Before 31 December 2023
Increase and strengthen our freight forwarding services segment	6.1%	2.5	1.7	0.8	Before 31 December 2023
Purchase of an accounting and operations system	11.1%	4.6	–	4.6	Before 30 June 2022
Working capital and other general corporate purposes	0.5%	0.2	0.1	0.1	Before 30 June 2022
	100%	41.5	2.0	39.5	

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 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

Save as disclosed in elsewhere in this annual report, there are no significant events affecting the Group which have occurred after the year ended 31 December 2021 and up to the date of this annual report.

Final dividend

The Board does not recommend the payment of a final dividend for the year ended 31 December 2021.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ng Choon Eng ("**Mr. Ng**"), aged 59, is our chairman of the Board (the "**Chairman**"), chief executive officer of the Company (the "**Chief Executive Officer**"), executive Director and one of our Controlling Shareholders and the father of Mr. Ng Kong Hock ("**Mr. KH Ng**"), an executive Director. Mr. Ng is primarily responsible for management and formulating the overall strategic direction of our Group. He joined our Group in 1 March 1995. Mr. Ng has more than 37 years of experience in the logistics industry particularly in the area of trucking, freight forwarding and value added transport services. Prior to joining our Group, he worked as a wharf clerk with Lotango Forwarders (Pte) Ltd from 1983 to 1987, an assistant operation manager with Huk Seng Container Pte Ltd from 1987 to 1991, and an assistant operations manager with SH Cogent Logistics Pte Ltd from 1991 to 1995, a company which engaged in logistics business, and was responsible for container trucking operations.

Mr. KH Ng, aged 30, is our executive Director and the son of Mr. Ng, an executive Director. Mr. KH Ng is primarily responsible for management and formulating the overall strategic direction of our Group. He joined our Group on 30 September 2015. Mr. KH Ng has more than four years of experience in the logistics industry particularly in the area of trucking, freight forwarding and value added transport services. Prior to joining our Group, he worked as an inventory supervisor at Bollore Logistics (Singapore) Pte Ltd from November 2014 to February 2016. Mr. KH Ng obtained a diploma in logistics management and diploma plus certificate in international freight forwarding & eLogistics in Ngee Ann Polytechnic in Singapore in May 2012.

Independent non-executive Directors

Mr. Yeo Teck Chuan ("**Mr. Yeo**"), aged 54, is our independent non-executive Director. Mr. Yeo joined our Group on 18 December 2020. He has more than 29 years of experience in accounting, auditing and financial management. From June 1992 to January 1995, he worked as an auditor at Pricewaterhouse. He worked for Arthur Andersen as an audit manager in Beijing from January 1995 to December 1998 and in Singapore from January 1999 to July 2002. From July 2002 to March 2007, he was the financial service director for South and South East Asia for BOC Asia Limited (Singapore). From July 2007 to May 2015, he worked at Deloitte Touche Tohmatsu and his last position was audit partner. From May 2015 to October 2017, he worked as an audit partner at Shanghai branch of Rui Hua Certified Public Accountants LLP. He worked as a managing director of Laos Rui Hua CPA Co., Ltd. from December 2016 to August 2019. He was a managing director of Beijing Quan Rui Certified Public Accountants LLP from October 2017 to July 2018. He has been a legal representative of Nanchang Yeo Seng Heng Financial Advisory Co. Ltd since August 2015. From July 2018, he has joined SBA Stone Forest Corporate Advisory (Shanghai) Co., Ltd as an advisory partner. He obtained a bachelor degree of accountancy from Nanyang Technological University in Singapore with second class honours (upper division) in May 1992 and has been a certified internal auditor awarded by The Institute of Internal Auditors and a chartered accountant of Singapore admitted by Institute of Singapore Chartered Accountants since May 2005 and July 2013 respectively. He has been emplaced in the ASEAN chartered professional accountant in Singapore since May 2017.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Ho Wing Sum ("**Mr. Ho**"), aged 38, is our independent non-executive Director. He joined our Group on 18 December 2020. Mr. Ho has more than 12 years of experience in account and client management. From March 2004 to August 2006, he worked as an assistant accountant at Cheng & Cheng Limited. From August 2006 to October 2011, he worked as an assurance associate of Marcum Bernstein & Pinchuk LLP. From February 2012 to present, he has been the director of OnPoint Business Solutions Limited. From June 2014 to December 2018, he was the general manager of Lacubus CPA. From September 2014 and October 2017 to present, he has been the director of Unique Corporate Services Limited and the general manager of Unique & Partners CPA respectively. Since October 2018, Mr. Ho has been the director of Plutus AF Limited. In addition, Mr. Ho has been the director of Insight Power Investments Limited since January 2019. Mr. Ho has been the director of Wang Fu Consultant Company Limited since June 2020. Since July 2020, Mr. Ho has been the director of 88M Global Limited and Jupica Limited. Since December 2020, Mr. Ho has been the independent non-executive director of Milestone Builder Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1667).

Mr. Ho obtained a bachelor degree in accounting from Napier University in January 2008 in Edinburgh, United Kingdom. He has been a certified public accountant recognised by Delaware Board of Accountancy since November 2011.

Mr. Teo Rainer Jia Kai ("**Mr. Teo**"), aged 42, is our independent non-executive Director. He joined our Group on 21 February 2022. Mr. Teo has extensive experience and knowledge in the capital and finance market. Mr. Teo is currently an executive director of Schroder & Co (Asia) Limited since April 2019 and a director of Quintessential Investments Pte. Ltd. since December 2016. During December 2017 and December 2018, he was an independent non-executive director of Datapulse Technology Limited (a company listed on the Singapore Exchange Securities Trading Limited, stock code: BKW). During April 2017 and April 2019, he was a senior director of Thirdrock Capital Private Limited. During October 2013 and November 2016, he was an assistant vice president (private banking division – greater China region) of ABN AMRO Private Banking. During July 2010 and October 2013, he was an assistant vice president of Credit Suisse AG Singapore. During August 2009 and June 2010, he was the chief analyst of Ventur9 Capital Holdings Limited. During March 2007 and August 2009, he was an assistant relationship manager of Citibank, N.A. – Global Wealth Management APME Singapore

Mr. Teo obtained a bachelor's degree of Computing Specialization: Disbributed Computing Systems from Monash University (Melbourne, Caulfield Campus) in Australia in 2004 and master's degree of Applied Finance from Monash Business School (Melbourne, Caulfield Campus) in Australia in 2006. He also completed Oxford Blockchain Strategy Programme of Said Business School (University of Oxford) in Singapore in 2018.

BIOGRAPHY OF DIRECTORS AND SENIOR MANAGEMENT

Senior Management

Mr. Koh Char Boh ("**Mr. Koh**"), aged 65, is the chief operating officer of our Group. He is primarily responsible for the operations and driver management of our Group. He joined our Group on 1 March 1995. Mr. Koh has more than 27 years of experience in the logistics industry. Prior to joining our Group, he worked as a supervisor at SH Cogent Logistics Pte Ltd, a company which engages in logistics business from 1993 to 1997, and was responsible for supervising its container trucking operations. Mr. Koh obtained a diploma from Singapore Technical Institute in Singapore in 1974.

Mr. Stephen Yeo Teck Nan, aged 42, is the chief marketing officer of our Group. He is primarily responsible for strategic direction, sales, and financial and performance review of our Group. He joined our Group on 22 March 2013. He has more than 16 years of experience in the logistics industry. Prior to joining our Group, he worked as an operations executive in Vanguard Logistics Services (S) Pte Limited from August 2004 to February 2006. He worked as a sales consultant in Atlantic Forwarding from April 2006 to December 2006. He worked as a sales executive and assistant sales manager in AGI Logistics (S) Pte Limited from 2007 to 2010. From 2010 to 2013, he worked as a business development manager of ASM logistics (S) Pte Limited and a sales director of Triton Multimodal Logistics Co., Ltd. He obtained a Diploma in Commerce (Logistics and Supply Chain Management) from Kaplan Higher Education Institute in Singapore in February 2016.

Company Secretary

Mr. Man Yun Wah ("**Mr. Man**"), aged 39, is the company secretary of the Company. Mr. Man is an ordinary resident in Hong Kong. Mr. Man has more than 12 years of experience in corporate secretarial and management. From August 2008 to July 2015, he worked in Dominic K.F. Chan & Co. where he was responsible for handling company secretarial matters and his last position was principal of corporate services. Since July 2015, he has been appointed as a director and head of Company Secretary Division of In.Corp Corporate Services (HK) Limited (formerly known as RHT Corporate Advisory (HK) Limited), a company which provides company secretarial services. He is responsible for assisting listed companies in professional company secretarial work.

Mr. Man graduated from the University of Huddersfield in England with a Bachelor of Arts in business administration and management by distance learning in March 2010 and he further obtained a degree of Master of Corporate Governance (part time) from the Open University of Hong Kong in November 2014. He has been an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) since March 2015.

CORPORATE GOVERNANCE REPORT

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its Shareholders and enhance its corporate value. The Company adopted all the code provisions in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code on corporate governance practices. Throughout the period from the Listing Date to 31 December 2021, the Company had complied with the code provisions in the CG Code with the exception of the code provision A.2.1. Details of such deviation is explained below.

BOARD OF DIRECTORS

The Company is governed by the Board which is responsible for formulating and implementing company policy and business strategies of the Group; overseeing the accounts, information technology and operational matters of the Group; and providing independent advice to the Board. The Board sets the overall strategy and directions for the Group with a view to developing its business and enhancing the shareholder value.

The Board is having regular Board meetings from time to time to formulate overall strategy, monitor business development as well as the financial performance of the Group. The Board has delegated certain duties and authorities to the management of the Company for supervising the human resources and health, safety, environmental, and operational matters of the Group; overseeing the financial reporting and management, internal control and compliance matters of the Group; overseeing the general management of projects and operation of the Group; overseeing the management of projects of the Group, including the planning and execution of projects from commencement until completion; and overseeing the management of the Group's operation from business development to project execution, including the procurement of contracts as well as value engineering the projects of the Group.

The Board is responsible for determining the appropriate corporate governance practices applicable to the Company's circumstances and ensuring systems, processes and procedures in place to achieve the Company's corporate governance objectives; reviewing and monitoring the training and continuous professional development of Directors and senior management and the Company's policies, practices and guidelines on compliance with legal and regulatory requirements; and etc. The Board may discharge its corporate governance duties by establishment of board committees and delegation of certain management and administration functions to the management. During the year up to the date of this report, the Board reviewed the compliance with the CG Code, the disclosure in the corporate governance report and the effectiveness of the risk management and internal controls systems of the Group.

The Directors have full access to information of the Group and the management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Board and the Board committees are provided with sufficient resources to perform their duties and, where necessary, the Directors and the Board committees are entitled to seek independent professional advice at the Company's expense.

The Board currently comprises two executive Directors (the "**ED(s)**"), namely Mr. Ng Choon Eng (Chairman and Chief Executive Officer) and Mr. Ng Kong Hock; and three independent non-executive Directors (the "**INED(s)**"), namely Mr. Yeo Teck Chuan, Mr. Ho Wing Sum and Mr. Teo Rainer Jia Kai.

Mr. Ng Choon Eng, an ED, the Chairman and the Chief Executive Officer, is the father of Mr. Ng Kong Hock, an ED. There are no other relationships among our Directors.

CORPORATE GOVERNANCE REPORT

During the period from the Listing Date to 31 December 2021, one general meeting was held while four Board meetings were held whereat the Board, among others, (i) reviewed and approved the financial results for the year ended 31 December 2020; (ii) reviewed and approved the financial results for the six months ended 30 June 2021; (iii) considered and approved the overall strategies and policies of the Group; and (iv) considered and approved the remuneration packages of individual EDs and the senior management. The attendance of individual Directors at the general meeting and Board meetings is set out in the following table:

Name of Directors	Attended/ Eligible to attend 2021 Annual General Meeting	Board meetings
Ng Choon Eng	1/1	3/4
Ng Kong Hock	1/1	3/4
Yeo Teck Chuan	1/1	4/4
Wong Kwun Ho (resigned on 25 January 2022)	1/1	4/4
Ho Wing Sum	1/1	4/4
Teo Rainer Jia Kai (appointed on 21 February 2022)	-/-	-/-

Notice of regular Board meetings is served on all the Directors at least 14 days before meeting. For other Board and Board committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all the Directors at least 3 days before each Board or Board committee meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management of the Company where necessary.

The minutes of Board and Board committee meetings are kept by the company secretary and are open for inspection by any Director. The minutes of Board and Board committee meetings record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes are sent to all Directors for their comment and records respectively, within a reasonable time after the meetings are held.

Other than regular meetings, the Chairman also meets with the INEDs without the presence of the EDs, to facilitate an open discussion among the INEDs on issues relating to the Group.

During the period from the Listing Date to 31 December 2021, training materials were provided to the Directors, covering a wide range of topics including directors' duties, continuing obligations after listing, notifiable transactions and connected transactions.

In compliance with the Listing Rules, the Company appointed three INEDs with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the EDs, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company has received an annual confirmation of independence under Rule 3.13 of the Listing Rules from each of the INEDs and considered that their independence is in compliance with the Listing Rules.

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Ng Choon Eng is the Chairman and the Chief Executive Officer. As Mr. Ng Choon Eng has been operating and managing the Group since 1995, our Board believes that it is in the best interest of our Group to have Mr. Ng taking up both roles for effective management and business development. Therefore, our Directors consider that the deviation from the CG Code provision A.2.1 is appropriate in such circumstance. In order to maintain good corporate governance and fully comply with such code provision, our Board will regularly review the need to appoint different individuals to perform the roles of the Chairman and chief executive officer separately.

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. Pursuant to the letter of appointment, the initial term of the INEDS is three years and will continue thereafter until terminated in accordance with the terms of the letter of appointment. At least one-third of the Directors shall retire from office by rotation and be eligible for re-election at each annual general meeting at least once every three years pursuant to the amended and restated articles of association ("**Articles of Association**") of the Company.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the codes of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors have confirmed, following specific enquiries made by the Company, that they fully complied with the Model Code and the code of conduct regarding directors' securities transactions throughout the period from the Listing Date to 31 December 2021.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy (the "**Board Diversity Policy**") which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business and development. Pursuant to the Board Diversity Policy, selection of Board candidates will be based on a number of objective factors, including but not limited to gender, age, cultural and educational background or professional skills and experience. In forming its perspective on diversity, the Company takes into account factors based on our business model and specific needs from time to time. The ultimate decision will be made based on merit and contribution that the selected candidates will bring to the Board. The nomination committee of the Company (the "**NC**") will disclose the composition of the Board annually in the corporate governance report and monitor the implementation of the Board Diversity Policy by regularly reviewing the board diversity policy and assessing its effectiveness, and where necessary, make any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

The NC will discuss and agree annually measurable objectives that the Board has set for implementing the Board Diversity Policy for nomination of directors to the Board and recommend them to the Board for adoption. The NC monitors the implementation of the Board Diversity Policy, reviews and assesses annually the composition of the Board under diversified perspectives and makes recommendations to the Board on appointment of new directors of the Company. The NC also oversees the conduct of the annual review of the effectiveness of the Board.

We recognise that gender diversity at the Board level can be improved given its current composition of all-male Directors. We will strive to take steps to promote gender diversity at all levels of the Company and ensure that gender diversity is achieved in accordance with the Listing Rules.

CORPORATE GOVERNANCE REPORT

To enhance our corporate governance by promoting gender diversity at the Board, our Company has set out the following targets and policies:

– The NC will use its best efforts, within three years from the Listing Date, to identify and recommend suitable female candidates to our Board for its consideration. Our Board will use its best efforts to appoint at least one female member and achieve no less than 10% female representation in the Board by the end of 2023, subject to the Directors (i) being satisfied with the competence and experience of the relevant candidate after a reasonable review process based on reasonable criteria; and (ii) fulfilling their fiduciary duties to act in the best interest of the Company and the Shareholders as a whole when making the relevant appointment(s).

– Upon the Listing, the Company is committed to provide career development opportunities for female staff and ensure that there is gender diversity when recruiting staff from mid to senior levels so that the Company will have a pipeline of female senior management in future. The Group will emphasise on training senior female staff who have long and relevant experience in our business, including but not limited to logistics and financial management. The Directors believe that this policy will provide the required manpower resources to better achieve gender diversity at the Board.

REMUNERATION COMMITTEE

The Company established the RC in December 2020 with written terms of reference in compliance with the CG Code, which is available on the websites of the Company and the Stock Exchange. The RC comprises Mr. Ho Wing Sum (chairman), Mr. Yeo Teck Chuan, Mr. Teo Rainer Jia Kai and Mr. Ng Kong Hock.

The primary duties of the RC are, among others, to make recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; reviewing and approving the management's remuneration proposals and make recommendations to the Board on the remuneration of non-executive Directors. The Directors are remunerated with reference to their respective duties and responsibility with the Company, the Company's performance and current market situation. The RC has adopted the model under the CG Code to make recommendations to the Board on the remuneration packages of individual EDs and senior management in consultation with the Chairman.

During the period from the Listing Date to 31 December 2021, one RC meeting was held for the purposes of, among other things, making recommendations on the remuneration packages of individual EDs and senior management and remuneration of the INEDs to the Board for consideration and approval. The attendance of individual members is set out in the following table.

Name of committee members	Attended/ Eligible to attend
Mr. Ho Wing Sum	1/1
Mr. Yeo Teck Chuan	1/1
Mr. Wong Kwun Ho (resigned on 25 January 2022)	1/1
Mr. Teo Rainer Jia Kai (appointed on 21 February 2022)	-/-
Mr. Ng Kong Hock	1/1

Details of emoluments of the Directors for the year ended 31 December 2021 are disclosed in note 12 to the consolidated financial statements for the year ended 31 December 2021.

NOMINATION COMMITTEE

The Company established the NC in December 2020 with written terms of reference in compliance with the CG Code, which is available on the websites of the Company and the Stock Exchange. The NC comprises Mr. Teo Rainer Jia Kai (chairman), Mr. Yeo Teck Chuan, Mr. Ho Wing Sum and Mr. Ng Kong Hock.

The primary duties of the NC are, among others, to review the structure, size and composition of the Board; identify individuals suitably qualified to become members of the Board; assess the independence of the INEDs; and make recommendation to the Board on the appointment or reappointment of the Directors.

The NC shall nominate suitable candidates to the Board for consideration and make recommendations to the Shareholders for election as Directors at general meetings of the Company. The factors used as reference by the NC in assessing the suitability of a proposed candidate are, among others, as follows:

- character and integrity;
- qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- accomplishment and experience business from time to time conducted, engaged in or invested in by any member of the Group;
- commitment in respect of available time and relevant interest;
- requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;
- board diversity policy and any measurable objectives adopted by the NC for achieving diversity on the Board; and
- such other perspectives appropriate to the Company's business.

For filling a casual vacancy, the NC shall make recommendations to the Board for consideration and approval.

For proposing candidates to stand for election at a general meeting of the Company, the NC shall make nominations to the Board for its consideration and recommendation. The NC shall review the overall contribution and service to the Company of the retiring director including his/her attendance of Board meetings and, where applicable, general meetings, and the level of participation and performance on the Board. The NC shall also review and determine whether the retiring director continues to meet the criteria as set out above. The NC and/or the Board shall then make recommendation to the Shareholders in respect of the proposed re-election of Director at general meetings.

For any person that is nominated by a shareholder for election as a Director at a general meeting of the Company pursuant to the Articles and Association, the NC shall evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship and where appropriate, the NC and/or the Board shall make recommendation to the Shareholders in respect of the proposed election of Director at a general meeting of the Company.

The NC shall, upon receipt of the proposal on appointment of new Director with biographical information (or relevant details), evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship. If the process yields one or more desirable candidates, the NC shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable). The NC shall then recommend to appoint the appropriate candidate for directorship. The Board shall have the ultimate responsibility for selection and appointment of Directors.

Each of the EDs and the INEDs have entered into service agreement or letter of appointment respectively for their appointment with the Company for an initial term of three years commencing from the Listing Date and shall continue thereafter unless and until it is terminated by the Company or the Directors giving to the other not less than three (3) months' prior notice in writing and is subject to retirement by rotation and, being eligible, re-election at an annual general meeting of the Company in accordance with the Articles of Association.

According to articles 108 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement and eligible for re-election at an annual general meeting of the Company at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

According to Article 112 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

During the period from the Listing Date to 31 December 2021, one NC meeting was held for the purposes of, among others, making recommendations of re-election of the Directors at annual general meeting of the Company; reviewing the structure, size, composition and efficiency of the Board and the Board Diversity Policy; reviewing the INEDs' annual confirmation on independence; and assessing the independence of the INEDs. The attendance of individual members is set out in the following table.

Name of committee members	Attended/ Eligible to attend
Mr. Wong Kwun Ho (resigned on 25 January 2022)	1/1
Mr. Teo Rainer Jia Kai (appointed on 21 February 2022)	-/-
Mr. Yeo Teck Chuan	1/1
Mr. Ho Wing Sum	1/1
Mr. Ng Kong Hock	1/1

AUDIT COMMITTEE

The Company established an audit committee of the Company (the "**AC**") in November 2019 with written terms of reference in compliance with the CG Code, which is available on the websites of the Company and the Stock Exchange. The AC comprises Mr. Yeo Teck Chuan (chairman), Mr. Ho Wing Sum and Mr. Teo Tainer Jia Kai.

The primary duties of the AC are, among others, to review the risk management and internal control systems and the financial information, including accounting policies and practices and financial reporting, of the Company; to review the financial statements and reports of the Group; and to review the terms of engagement and the scope of audit work of the auditor.

During the period from the Listing Date to 31 December 2021, four AC meetings have been held for the purposes of, among others, reviewing the accounting principles and policies adopted by the Group with the management and the Company's auditor; discussing auditing, internal control and financial reporting matters including the audited financial statements; reviewing and approve all disclosure statements in the interim results announcement and interim report; and reviewing and approve all disclosure statements in audited annual results announcement, annual report and circular in relation to the Company. The attendance of individual members is set out in the following table.

Name of committee members	Attended/ Eligible to attend
Mr. Yeo Teck Chuan	4/4
Mr. Wong Kwun Ho (resigned on 25 January 2022)	4/4
Mr. Teo Rainer Jia Kai (appointed on 21 February 2022)	-/-
Mr. Ho Wing Sum	4/4

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS OF THE COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Company which give a true and fair view of the financial position of the Company on a going concern basis and which are in compliance with the relevant accounting standard and principles, applicable laws and disclosure provisions of the Listing Rules. The Directors also acknowledge their responsibility for the preparation of the consolidated financial statements in accordance with the basis of presentation and preparation set out in note 2 to the consolidated financial statements for the year ended 31 December 2021 on a going concern basis and which are in compliance with the relevant accounting standard and principles, applicable laws and disclosure provisions of the Listing Rules. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's and the Group's ability to continue as a going concern.

AUDITOR AND THEIR REMUNERATION

During the year ended 31 December 2021, Deloitte & Touche LLP resigned and Crowe (HK) CPA Limited was engaged as the Group's independent auditor.

CORPORATE GOVERNANCE REPORT

The remuneration paid/payable to Crowe (HK) CPA Limited in respect of the year ended 31 December 2021 is set out below:

Services

	2021 S$
Audit fee paid or payable to auditors of the Company	
– Annual audit	180,000
– Non-audit fee	0
	180,000

There was no non-audit service provided by Crowe (HK) CPA Limited to the Group for the year ended 31 December 2021.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company is aiming to develop a sound and good internal control system and build risk awareness and control responsibility into the Group. The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems in order to safeguard the interests of the Shareholders and the assets of the Company against unauthorized use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations. The Board is responsible for reviewing the effectiveness and adequacy of the Group's risk management and internal control systems.

The objectives of risk management and internal control systems are to maintain the highest possible integrity and continuity for services provided by the Company; safeguard the assets, including people, property and financial resources; ensure the uninterrupted availability of resources for the Company to perform continuously the critical business functions to support its critical objectives; ensure to appropriately deal with disruption; demonstrate responsible business continuity management processes to align with applicable accepted best practice standards and methods; and ensure the accurate and timely provision of information to staff, business partners, stakeholders and other relevant levels of government during an outage event.

The Board is responsible to identify, analyse, evaluate and monitor risks associated with any activity, function or process within their relevant scope of responsibility and authority for all activities and processes associated with the normal operation. The Company has established a risk management policy and procedures for the Group setting out the risk management process, risk assessment matrix and risk register risk.

The main elements of the risk management process are to communicate and consult with internal and external stakeholders as appropriate at each stage of the risk management process and concerning the process as a whole; establish the external, internal and risk management context and the criteria against which risk to be evaluated; identify where, when, why and how events to prevent, degrade, delay or enhance the achievement of the objectives; determine consequences and likelihood of the level of risk by analysing the range of potential consequences to be occurred; compare estimated levels of risk against the pre-established criteria and consider the balance between potential benefits and adverse outcomes; develop and implement specific cost-effective strategies and action plans for increasing potential benefits and reducing potential costs; and monitor the effectiveness of all steps of the risk management process. Risks are effectively managed by the Group through the effective implementation of various controls including board approved risk management framework; maintenance of risk register; and regular review of risks and controls, particularly as the business changes. The Board would, at least annually, review the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance controls.

The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The procedures and internal controls of the Company for handling and dissemination of inside information includes conducting the affairs of the Company with close regard to the Guidelines on Disclosure of Inside Information published by Securities and Futures Commission and the Listing Rules and reminding the Directors and employees of the Group regularly about due compliance with all polices regarding the inside information.

During the year ended 31 December 2020 and up to the date of this annual report, the Board reviewed the effectiveness of the Group's risk management and internal control systems. The Company considered the Group's risk management and internal control systems are effective and adequate.

The Group does not have an internal audit function within the Group. The Company engaged an external consultant to carry out internal audit function to review the effectiveness of the Group's risk management and internal control systems on annual basis.

COMPANY SECRETARY

Mr. Man Yun Wah has been nominated by In.Corp Corporate Services (HK) Limited to act as the company secretary of the Company. Mr. Man is an associate member of the Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and has also taken no less than 15 hours of relevant professional training for the financial year ended 31 December 2021 in compliance with Rule 3.29 of the Listing Rules. His primary contact person at the Company is Mr. Ng Kong Hock, an ED.

SHAREHOLDERS' RIGHTS

Pursuant to the Articles of Association, any one or more Shareholders holding at the date of deposit of the requisition no less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner.

Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures as set out in the preceding paragraph. The written requisition should be signed by the requisitionists and deposited at the Company's principal place of business in Hong Kong, specifying the Shareholders' contact details and the resolution intended to be put forward at general meeting.

For including a resolution to propose a person for election as a Director at general meeting, the Shareholders are requested to follow the Articles of Association. A written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong provided that the minimum length of the period, during which such notices are given, shall be at least seven days and that the period for lodgement of such notices shall commence on the day after the despatch of the notice of the general meeting of the Company appointed for such election and end no later than seven days prior to the date of such general meeting. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as a Director are posted on the Company's website at www.legionconsortium.com.

INVESTOR RELATIONS

The objective of shareholders' communication is to ensure timely, transparent and accurate communications between the Shareholders and the Company.

Information is communicated to the Shareholders mainly through the Company's interim reports, annual reports and where applicable, quarterly reports, general meetings, as well as the corporate communications and publications published on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at www.legionconsortium.com. The Shareholders should direct their questions about their shareholdings to the Company's branch share registrar in Hong Kong.

The Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. The Shareholders may also make enquiries to the Board by writing to the company secretary of the Company at the Company's principal place of business in Hong Kong at Unit 912, 9/F., Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong.

CONSTITUTIONAL DOCUMENTS

The Articles of Association was adopted on 18 December 2020 with effect from the Listing Date. There had been no significant change in the Articles of Association since the Listing Date up to the date of this annual report.

REPORT OF THE DIRECTORS

The Directors are pleased to present this report together with the consolidated financial statements of the Group for the year ended 31 December 2021 ("**Consolidated Financial Statements**").

The Company was incorporated in the Cayman Islands with limited liability on 20 June 2018. The Company completed the corporate reorganisation (the "**Reorganisation**") on 18 December 2020 in preparation for the Listing, pursuant to which the Company became the holding company of the companies now comprising the Group. Details of the Reorganisation are set out in the section headed "History, Corporate Development and Reorganisation" in the Prospectus. The Shares were listed on the Stock Exchange on 13 January 2021 by way of share offer.

PRINCIPAL PLACE OF BUSINESS

The headquarters and principal place of business of the Company in Singapore is located at 7 Keppel Road, #3-20/21/22/23/24, Tanjong Pagar Complex, Singapore 089053 and the principal place of business of the Company in Hong Kong is located at Unit 912, 9/F., Two Harbourfront, 22 Tak Fung Street, Hunghom, Kowloon, Hong Kong.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its operating subsidiaries are set out in note 31 to the Consolidated Financial Statements. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2021.

RESULTS/BUSINESS REVIEW

The results of the Group for the year ended 31 December 2021 are set out in the Financial Statements in this annual report. A review of the business of the Group for the year ended 31 December 2021, which includes a description of the principal risks and uncertainties facing the Group, an analysis using financial key performance indicators of the Group's business, particulars of important events affecting the Group, an indication of likely future developments in the Group's business, and discussion on the Company's environmental policies and performance and the relationships with its stakeholders, can be found in the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Corporate Governance Report", "Environmental, Social and Governance Report" and Consolidated Financial Statements in this annual report. The review forms part of this report of the Directors.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2021, as far as the Directors are aware, the Company did not have any non-compliance with relevant laws and regulations that is material or systemic in nature.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2021 are set out in note 15 to the Consolidated Financial Statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year ended 31 December 2021 are set out in note 16 to the Consolidated Financial Statements.

REPORT OF THE DIRECTORS

SUBSIDIARIES

Particulars of the Company's subsidiaries during the year ended 31 December 2021 are set out in note 31 to the Consolidated Financial Statements.

KEY RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the Group are set out in the section headed "Management Discussion and Analysis" of this annual report.

DONATIONS

Chartiable donations of the Group was approximately S$18,750 during the year ended 31 December 2021.

DIRECTORS

The directors of the Company during the year ended 31 December 2021 and up to the date of this annual report were:

Executive Directors:

Mr. Ng Choon Eng *(Chairman and Chief Executive Officer)*
Mr. Ng Kong Hock

Independent Non-executive Directors:

Mr. Yeo Teck Chuan
Mr. Wong Kwun Ho (resigned on 25 January 2022)
Mr. Ho Wing Sum
Mr. Teo Rainer Jia Kai (appointed on 21 February 2022)

In accordance with the Articles of Association, Mr. Ng Choon Eng, Mr. Yeo Teck Chuan and Mr. Teo Rainer Jia Kai will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

The Company has received annual confirmations of independence from each of the INEDs as required under Rule 3.13 of the Listing Rules. The Company considered all the INEDs to be independent.

Biographical information of the Directors and the senior management of the Group are set out on pages 10 to 12 of this annual report.

DIRECTORS' SERVICE CONTRACT

Each of the EDs has entered into a service agreement with the Company for an initial term of three years and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other party not less than three months' notice in writing.

Each of the INEDs has entered into letter of appointment with the Company for an initial term of three years and shall continue thereafter unless and until it is terminated by either party giving to the other party not less than three months' notice in writing.

None of the Directors, including those to be re-elected at the annual general meeting, has a service contract or appointment letter with the Company or any of its subsidiaries which is not determinable by the employing company within one year without the payment of compensation (other than statutory compensation).

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2020.

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 31 December 2021, 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 for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 ("**Model Code**") to the Listing Rules were as follows:

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

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

Note: MIRANA HOLDINGS LIMITED ("**Mirana**") is legally and beneficially owned as to 100% by Mr. Ng Choon Eng, and therefore Mr. Ng Choon Eng is deemed to be interested in the 937,500,000 Shares held by Mirana pursuant to the SFO.

(b) Long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held	Percentage of interest in associated corporation
Mr. Ng Choon Eng	Mirana (Note)	Beneficial owner	1	100%

Note: Mirana 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 31 December 2021, 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 of the Listing Rules.

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

As at 31 December 2021, the following persons had interests or short positions in the Shares and underlying Shares 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 (Note 1)	Beneficial owner	937,500,000	75%
Mr. Ng Choon Eng (Note 1)	Interest in controlled corporation	937,500,000	75%
Ms. Liyani (Note 2)	Interest of spouse	937,500,000	75%

Notes:

1. Mirana is the direct shareholder of the Company. Mirana is legally and beneficially owned as to 100% by Mr. Ng Choon Eng, and therefore Mr. Ng Choon Eng is deemed to be interested in the 937,500,000 Shares held by Mirana pursuant to the SFO.

2. Ms. Liyani is the spouse of Mr. Ng Choon Eng. Accordingly, Ms. Liyani is deemed or taken to be interested in the Shares in which Mr. Ng Choon Eng is interested in under the SFO.

Save as disclosed above, as at 31 December 2021, 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.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save for the related party transactions as disclosed in note 30 to the Consolidated Financial Statements, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries or its holding company was a party, and in which a Director or an entity connected with a Director had a material interest, directly or indirectly subsisted at the end of the year or at any time during the year ended 31 December 2021.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken by the Group are set out in note 30 to the Consolidated Financial Statements. Save as mentioned in the section headed "Continuing Connected Transactions" below, other related party transactions for the year ended 31 December 2021 are fully exempted from the independent shareholders' approval, annual review and all disclosure requirements pursuant to Chapter 14A of the Listing Rules. Further details of these continuing connected transactions are set out in the section headed "Connected Transactions" in the section headed "Continuing Connected Transactions" in this annual report. The Company has complied with the applicable disclosure requirements under Chapter 14A of the Listing Rules in relation to any connected transactions and continuing connected transactions.

CONTINUING CONNECTED TRANSACTIONS

On 18 December 2020, our Group has entered into the master services agreement with its connected persons for (i) supply repair and maintenance services and other related services for some of our fleet of vehicles provided by R&S Engineering Works Pte. Ltd. ("**R&S**") to our Group and (ii) supply of tyres and tyre installation services for our fleet of vehicles provided by JH Tyres & Batteries Pte. Ltd. ("**JH Tyres**") to our Group for a term from the Listing Date to 31 December 2022. The consideration of the transactions shall be determined based on normal commercial terms agreed after arm's length negotiations between the parties with reference to the prevailing comparable service fee.

R&S is owned as to 60% by Mr. Ng Choon Eng and JH Tyres is owned as to 70% by Mr. Ng Choon Eng. Mr. Ng Choon Eng is one of our Controlling Shareholders, Chairman, chief executive officer and ED. As such, R&S and JH Tyres is a connected person of our Company for the purpose of the Listing Rules. Accordingly, the transactions with R&S and JH Tyres constitute continuing connected transactions for our Company under Chapter 14A of the Listing Rules.

As disclosed in the Prospectus, the Board estimated that the annual cap under the master services agreement with R&S shall not exceed S$640,000, S$690,000 and S$750,000 for the years ending 31 December 2020, 2021 and 2022. The Board also estimated that the annual cap under the master services agreement with JH Tyres shall not exceed S$660,000, S$710,000 and S$770,000 for the years ending 31 December 2020, 2021 and 2022.

The Group has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the announcement requirements under Chapter 14A of the Listing Rules subject to the condition that the aggregate value of the transactions for each financial year does not exceed the relevant annual cap amount as stated above. Further details of the continuing connected transactions were set out in the section of "Connected Transaction" of the Prospectus.

The continuing connected transactions mentioned above have been reviewed by the independent non-executive Directors who have confirmed that the transactions have been entered into (a) in the ordinary and usual course of business of the Company; (b) on normal commercial terms or better; and (c) according to the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company's auditor was engaged to report on the Group's continuing connected transactions.

The auditor has issued an unqualified letter to the Board containing their findings and conclusions in respect of the non-exempt continuing connected transactions under the master service agreement mentioned above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

PERMITTED INDEMNITY PROVISIONS

Pursuant to the Articles of Association, every Director or officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

The Company maintains an insurance policy for directors' and officers' liability for the year ended 31 December 2021 and up to the date of this annual report.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the year ended 31 December 2021, none of the Directors had any interest in business apart from the Group's businesses which competed, or was likely to compete, either directly or indirectly, with the Group's businesses under Rule 8.10 of the Listing Rules.

RETIREMENT SCHEME

The Group participates in the central provident fund, which is a comprehensive social security system that enables working Singapore citizens and permanent residents to set aside funds for retirement. Save as the aforesaid, the Group did not participate in any other pension schemes during the year ended 31 December 2021.

No forfeited contribution is available to reduce the contribution payable under the above scheme.

EQUITY-LINKED AGREEMENTS

Save for the Share Award Scheme (as defined below), the Company did not enter into any equity-linked agreement during the year or subsisted at the end of the year ended 31 December 2021.

RESERVES

Movements in reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and note 33 to the Consolidated Financial Statements respectively. There is no distributable reserves of the Company as at 31 December 2021, calculated in accordance with the Companies Law (Cap.22) (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

SHARE OPTION SCHEME

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

SHARE AWARD SCHEME

The Share Award Scheme was adopted on 18 December 2020, the principal terms of which are summarised below. The Share Award Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Share Award Scheme does not involve the grant of options by the Company for subscription for new Shares.

1. Purposes

The purposes of the Share Award Scheme are to:

(i) recognise and acknowledge the contributions that any employee, director, officer, consultant, adviser, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group who the Board or its delegate(s) considers, in its sole and absolute discretion, to have contributed or will contribute to the Group (the "**Eligible Persons**") have (or may have) made or may make to the Group; and

(ii) align the interests of the Eligible Persons with those of the Group through ownership of Shares, dividends and other distributions paid on the Shares and/or the increase of value of the Shares, and to encourage and retain the Eligible Persons to make contributions to the long-term growth and profits of the Group.

2. Duration

Subject to any early termination as may be determined by the Board pursuant to the terms of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of three (3) years commencing on 18 December 2020, being the date on which the Share Award Scheme is adopted by the Company as approved by the Board (the "**Adoption Date**").

3. Administration

Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the committee of the Board or persons to which the Board has delegated its authority may appoint a trustee in respect of granting administration or vesting of any Shares under the Share Award Scheme.

4. Grant of Awarded Shares

Pursuant to the rules relating to the Share Award Scheme (the "**Share Award Scheme Rules**"), the Board may select such Eligible Persons to participate in the Share Award Scheme (the "**Selected Participant(s)**") and determine, among others, (a) the number of such awarded Shares (the "**Awarded Shares**") made to the Selected Participants (the "**Award**") out of the pool of issued Shares held by the trustee; and (b) the applicable date on which the legal and beneficial ownership of the relevant Awarded Shares are transferred and vested in such Selected Participant(s) (the "**Vesting Date**"). In determining the Awarded Shares for a Selected Participant, the Board may take into consideration matters including without limitation, the general financial condition of the Group, the performance and contribution of the relevant Selected Participant and any other matter which the Board considers relevant.

After the Board has made an Award, the Board or the authorised representative(s) as appointed by the Board (the "**Authorised Representative(s)**") will notify the trustee and the Selected Participant of the details and terms of the Award under a grant notice (the "**Grant Notice**"), which will include, among other things, (i) the name, address, position (where applicable) of the Selected Participant; (ii) the number of Awarded Shares; (iii) the condition(s) or performance target(s) to be attained by the Selected Participant before the Awarded Shares will be vested in such Selected Participant; (iv) the Vesting Date; and (v) other terms and conditions of such Award as imposed by the Board.

Upon receipt of the Grant Notice, the Selected Participant shall confirm acceptance of the Awarded Shares being granted to him/her by signing and returning to the Board the acceptance form attached to the Grant Notice within five (5) Business Days after the date of the Grant Notice. Prior to the Vesting Date, any Award made under the Share Award Scheme shall be personal to the Selected Participant to whom it is made and shall not be assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him/her pursuant to such Award.

5. Contribution to the Share Award Scheme

The Board will determine the amount of funds to be allocated out of the Company's resources for the purchase or subscription by the trustee of the Awarded Shares as the Board deems appropriate pursuant to the Share Award Scheme Rules (the "**Contributed Amount**") after taking into account all relevant circumstances and affairs of the Group, including without limitation, the Group's business and financial performance. The Contributed Amount will be applied to cover (i) the subscription or purchase prices for the Shares to be subscribed or purchased pursuant to the Share Award Scheme; and (ii) all related purchase or subscription expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy and Stock Exchange trading fee and such other necessary expenses).

6. Vesting of the Awarded Shares

Subject to the Share Award Scheme Rules, a Selected Participant shall not have (i) any interest or rights (including the right to receive dividends) in the Awarded Shares prior to the Vesting Date; (ii) any rights in the Residual Cash or any of the Returned Shares, or any Related Income that has accrued before the vesting of the relevant Awarded Shares; or (iii) any rights in the balance fractional share of the Related Income and of the Shares not so allocated to him/her and the fractional share arising out of consolidation of the Shares (such Shares shall be deemed as Returned Shares for the purposes of the Share Award Scheme).

For the purpose of the Share Award Scheme, the "Residual Cash" means the cash in the trust fund of the trust (including without limitation (i) any Contributed Amount or any remaining amount thereof; (ii) the Related Income (except the Vesting Shares) in the form of cash that the Selected Participants have no entitlement; (iii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the Related Income that is in the form of Share (except the Vesting Shares); and (iv) all interest or income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition or subscription of any Shares.

For the purposes of the Share Award Scheme, the "Vesting Shares" means any Awarded Shares vested under terms of the Scheme but not yet transferred to a relevant Selected Participant. In the event of (i) change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise; or (ii) consolidation, merger, association or reorganisation of the Group, the Board shall retain its absolute discretion to determine how to deal with the Awarded Shares, whether vested or not (including the time of vesting).

The trustee shall hold the Returned Shares to be applied towards future Awards in accordance with the Share Award Scheme Rules. When Returned Shares have been awarded, the Board shall notify the trustee accordingly.

The trustee shall not exercise the voting rights in respect of any Shares held by it as nominee or under the trust (if any) (including but not limited to the Awarded Shares, the Returned Shares, any bonus Shares and scrip Shares derived therefrom).

Subject to the receipt by the trustee of (a) the transfer documents and other documents prescribed by the trustee and, where applicable, duly signed by the Selected Participant within the period stipulated in the vesting notice referred to in the Share Award Scheme; and (b) a confirmation from the Company that all vesting conditions having been fulfilled, the trustee will either (i) transfer the relevant Awarded Shares to the relevant Selected Participant; or (ii) sell the relevant Awarded Shares on the market, and transfer the proceeds of the sale (after deduction of the related sales expenses) to the relevant Selected Participant, as soon as practicable after the Vesting Date and within the period stipulated in the Share Award Scheme.

In respect of a Selected Participant's employment or service or other contractual arrangement with the Company or any member of the Group which is terminated due to death, retirement or permanent disability at any time prior to or on the Vesting Date, all the Awarded Shares of the relevant Selected Participant shall be deemed to be vested on the day immediately prior to his/her death, retirement with the Company or the relevant member of the Group or permanent disability.

7. Maximum limit

The Board shall not make any further award of Awarded Shares which will result in the number of the Shares awarded by the Board under the Share Award Scheme exceeding 15% of the Shares in issue (i.e. 187,500,000 Shares as at the date of this annual report) upon the date on which the Shares are listed and permitted to be dealt in the Stock Exchange.

8. Restrictions

No Award shall be made by the Board, no payment shall be made to the trustee and no instructions to acquire or subscribe Shares shall be given to the trustee under the Share Award Scheme where any member of the Board is in possession of unpublished inside information in relation to the Group or where dealings by members of the Board are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time.

9. Lapse

In respect of a Selected Participant's employment or service or contractual arrangement with the Company or any member of the Group which is terminated for Cause or due to resignation at any time prior to or on the Vesting Date, all the Awarded Shares that have not yet been vested of the relevant Selected Participant shall become Returned Shares for the purposes of the Share Award Scheme.

For the purpose of the Share Award Scheme, a "Cause" means, with respect to a Selected Participant, such event as will entitle the Company or any member of the Group to terminate the employment or service or contractual arrangement of the Selected Participant with immediate notice without compensation under the relevant employment or service agreement or contract or, if it is not otherwise provided for in the relevant employment or service agreement or contract, (a) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence, (b) a material breach of any agreement or understanding between the Selected Participant and the Company or any member of the Group, including any applicable invention assignment, employment, non-disparagement, non-competition, confidentiality or other similar agreement, (c) misrepresentation or omission of any fact in connection with his/her employment agreement or service agreement or contract, (d) a failure to perform the customary duties of an employee of the Company or any member of the Group or perform the obligations of service agreement or other contractual obligations satisfactory to the Group in its sole discretion, to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group, or (e) any conduct that is materially adverse to the name, reputation or interests of the Group.

In the event that prior to or on the Vesting Date in respect of a Selected Participant, (i) the relevant Selected Participant ceases to be an Eligible Person, or (ii) the subsidiary by which a Selected Participant is employed ceases to be a subsidiary (or of a member of the Group), or (iii) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) (each of these, an event of "Total Lapse"), the Award shall automatically lapse forthwith and the Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

In the event that prior to or on the Vesting Date, a Selected Participant is found to be a resident in a place where the award of the Awarded Shares and/or the award of the Returned Shares and/or the vesting and transfer of the Awarded Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Eligible Persons, the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become Returned Shares for the purposes of the Share Award Scheme.

10. Alteration of the Share Award Scheme

The Share Award Scheme may be altered in any respect by a resolution of the Board provided that such alteration shall be subject to compliance with the Articles, the trust deed and all applicable laws, regulations and rules (including but not limited to the Listing Rules).

11. Termination

The Share Award Scheme shall terminate on the earlier of (i) the third anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant under the Share Award Scheme.

Upon termination of the Share Award Scheme:

(i) no further grant of Awarded Shares may be made under the Share Award Scheme;

(ii) the Company shall notify the trustee of such termination;

(iii) all the Awarded Shares of the Selected Participants granted under the Share Award Scheme shall become vested on the Selected Participants so referable on such date of termination save in respect of the Total Lapse, subject to the receipt by the trustee of the transfer documents prescribed by the trustee and duly executed by the Selected Participant within the period stipulated by the trustee;

(iv) the Returned Shares and such non-cash income remaining in the trust fund of the trust shall be sold by the trustee, after receiving notice of such termination of the Share Award Scheme (or such longer period as the Board may otherwise determine) at the then prevailing market price; and

(v) the Residual Cash, net proceeds of sale, and such other funds remaining in the trust fund of the trust managed by the trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares pursuant to paragraph (iv) above).

As of the 31 December 2021 and up to the date of this annual report, no Award had been granted or agreed to be granted by our Company pursuant to the Share Award Scheme.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2021, the aggregate cost of services attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for approximately 2.1% and 17.9% (2020: approximately 12.5% and 26.1%) respectively of the Group's total purchases. Revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 1.8% and 3.2% (2020: approximately 4.1% and 16.4%) respectively of the Group's total revenue for the year ended 31 December 2021.

Other than as disclosed in this annual report, none of the Directors and none of the Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) and none of their respective close associates had any material beneficial interest in the Group's five largest customers or suppliers.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

Employees

The Group has maintained good relationship with our employees. The Group offers to our employees' salary, bonuses and other allowances. In general, the Group determines employee salaries based on each employee's qualifications, position and seniority. The Group has designed an annual review system to assess the performance of our employees, which forms the basis of our decisions with respect to salary raises, bonuses and promotions.

Customers

The Group has established stable business relationships with our major customers. Directors consider that our long-term business relationships with our major customers and suppliers would further enhance our market recognition and enable us to attract more potential business opportunities.

A majority of the Group's five largest customers have long-standing business relationship with the Group for a period ranging from approximately three to nine years.

Suppliers and Subcontractors

The Group maintains an internal list of approved suppliers. We carefully evaluate the performance of our suppliers and select them based on a number of factors such as pricing, quality of material or equipment provided, timeliness of delivery and ability to comply with our requirements and specifications. The Group will review and update our internal list of approved suppliers according to our assessment of their performance on an ongoing basis.

The Group maintains an internal list of approved subcontractors. We carefully evaluate the performance of our subcontractors and select subcontractors based on their experience relevant to the particular project as well as their availability and fee quotations. The Group will review and update our internal approved list of subcontractors according to our assessment of their performance on an ongoing basis.

TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the shares, they are advised to consult their professional advisers.

REPORT OF THE DIRECTORS

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 has maintained a sufficient amount of public float for its shares as required under the Listing Rules since the Listing Date up to the date of this annual report.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

EVENTS AFTER REPORTING PERIOD

Save as disclosed in elsewhere in this annual report, there are no significant events affecting the Group which have occurred after the year ended 31 December 2021 and up to the date of this annual report.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 13 to 22 in this annual report.

ANNUAL GENERAL MEETING ("AGM")

The forthcoming AGM will be held on Friday, 24 June 2022 and the notice convening such meeting will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

CLOSURE OF BOOK FOR REGISTER OF MEMBERS AND DIVIDEND PAYMENT

For determining the entitlement of the Shareholders to attend and vote (as the case may be) at the forthcoming AGM, the register of members of the Company will be closed from Tuesday, 21 June 2022 to Friday, 24 June 2022 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the forthcoming AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 20 June 2022.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period from the Listing Date to 31 December 2021.

DIVIDEND POLICY

The Company considers stable and sustainable returns to the Shareholders to be its goal. The Company has adopted a dividend policy to allow the Shareholders to participate in the Company's profits whilst retaining adequate reserves for future growth of the Group.

The Company may from to time declare dividends in any currency to be paid to the Shareholders subject to an approval of the Shareholders at general meetings of the Company but no dividend shall be declared in excess of the amount recommended by the Board. The Board may from time to time pay to the Shareholders an interim dividend as appear to be justified by the profits of the Company. The payment of dividend is also subject to applicable laws and regulations and the Articles of Association. The dividend policy will continue to be reviewed by the Board from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

In deciding whether to propose a dividend to the Shareholders, the Board will take into account factors such as general business conditions and other internal or external factors, financial performance, financial condition, expected working capital requirements, future expansion plans and future prospects of the Group.

The declaration of or recommendation of declaration of dividends is subject to the absolute discretion of the Board. Even if the Board decides to recommend and pay dividends, the form, frequency and amount will depend upon the operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors of and affecting the Group. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2021 are set out in the Consolidated Financial Statements in this annual report.

The Board has resolved not to recommend the declaration of a final dividend for the year ended 31 December 2021 (FY2020: nil).

AUDIT COMMITTEE

The AC has reviewed, together with the management and external auditors, the accounting principles and policies adopted by the Group and the Consolidated Financial Statements.

The AC has recommended to the Directors the nomination of Crowe (HK) CPA Limited for re-appointment as external auditors of the Company at the forthcoming AGM.

AUDITORS

During the year ended 31 December 2021, Deloitte & Touche LLP resigned and Crowe (HK) CPA Limited was appointed as the external auditors of the Company. The Consolidated Financial Statements have been audited by Crowe (HK) CPA Limited, who will retire and, being eligible, offer itself for re-appointment at the forthcoming AGM.

On behalf of the Board

Ng Choon Eng
Chairman and Executive Director

Singapore, 30 March 2022

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

This Environmental, Social and Governance Report (the "**ESG Report**") summarises the environmental, social and governance ("**ESG**") plans, initiatives and performances of Legion Consortium Limited (the "**Company**", together with its subsidiaries, the "**Group**" or "**we**"), and demonstrates our commitment to sustainable development. As one of the well-established logistics services providers in Singapore, we believe sustainability is the key to achieve continuous success, and we have integrated it into our business strategies. The Group is dedicated to effectively handling its ESG issues and committed to continuously enhancing the performance of its ESG practices, as it believes this is the key to a sustainable development of its business.

ESG Governance Structure

The Group has set up an ESG working taskforce (the "**Taskforce**"), which is composed of core members from relevant departments of the Group and is responsible for collecting ESG data for the preparation of the ESG Report. The Taskforce would periodically report to the board of directors (the "**Board**"), assist in the assessment and identification of risk management of the Group on ESG aspects and whether its internal control system is appropriate and effective. The Taskforce reviews the ESG performance of the Group, including environmental, labour practices, and other ESG aspects. In addition, the Group regularly engages its internal and external stakeholders and hires independent third parties to conduct materiality assessment so as to identify, evaluate, prioritise and manage material ESG-related issues.

The Board assumes full responsibility for the Group's ESG strategies and reporting as well as for overseeing and managing the Group's ESG-related issues, including strategies, direction and policies. In order to better manage the Group's ESG performance, related issues and potential risks, the Board discusses and reviews the Group's ESG risks and opportunities, performance, progress, goals and targets regularly with the assistance of the Taskforce. The Board is also responsible for ensuring the effectiveness of ESG risk management and internal control mechanism and facilitating the exchange of best practices with other comparable companies. The Group believes the abovementioned objectives and environmental protection measures adopted can enhance the Group's employees' awareness on environmental protection, and in turn enhance the Group's ESG performance.

With the aim to demonstrate the steadfastness of the Group on sustainable development, the Group has conducted its first target setting on the environmental aspects and implemented the latest ESG-related policies and guidelines.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the "**ESG Reporting Guide**") as set out in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The corporate governance practices of the Group are described in the Corporate Governance Report of this annual report.

The Group attaches great importance to ensuring the application of materiality, quantitative, and consistency reporting principles during the preparation of this ESG Report, measures and practices adopted by the Group so as to apply these reporting principles were as follows:

Materiality: Materiality assessments were conducted with the aim to identify material ESG-related issues, thereby adopting the identified material issues as the focus of the ESG Report. The materiality of ESG-related issues was reviewed and confirmed by the Board and senior management of the Group. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standards, methodologies, assumptions and/or calculation tools, as well as source of conversion factors used in the calculation of relevant data in the ESG Report were disclosed. The key performance indicators ("**KPIs**") are supplemented by explanatory notes to establish benchmarks where feasible.

Consistency: The preparation approach of this ESG Report was substantially consistent with that of the ESG report for the previous financial year, and explanations will be provided regarding changes in the scope of disclosure or calculation methodologies whenever and wherever applicable.

SCOPE OF REPORTING

The ESG Report covers the Group's operational activities in Singapore, which are composed of trucking services, freight forwarding services and value added transportation services, for which represent the Group's major sources of revenue. Data collection and disclosures are mainly focused on the operations of the Group at its principal places of businesses in Singapore. The Group will extend the scope of disclosures when and where applicable.

REPORTING PERIOD

This ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2021 (the "**Reporting Period**").

STAKEHOLDER ENGAGEMENT

We attach great importance to our stakeholders and their feedback in regard to our operational activities and ESG aspects as we believe their feedback allow us to operate in line with our stakeholders' concerns. Regular communication with key stakeholders has been conducted by the Group by utilising a variety of communication channels. Our key stakeholders are mainly composed of shareholders and investors, customers and business partners, employees, subcontractors, regulatory bodies and government authorities, and media, non-governmental organisations ("**NGOs**") and the public. Major concerns of key stakeholders and communication channels utilised by the Group were summarised as follows:

Stakeholders	Concerns	Communication channels
Shareholders and investors	• Business strategies and performance • Financial results • Investment returns	• Annual general meeting and other shareholder meetings • Announcements and circulars
Customers and business partners	• Timely and safe delivery of services • Privacy protection • Protection of customers' rights	• Emails • Regular meetings
Employees	• Health and safety • Remuneration and benefits • Occupational health and safety in the workplace • Equal opportunities	• Performance reviews • Regular meetings
Subcontractors	• Fair tendering	• Management meetings and emails
Regulatory bodies and government authorities	• Implementation of policies • Occupational health and safety in workplace	• Compliance advisor • Regular meetings
Media, NGOs and the public	• Involvement in communities • Health and safety • Social welfare	• ESG reports • Announcement and circulars

MATERIALITY ASSESSMENT

The Group has compiled a survey in regard to the material ESG issues identified for collecting information from key stakeholders. Feedback from the stakeholders is assessed and analysed so as to determine the importance of relevant ESG issues to our business and stakeholders. The following table shows the summary of the Group's materiality level of different ESG issues in terms of the significance of ESG impacts and the influence on stakeholders' assessments and decisions.

Material topics

High importance	Medium importance	Low importance
• Anti-corruption • Customer Service and Privacy • Protection of Intellectual Property Rights	• Supply Chain Management • Labour Standards • Employment Practices • Development and Training • Climate-Change Mitigation and Adaptation	• Diversity, Equal Opportunity and Anti-discrimination • Waste Management • Greenhouse Gas ("**GHG**") Emissions • Advertising and Labelling • Energy Efficiency • Use of Packaging Materials

During the Reporting Period, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

The Group treasures stakeholders' valuable opinions and suggestions. You can provide valuable feedback on the ESG Report or our sustainability performance by email at: nicholas.ng@rejoice1.com.sg

A. ENVIRONMENTAL

A1. Emissions

The Group recognises the importance of ensuring long-term sustainability in the environment and community where the Group operates. Therefore, the Group is committed to maintaining a sound environmental management and strives to minimise the potential environmental impacts associated with its operational activities so as to fulfil its social responsibilities.

Being one of the leading logistics service providers in Singapore, we attach great importance to maintaining sustainability practices as we believe sustainability is an integral part of our business's success. We have established relevant environmental management systems and adopted relevant environmental policies so as to minimise the potential direct and indirect environmental impact caused by our operational activities. The Group strives to promote green environment through the implementation of environmentally friendly business practices and initiatives, and to constantly instil the idea of environmental protection into our employees. The Group is committed to continuously seek for opportunities to further enhance our ESG performances.

During the Reporting Period, the Group was not aware of any material non-compliance of environmental laws and regulations in relation to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes, including but not limited to the Environmental Protection and Management Act and Environmental Public Health Act of Singapore.

Exhaust Gas Emissions

Due to the Group's business nature, emissions of exhaust gas is unavoidable. Therefore, the Group is actively adopting environmentally friendly measures so as to minimise the amount of exhaust gas generated from our daily operations, and the details are as follows:

- Selection of vehicles with efficient fuel consumption;
- Regular inspection and maintenance is performed on vehicles to ensure performance and efficiency of engines are optimised;
- Closely monitor prime movers with heavy emissions; and
- Utilisation of electronic means of communication such as video conference and phone calls to reduce the frequency of business trips.

The Group has set the target to reduce its exhaust gas emissions intensity over the next 3 years, using 2021 as the baseline year. During the Reporting Period, the Group's exhaust gas emissions were as follows:

		Emission amount	
Types of exhaust gas[1]	**Unit**	**2021**	2020
Nitrogen Oxides (NO_x)	tonnes	**12.65**	15.12
Sulfur Oxides (SO_x)	tonnes	**0.023**	0.03
Particulate Matter (PM)	tonnes	**1.25**	1.50

Note:

(1) Calculation of NOx, SOx and PM is based on the estimated travelling distance based on volume of fuel consumed.

GHG Emissions

The major sources of the Group's GHG emissions are composed of diesel consumption of motor vehicles (Scope 1), purchased electricity (Scope 2), and paper disposal (Scope 3). The following measures are adopted so as to reduce GHG emissions generated from our operation:

- Assessing and monitoring GHG emissions to identify room for improvement;
- Actively adopting paper saving measures in office;
- Optimising energy efficiency; and
- Promoting double-sided printing to utilise the efficiency of paper usage.

Through the implementation of above measures, the employees' awareness of GHG emissions reduction have been increased. During the Reporting Period, the Group's total GHG emissions intensity has decreased by approximately 22.27% from approximately 124.22 tCO_2e/revenue (in S$ million) in 2020 to approximately 96.55 tCO_2e/revenue (in S$ million) in the Reporting Period. The Group has set target to reduce its GHG emissions intensity over the next 3 years, using 2021 as the baseline year. The Group's GHG emissions and its intensity during the Reporting Period were summarised as follows:

Indicator[2]	Unit	GHG emission amount 2021	2020
Direct GHG emissions (Scope 1)			
• diesel consumption	tCO_2e	**4,028.18**	4,703.81
Energy indirect GHG emissions (Scope 2)			
• purchased electricity	tCO_2e	**368.35**	274.00
Other indirect GHG emissions (Scope 3)			
• paper disposal	tCO_2e	**24.68**	28.24
Total GHG emissions (Scope 1, 2 and 3)	**tCO_2e**	**4,421.21**	5,006.05
GHG emissions intensity[3]	tCO_2e/revenue(in S$ million)	**96.55**	124.22

Notes:

(2) GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report? – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5) and the "Electricity Grid Emission Factors and Upstream Fugitive Methane Emission Factor, 2005-2020" issued by the Energy Market Authority of Singapore.

(3) For the year ended 31 December 2021, the Group's total revenue was approximately S$45.79 million. The data is also used for calculating other intensity data.

Sewage Discharge

Due to the Group's business nature, the Group does not consume a significant volume of water. The Group's wastewater is mainly generated from office, and hence the amount of water consumption represents the wastewater discharge volume. The data of water consumption and corresponding water conservation measures will be described in the section headed "Water Consumption".

Waste Management

Hazardous wastes

During the Reporting Period, no material hazardous waste has been generated due to the Group's business nature. Nevertheless, qualified subcontractors would be engaged to manage and dispose the hazardous waste if hazardous wastes are generated from its operation. The treatment of such waste would be in strict compliance with local law and regulations including but not limited to the Hazardous Waste (Control of Export, Import and Transit) Act of Singapore.

Non-hazardous wastes

The Group's major source of non-hazardous waste is paper disposal generated from our daily operations. We attach great importance to paper disposal reduction and mitigation, and thus adopted a list of measures and procedures so as to minimise the amount of paper usage, including but not limited to recycling and reusing one-side printed waste paper where applicable, placing recycling bins in office areas to encourage employees' recycling habits and to encourage usage of electronic-copy when and where applicable. The Group endeavours to increase the awareness of waste management and environmental protection of our employees. Through the implementation of the above measures, the employees' awareness of reducing waste disposal has been increased.

During the Reporting Period, the Group's non-hazardous waste intensity has decreased by approximately 26.67% from approximately 0.15 tonnes/revenue (in S$ million) in 2020 to approximately 0.11 tonnes/revenue (in S$ million) in the Reporting Period. The Group has set the target to reduce its non-hazardous waste intensity over the next 3 years, using 2021 as the baseline year. During the Reporting Period, the Group's non-hazardous wastes disposal performance was summarised as follows:

Non-hazardous waste category	Unit	Disposal amount 2021	Disposal amount 2020
Paper[4]	tonnes	**5.14**	5.88
Total non-hazardous waste	tonnes	**5.14**	5.88
Non-hazardous waste intensity	tonnes/revenue (in S$ million)	**0.11**	0.15

Note:

(4) For the year ended 31 December 2021, the A4 paper consumption was approximately 1,177,500 sheets.

A2. Use of Resources

The Group endeavours to optimise the utilisation of resources over the course of its operational activities and to adopt a variety of initiatives to monitor and manage the efficiency of resource consumption and effectiveness of environmentally friendly approaches. During our daily operations, our major resource consumption is composed of diesel, electricity and water consumed.

Diesel is one of the most consumed resources in our daily business operations, the Group has established relevant policies and procedures in governing the efficiency of usage of diesel so as to achieve optimised energy efficiency and reduce the use of unnecessary resources. The Group strives to further adopt initiatives to increase our efficiency of resource and energy usage in our business operations.

Energy Efficiency

The Group has adopted appropriate measures with the aim to minimise environmental impacts created from its operations. Furthermore, the Group has developed energy policies, initiatives, and practices so as to demonstrate its commitment to efficiently consume energy and resources. The Group's employees are required to implement the measures, including the utilisation of high-performance vehicles, streamlining of operational procedures and assuming responsibility for the Group's overall energy efficiency.

Electricity is one of the major energy consumed in our daily operation. Approaches introduced with the aim to achieve the goal of electricity saving and efficient consumption are as follows:

- Replace traditional electrical appliances with electricity-saving appliances to reduce electricity usage;
- Switch off unnecessary lighting and electrical appliances when not in use; and
- Regularly clean office equipment such as air conditioners to ensure optimised operating efficiency.

Through the implementation of the above energy-saving measures, the employees' awareness of energy conservation has been increased. During the Reporting Period, the Group's energy consumption intensity has decreased by approximately 23.16% from approximately 490.43 MWh/revenue (in S$ million) in 2020 to approximately 376.87 MWh/revenue (in S$ million) in the Reporting Period. The Group has set the target to reduce its energy consumption intensity over the next 3 years, using 2021 as the baseline year. During the Reporting Period, the Group's energy consumption performance and its intensity was summarised as follows:

		Consumption amount	
Type of energy	**Unit**	**2021**	2020
Direct energy consumption	MWh		
• Diesel[5]		**16,353.95**	19,093.60
Indirect energy consumption	MWh		
• Electricity		**902.83**	670.76
Total energy consumption	**MWh**	**17,256.78**	**19,764.36**
Energy consumption intensity	MWh/revenue (in S$ million)	**376.87**	490.43

Note:

(5) For the year ended 31 December 2021, actual diesel consumption was approximately 1,527,944.70 litres. Unit conversion is based on the "Energy Statistics Manual" issued by the International Energy Agency.

Water Consumption

The Group's water consumption is mainly composed of domestic water used within the office areas. Water consumption of the Group is mainly for basic business operation, cleaning and sanitation. We encourage all employees to develop the habit of water conservation and guide the employees to maximise the water usage efficiency and to use water reasonably. In addition, we encourage our employees to monitor water usage in the office on a regular basis to identify if there are any sudden spikes in water consumption.

Through the implementation of the above measures, the employees' awareness of water-conservation has been increased. During the Reporting Period, the Group's water consumption intensity has decreased by approximately 23.31% from approximately 138.57 cubic meters/revenue (in S$ million) in 2020 to approximately 106.27 cubic meters/revenue (in S$ million) in the Reporting Period. The Group has set the target to reduce its water consumption intensity over the next 3 years, using 2021 as the baseline year. During the Reporting Period, the Group's water consumption performance and its intensity was summarised as follows:

		Consumption amount	
Water consumption	**Unit**	**2021**	2020
Water consumed	cubic meters	**4,866.30**	5,584.20
Water consumption intensity	cubic meters/revenue (in S$ million)	**106.27**	138.57

Due to the Group's operational location, there is no material issues in sourcing water that is fit for purpose.

Use of Packaging Materials

Due to the Group's business nature, the use of packaging material is considered immaterial in relation to the Group's ESG aspect.

A3. The Environment and Natural Resources

The Group is committed to fulfilling its corporate social responsibility. We recognise our responsibilities in minimising the negative potential environmental impacts resulting from our business operations so as to achieve sustainable development and generate long-term values to the Group's stakeholders. Due to the Group's business nature of being an integrated logistics solution provider, the Group's business activities would not have a material impact on the environment nor on the natural resources.

Nevertheless, the Group strives to minimise any potential adverse impacts on the environment resulting from its business activities through developing and implementing effective internal control and monitoring mechanisms with the aim to reducing natural resources consumption and pursuing an effective emission management. In addition to compliance with relevant environmental laws and regulations, the Group actively integrates the concepts of natural resource conservation and environmental protection into its internal management system.

A4. Climate Change

Climate Change Adaptation and Mitigation

The Group recognises climate change as a global challenge, and therefore it is committed to mitigating the risk by continuously reducing its carbon footprint, which in turn minimise its impacts on climate change. The Group recognises the importance of the identification and mitigation of significant climate-related issues, and is therefore committed to managing the potential climate-related risks which may have an impact on the Group's business activities. The Group has established relevant risk management policy with the aim to identify and mitigate corporate risks including climate-related risks. The Group assesses the identified risks, applies qualitative and quantitative methods so as to determine the potential impact and likelihood of materialisation in a specific timeframe. The Group prioritises risks based on their degree of potential impact and relevance to the Group's strategic objectives, and shall adjust and update the business contingency plan whenever necessary so as to improve the business stability. Through the above method, we identified the potential material impacts on the Group's business operations arising from the following risks:

Climate-related Issues

Physical Risks

Considering the Group's business nature of being a logistic services provider, the increased frequency and severity of extreme weather events such as typhoons, storms and heavy rains can disrupt operations by damaging the communication infrastructures or causing floods, hampering and injuring our employees during their work, leading to reduced capacity and decreased productivity, or exposing the Group to risks associated with non-performance and delayed performance. To minimise the potential risks and hazards, the Group has flexible working arrangements and precautionary measures during bad or extreme weather conditions.

Transition Risks

The Group anticipates that there will be more stringent climate regulations to support the global vision of carbon neutrality. From a listed company's perspective, we acknowledge the increasingly stringent requirements on climate-related information disclosures. One example is the recent update on the Stock Exchange's ESG Reporting Guide included significant climate-related impact disclosures requirements. Stricter environmental laws and regulations may expose enterprises to higher risks of encountering claims and lawsuits. Corporate reputation may also be affected due to the failure to meet the compliance requirements for climate change. In addition, related capital investment and compliance costs might in turn increase so as to fulfil such requirements. In response to the policy and legal risks as well as the reputation risks, the Group regularly monitors existing and emerging trends, policies and regulations relevant to climate and is prepared to alert the top management where necessary to avoid cost increments, non-compliance fines or reputational risks arose from the delayed response.

B. Social

B1. Employment

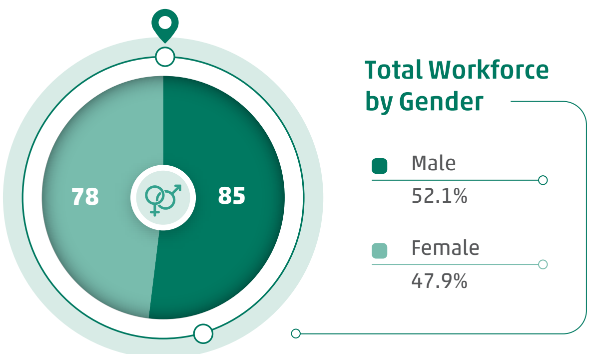
The Group considers its employees the integral element of its business, and perceives them as the most valuable assets of the Group. Therefore, we adhere to an employee-centric principle, respect and protect the rights and interests of each and every one of our employees. The Group is committed to providing its employees with a harmonious labour environment that enables them to fully capitalise on their talents, enhancing their skillsets and attaining comprehensive development.

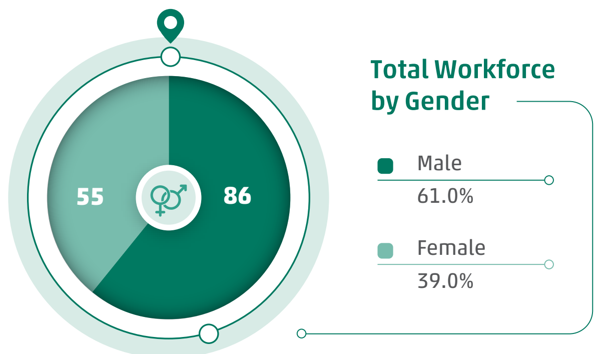
Relevant employment related policies and regulations have been formally documented into our Employee Handbook, covering the benefits, welfare, working hours, remuneration and diversity and equal opportunities. The Group regularly reviews its employment practices and policies so as to ensure its employment standards remain effective and competitive when compared with industrial standards.

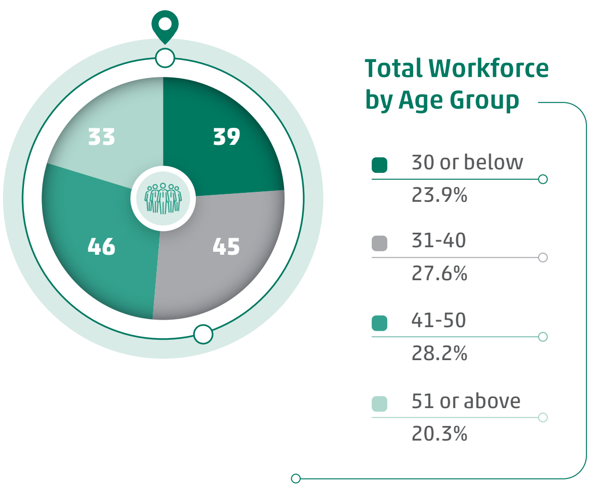
During the Reporting Period, the Group was not aware of any material non-compliance with employment related laws and regulations including but not limited to the Employment Act and Employment Regulation of Singapore, that would have a significant impact on the Group.

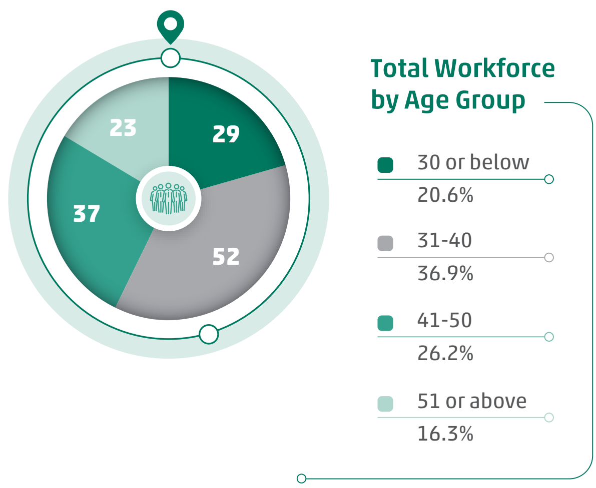
As at 31 December 2021, the Group had 163 employees, of which all of them are under full-time employment in Singapore (2020: 141 employees, of which all of them are under full-time employment in Singapore). The following graphs provide further details on our employees' diversity by age and gender.

2021 **2020**









Recruitment, Promotion and Dismissal

The Group has developed a list of fair, transparent and robust recruiting policies and procedures so as to ensuring employees are hired based on their talent and merit against the job criteria. Relevant policies and procedures are formally documented in our Human Resources ("**HR**") Policies and Procedures Handbook, covering the recruitment and selection, performance measurement, grievance procedures, promotion and dismissal areas.

The Group's basis for recruitment and promotion are job-related skills, qualifications and performances, ensuring that employees and applicants are reviewed and assessed in a fair way so as to allow the Group to build an elite workforce by only recruiting outstanding employees that are suitable for the job criteria.

Promotion and development opportunities are offered to outstanding employees through a fair and open assessment system, which allows them to expand their capability and horizon, assists them in career development and in turn contribute towards the Group's sustainable growth. Staff performance evaluation is carried out on a regular basis, evaluating employees' performance, against our organisational strategy and business goals, and is benchmarked against best practices. The evaluations are carried out in the form of annual performance appraisals, and results and feedback will be used as the basis for the Group to decide bonuses, promotions and salary adjustments for its employees.

Furthermore, the Group does not tolerate the dismissal of employees under any unreasonable basis. According to our policies, an employee will normally be given a verbal warning and up to three written warnings prior to being terminated for disciplinary problems or poor performance, and that exit interviews are required to be conducted with the resigned staff.

Remuneration and Benefits

The Group recognises the importance of its employees towards its continuous business growth. Therefore, we provide our employees competitive remuneration packages including but not limited to annual leave, medical scheme, maternity leave, paternity leave, matrimonial leave, compassionate leave, group insurance, mandatory provident fund, and other benefits.

With the above remuneration, benefits and welfares, the Group's turnover rate[6] remained at approximately 35.5% as at the year ended 31 December 2021. Breakdown of employee turnover by gender and age group are as follows:

	2021 Turnover Rate (%)	2020 Turnover Rate (%)
By Gender		
Male	**19.7%**	10.3%
Female	**15.8%**	5.1%
By Age Group		
30 or below	**14.5%**	3.7%
31-40	**14.5%**	8.8%
41-50	**5.2%**	2.2%
51 or above	**1.3%**	0.7%

Note:

(6) The employee turnover rate is calculated by dividing the number of employees leaving employment during FY2021 by the average number of employees at the beginning and the end of FY2021.

Diversity, Equal opportunity and Anti-discrimination

The Group has zero tolerance for sexual harassment and discriminatory behaviour. We are committed to provide our employees with equal opportunity in all aspects and to maintain a harmonious workplace that are free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation.

The Group endeavours to ensure that complaints, grievances and concerns are dealt with promptly and are treated in a confidential manner. Procedures regarding the handling of grievance is also formally documented in our HR Policies and Procedures Handbook, stipulating supervisors to resolve disputes and grievance without delay and in a systematic manner, and that reprisal against the employee who seeks resolution is strictly prohibited.

B2. Health and Safety

Employees are considered the most precious resources to us. Therefore, health and safety of our employees are of paramount importance. The Group is committed to and giving utmost support towards successful project delivery without making compromise on safety. With the aim to minimise potential work injuries and occupational hazards, all relevant operational policies and guidelines are documented in our Safety Policy, clearly stating the idea of safety is everyone's responsibility and all employees should be provided with safe and healthy working conditions, and that we will vigorously implement an Occupational Health & Safety ("**OHS**") system so as to providing sufficient and appropriate resources for the purpose to ensuring the safety and health of all staff and workers on-site.

During the Reporting Period, the Group was not aware of any material non-compliance with health and safety related laws and regulations including but not limited to Workplace Safety and Health Act, Workplace Safety and Health (General Provisions) Regulation and Work Injury Compensation Act of Singapore, that would have a significant impact on the Group. Also, the Group did not have any work-related fatalities in each of the past three years (including the Reporting Period). During the Reporting Period, the Group has recorded 63 working days lost due to work injury.

Safety Measures

The Group recognises that no job should be considered efficiently completed unless the workers have followed every precautionary and safety rules to protect themselves. Therefore, the Group has designated personnel responsible for examining and ensuring the work safety practices on workers are not compromised, and authorised them to carry out strict enforcement of all safety rules and regulations.

Response to the novel coronavirus (the "COVID-19") pandemic

In view of the outbreak of the COVID-19 pandemic, the Group has implemented a series of measures so as to strengthening the health and safety precautionary measures in our worksites to protect the health and well-being of our employees. We have issued internal memorandum instructing and guiding our employees to conduct preventive measure on spread of COVID-19. Apart from strictly adopting government procedures on confirmed cases, requiring workers and employees to wear mask at all time and conducting temperature check at least twice per day, we also increased the frequency of office cleaning and sterilisation and to strictly prohibit workers from working should they possess any symptoms of COVID-19. Such workers are also strictly to seek medical attention and follow the required instructions by the medical staff, so as to ensuring the health and safety of our employees and workers.

B3. Development and Training

The Group recognises staff training and development as an essential element towards its continuous sustainable growth. Therefore, we have established relevant development and training policies documented in our Employee Handbook and are committed to consistently improving and inspiring our workforce towards delivering excellence and emphasising value creation and service provision. The Group considers development and training is a fundamental element for our staff to stay alert and remain aware of the latest trend in the logistics industry.

To maintain the effectiveness of its training programmes, the Group ensures training contents vary for different positions so as to ensure the development of employees can align with its needs, and to complement and support its strategic goals and directions. The Group is committed to enhancing team cohesion by instilling its corporate culture and value into each employees' philosophy through training. We also encourage our employees and workforce to attend external training programs such as external seminars and training programmes that emphasis and focus on topics relevant to their position including but not limited to warehousing, inventory management and logistics management. We are committed to ensuring and equipping our employees and workforces with the necessary skills and knowledges and thus allowing them to deliver excellence during service provision and to improve operational efficiency.

During the Reporting Period, the percentage breakdown of employees trained and the average training hours per employee by gender and employee category are as follows:

	2021		2020	
	Percentage of employees trained (%)	**Average training hours per employee (hours)**	Percentage of employees trained (%)	Average training hours per employee (hours)
By Gender				
Male[7]	**100%**	**1.52**	N/A	N/A
Female[7]	**–**	**–**	N/A	N/A
By Employee Category				
Director[7]	**5.88%**	**0.50**	N/A	N/A
General staff[7]	**94.12%**	**0.80**	N/A	N/A

Note:

(7) Relevant figures have been disclosed from 2021 onwards.

B4. Labour Standards

The Group strictly complies with the related laws and regulations in the prevention of child and forced labour. During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, including but not limited to the Employment Act and the Employment (Children and Young Persons) Regulations of Singapore, which would have a significant impact on the Group.

Prevention of Child Labour and Forced Labour

The Group requires employees to provide accurate and updated personal information prior to the final stage of recruitment process and conducts reasonable action on verifying both the accuracy and authenticity of such information by cross checking with academic credentials, identification and occasional references from previous employer so as to prevent any incidental employment of child labour. Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group endeavours to prevent child labour and ensure freedom in occupation selection to prevent forced labour. Should any violations are involved and discovered, the Group will report such incident to relevant regulatory bodies and carry out necessary actions in compliance with relevant laws and regulations.

Furthermore, employees of the Group work overtime on a voluntary basis to prevent any breaches of labour standards and we have clearly stated and documented the regular working hour in our Employee Handbook covering relevant regulations for working hour related matters. In addition, the Group strictly prohibits any punishments, management methods and behaviours involving verbal abuse, physical punishment, physical abuse, oppression or sexual harassment against our employees for any reasons.

B5. Supply Chain Management

The Group attaches great importance to our relationship with suppliers as we recognise close and stable relationship between us and the suppliers are advantageous and is one of the major components of our continuing business success. During the Reporting Period, the Group had engaged 2,652 suppliers and subcontractors, of which 1,877 of them are located in Singapore and 775 of them are located in other areas. Our suppliers are composed of a variety of service providers in different industries, including but not limited to port operation service providers, logistics yards, office premises, repair and maintenance and tyre and diesel for our fleet and logistics services in Singapore. We have formulated relevant policies to manage our suppliers and policies are reviewed at least annually to ensure the effectiveness of such monitoring and evaluating mechanism.

With the rising concerns regarding environmental matters in society, the Group recognises the importance of embedding environmental and social risks consideration of our supply chain into our management processes. To ensure the quality and safety of the services provided by our suppliers are maintained at a high standard, the Group conducts regular reviews and evaluations on the suppliers on a regular basis. If any of the suppliers' service quality is considered unsatisfactory for a period of time, the Group will remove the non-compliant supplier from the list of approved suppliers.

In addition to the service quality, factors such as market reputation, customer service quality, and trial service performance are also key elements in the evaluation being considered when evaluating the suppliers. The Group strives its suppliers to share our social responsibility and to comply with relevant laws and regulations including but not limited to relevant emission and labour laws of the places where they operate so as to ensure that the corporate values and of the suppliers are in line with the direction of our believes in corporate citizenship and sustainable growth.

Suppliers' Environmental and Social Risk Review

Other than the abovementioned factors, the Group expects suppliers to fulfil its standards on different aspects, including but not limited to environment, society, corporate governance, quality of services and business ethics. The Group has developed relevant policies so as to require its suppliers to review their environmental and social-related risks relating to their operation and business, such as operational compliance, human rights protection, occupational health and safety, social responsibility, business ethics and environmental protection.

In addition, the Group strives to adopt and employ measures to review whether its suppliers are in compliance with applicable laws, regulations and other standards relating to aspects such as health and safety, forced labour and child labour. Any material violation of environmental and social laws and regulations may lead to the termination of supplier contracts, depending on the degree of severity, suppliers may be removed from our list of approved suppliers. Furthermore, the Group prioritises local procurement and suppliers which provides environmentally preferable products and services during its supplier selection processes. The Group will periodically review and assess its supply chain's performance and environmental and social standards.

B6. Product Responsibility

The Group endeavours to provide its customers and business partners with a pleasant business experience through customised, well managed and professional services and we are committed to create the maximum value for our customers. Therefore, we strive to constantly improve and optimise the quality of our services provided. The Group attaches great importance to its customers' and business partners' feedback and has established standardised procedures for handling their complaints or opinions in a professional and efficient manner. Considering the Group's business nature of being a logistic services provider, the Group was not involved with provision of products, and thus consider product recall to be immaterial. During the Reporting Period, the Group did not receive any material written complaint regarding its services provided nor was it subjected to any product recalls for safety and health reasons.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations concerning the advertising, privacy matters and services provided, of which including but not limited to the Personal Data Protection Act 2012 ("**PDPA**") of Singapore, that have a significant impact on the Group.

Customer Privacy Protection

Due to our business nature, large amount of customer data and information is involved in our daily business operations. Therefore, the Group is committed to protecting its customers' and business partners' privacy through implementations of security controls and management systems. Relevant policies and procedures relating to the protection of customers' and business partners' privacy are formally documented in our Personal Data Protection Policy and Information Technology Policies and Procedures Handbook. The Group has assigned designated personnel who is responsible for ensuring the Group's activities are in compliance with the PDPA through means such as monitoring and managing effectiveness of personal data policies for the Group. Also, the policies stated that the Head of Departments is responsible for ensuring privacy requirements are accessed at the earliest stage and appropriate privacy controls are in place within their business function. Also, it is stated that employees are only to collect, use or disclose any personal data unless given written approval and with a specific purpose. The Group has also utilised technologies such as firewall and anti-virus solutions in our IT systems to further minimise the risk of personal data leakage due to technology risk.

Quality Assurance

The Group attaches great importance to service quality as it believes quality assurance is one of the key competitive advantages of its business. Thus, the Group is committed to providing services with high standards of quality and reliability. We have implemented stringent guidelines to our employees for achieving the following objectives:

- Delivering consistent, reliable and punctual services so as to meet our clients' need and expectation;
- Adhering to all applicable standards, legal and regulatory obligations; and
- Providing suitable training to our employees so as to improve their skills and knowledge to match with the quality criteria of their duties and services.

Considering the Group's business nature of being a logistic services provider, recall procedure was not applicable and immaterial.

Intellectual Property Rights

The Group's business operation does not involve in a significant amount of usage of intellectual property rights, therefore we do not regard it as a material issue to us.

Advertising and labelling

The Group's business operation does not involve in a significant amount of usage of advertising and labelling, therefore we do not regard it as a material issue to us.

B7. Anti-corruption

The Group strictly prohibits any form of frauds, corruptions and all other behaviours violating work ethics. The Group attaches great importance to integrity, honesty and fairness in our business running.

During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to bribery, extortion, fraud and money laundering that would have a material impact on the Group, including but not limited to Prevention of Corruption Act of Singapore. There were no concluded legal cases regarding bribery, extortion, fraud and money laundering filed against the Group or its employees during the Reporting Period.

Additionally, the Group has engaged the Corrupt Practices Investigation Bureau to provide its employees with anti-corruption training, which familiarised the Board and member of staffs from different levels and departments with their corresponding role and responsibility regarding anti-corruption and business ethics under applicable laws and regulations. During the Reporting Period, the Group's directors and employees had received 1 hours and 5 hours of anti-corruption training respectively.

Internal Control

The Group has established policies such as Conflict of Interest Policy and Anti-bribery and Anti-corruption Policy and Procedures with the aim to govern and eliminate any potential violation of relevant laws and regulations.

Whistle-blowing Mechanism

The Group endeavours to achieve and maintain the highest standards of openness, probity and accountability, and thus established an internal whistle-blowing mechanism which is formally documented in our Whistle-Blowing Policy, with the purpose of enabling our employees and other members of the Group to voice concerns regarding malpractice or impropriety in a responsible, confidential and effective manner. This policy is also designed for ensuring such disclosures are dealt with confidentially and sensitively, in turn protecting the whistle-blower from any form of reprisal, harassment or oppression resulting from the whistle-blowing action.

B8. Community Investment

The Group is committed to supporting society and creating positive impacts in the communities it operates. Therefore, the Group encourages its employees to actively support the community through means of social participation and contribution. Also, we strive to nurture and instil the corporate culture and practices of corporate citizenship into our employees, as we believe active participation in social welfare activities can in turn increase our employees' social awareness and facilitate in establishment of correct values. The employees are encouraged to devote their time and efforts into providing assistance to the disadvantaged groups.

The Group has formulated relevant community investment policy strategically with the aim to leverage the Group's business competency and resources for supporting the community where we operate in. In addition, we also endeavour to continuously enlarge the employee participation in various voluntary and charitable activities so as to exert our care and considerations for the underprivileged population within the community.

During the Reporting Period, the Group had donated S$18,750 to various organizations who focus on health, education and other areas.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure Requirements	Section/Declaration
Governance Structure	Introduction - ESG Governance Structure
Reporting Principles	Reporting Framework
Reporting Boundary	Scope of Reporting

Subject Areas, Aspects, and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions - Exhaust Gas Emissions, GHG Emissions, Sewage Discharge, Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Exhaust Gas Emissions, GHG Emissions, Sewage Discharge, Waste Management
KPI A1.2	GHG emissions in total (in tonnes) and intensity.	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management (Not applicable – Explained)
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions – Exhaust Gas Emissions, GHG Emissions, Sewage Discharge, Waste Management
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management

Subject Areas, Aspects, and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources – Energy Efficiency, Water Consumption
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Efficiency
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Consumption
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources – Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Materials (Not applicable – Explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Climate-related Issues

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Areas, Aspects, and KPIs	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment – Remuneration and Benefits
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety – Safety Measures
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Subject Areas, Aspects, and KPIs	Description	Section/Declaration
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child Labour and Forced Labour
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

Subject Areas, Aspects, and KPIs	Description	Section/Declaration
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility – Quality Assurance
KPI B6.5	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Customer Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption – Internal Control, Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption

Subject Areas, Aspects, and KPIs	Description	Section/Declaration
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

INDEPENDENT AUDITOR'S REPORT

國富浩華（香港）會計師事務所有限公司
Crowe (HK) CPA Limited
香港 銅鑼灣 禮頓道77號 禮頓中心9樓
9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

To the Shareholders of LEGION CONSORTIUM LIMITED
(Incorporated in the Cayman Islands with limited liability)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Legion Consortium Limited (the "**Company**") and its subsidiaries (herein referred to as the "**Group**") set out on pages 65 to 129, which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and its consolidated financial performance, consolidated changes in equity and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("**IASB**") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
Recoverability assessment of trade receivables	
As at 31 December 2021, the Group recorded trade receivables of S$10.9 million. The Group has applied the simplified approach to provide impairment loss measured as lifetime expected credit losses ("**ECL**") prescribed by IFRS 9. The ECL on these financial assets are estimated using a provision matrix i.e., analysis of trade-related receivables by aging and apply a probability-weighted estimate of the credit losses within the relevant time band. The probability-weighted estimate of the credit losses is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast conditions at the reporting date, including time value of money where appropriate. As at 31 December 2021, included in the balance of trade receivables was an amount due from a customer ("**Customer A**") of S$1,228,485, net of loss allowance of S$20,834, the Group considered the amount due from Customer A was long outstanding and classified under "Watch list". In assessing the lifetime ECL on amount due from Customer A classified under "Watch list", the Group performed the assessment based on the Group's historical credit loss experience with Customer A. The Group also assessed the fair value of Customer A's cargo kept in the Group's yard as mentioned in note 18 to the consolidated financial statements (the "**Cargo**") in determining the ECL. Therefore, the Group considers that the ECL is minimal. The Group has disclosed the critical accounting judgements and key source of estimation uncertainty over the trade receivables in Note 5 and Note 18 to the consolidated financial statements.	We have performed the following procedures: a) Obtained an understanding of the Group's relevant control over the customer credit review process and monitoring of collection of the overdue outstanding receivables, and in particular on long overdue receivables arising from Covid-19 impact; b) Evaluated and challenged management's expected credit loss assessment of the probability of default of the Group's aged receivables which are past due but not impaired to support the collectability of the receivables and the key assumptions used; c) Evaluated the specific analysis of individual customers with long overdue balances, including the profile, background and credibility of the customers; d) Checked for subsequent collections from customers; e) Examined the agreements and legal documents to verify the Group's rights over the Cargo; f) Performed site visit to verify the existence of the Cargo and inspected their conditions; g) Evaluated the Group's assessment on fair value of the Cargo by reference to quoted price available in market; and h) Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors of the Company (the "**Directors**") are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidences regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements.We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

OTHER MATTER

The consolidated financial statements of the Group for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 29 March 2021.

Crowe (HK) CPA Limited
Certified Public Accountants
Hong Kong
30 March 2022

Chung Wai Chuen Alfred
Practising Certificate Number: P05444

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 S$	2020 S$
Revenue	6	**45,785,662**	40,294,655
Cost of services		**(32,422,299)**	(26,409,962)
Gross profit		**13,363,363**	13,884,693
Other income	7	**764,063**	1,301,730
Other gains and (losses)	8	**538,630**	(5,061)
Selling expenses		**(76,661)**	(50,346)
Administrative expenses		**(9,875,671)**	(8,283,029)
Impairment gains and losses (including reversals of impairment losses) on financial assets		**2,000**	104,092
Finance costs	9	**(223,436)**	(243,904)
Listing expenses	10	**(774,080)**	(1,477,675)
Profit before tax	10	**3,718,208**	5,230,500
Income tax expense	11	**(861,856)**	(973,280)
Profit and other comprehensive income for the year		**2,856,352**	4,257,220
Basic and diluted earnings per share (S$ cents)	14	**0.23**	0.42

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 S$	2020 S$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	6,642,386	7,973,790
Investment properties	16	3,834,655	4,023,795
Intangible assets	17	97,915	133,265
Deposits	19	3,418,468	576,646
		13,993,424	12,707,496
Current assets			
Trade receivables	18	10,887,339	9,914,734
Other receivables, deposits and prepayments	19	1,297,244	2,004,852
Amounts due from related parties	20a	373,268	6,147
Restricted bank deposit	21	550,000	450,000
Bank balances and cash	21	23,908,104	12,740,393
		37,015,955	25,116,126
Current liabilities			
Trade and other payables	22	4,050,473	4,115,834
Amounts due to related parties	20b	97,874	99,711
Bank borrowings	24	45,757	95,292
Lease liabilities	23	2,622,473	2,585,253
Provisions	25	389,000	–
Income tax payable		842,003	1,390,221
		8,047,580	8,286,311
Net current assets		28,968,375	16,829,815
Total assets less current liabilities		42,961,799	29,537,311

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 S$	2020 S$
Non-current liabilities			
Trade and other payables	22	472,200	564,980
Bank borrowings	24	535,058	1,001,229
Lease liabilities	23	768,352	1,984,528
Provisions	25	91,000	480,000
Deferred tax liabilities	26	409,500	426,500
		2,276,110	4,457,237
Net assets		40,685,689	25,080,074
EQUITY			
Share capital	27	2,133,905	134,698
Reserves		38,551,784	24,945,376
Total equity attributable to owners of the Company		40,685,689	25,080,074

The consolidated financial statements on pages 65 to 129 were approved and authorised for issue by the Board of Directors on 30 March 2022 and are signed on its behalf by:

Ng Choon Eng	**Ng Kong Hock**
Chairman and Executive Director	*Executive Director*

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share capital S$	Share premium S$	Other reserve (Note a) S$	Retained earnings S$	Total S$
Balance at 1 January 2020	14	–	5,328,849	19,493,991	24,822,854
Profit for the year, representing total comprehensive income for the year	–	–	–	4,257,220	4,257,220
Transactions with owners, recognised directly in equity		–			
Reorganisation (Note 2)	(14)	–	(134,684)	–	(134,698)
Issue of shares pursuant to the Reorganisation (Note 2)	134,698	–	–	–	134,698
Dividends (Note 13)	–	–	–	(4,000,000)	(4,000,000)
	134,684	–	(134,684)	(4,000,000)	(4,000,000)
Balance at 31 December 2020	**134,698**	**–**	**5,194,165**	**19,751,211**	**25,080,074**
Profit for the year, representing total comprehensive income for the year	**–**	**–**	**–**	**2,856,352**	**2,856,352**
Transactions with owners, recognised directly in equity					
Issue of new shares upon initial public offering (Note 27b)	**399,842**	**15,593,812**	**–**	**–**	**15,993,654**
Capitalisation issue of shares (Note 27a)	**1,599,365**	**(1,599,365)**	**–**	**–**	**–**
Share issuance costs (Note 27b)	**–**	**(3,244,391)**	**–**	**–**	**(3,244,391)**
	1,999,207	**10,750,056**	**–**	**–**	**12,749,263**
Balance at 31 December 2021	**2,133,905**	**10,750,056**	**5,194,165**	**22,607,563**	**40,685,689**

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 S$	2020 S$
Operating activities			
Profit before tax		3,718,208	5,230,500
Adjustments for:			
Impairment gains and losses (including reversals of impairment losses) on financial assets		(2,000)	(104,092)
Depreciation and amortisation		4,124,944	3,218,353
Finance costs		223,436	243,904
Interest income		(18,013)	(3,695)
Gain on disposal of property, plant and equipment, net		(232,604)	(960)
Rental waivers		–	(269,196)
Operating cash flows before movements in working capital		7,813,971	8,314,814
(Increase)/decrease in trade receivables		(970,605)	478,831
Decrease in amounts due from related parties		3,135	1,604
Increase in other receivables, deposits and prepayments		(491,448)	(589,377)
Increase in trade and other payables		165,185	1,395,807
(Decrease)/increase in amounts due to related parties		(1,837)	2,271
Cash generated from operations		6,518,401	9,603,950
Income taxes paid		(1,427,074)	(1,030,081)
Interest received		18,013	3,695
Net cash from operating activities		5,109,340	8,577,564

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 S$	2020 S$
Investing activities			
Proceeds from disposal of property, plant and equipment		297,849	–
Purchase of property, plant and equipment		(647,588)	(150,567)
Refundable deposit paid for potential strategic acquisition		(3,000,000)	–
Purchase on intangible assets		(7,376)	(6,195)
Placement of restricted bank deposit		(100,000)	(100,000)
Issue costs paid on behalf of a shareholder		(75,667)	(54,710)
Net cash used in investing activities		(3,532,782)	(311,472)
Financing activities			
Proceeds from share issues		15,993,654	–
Interest paid on bank borrowings		(24,485)	(32,661)
Interest paid on lease liabilities		(198,951)	(211,243)
Repayments of borrowings		(515,706)	(97,295)
Repayment of lease liabilities		(3,158,287)	(2,172,984)
Issue costs paid		(2,505,072)	(164,129)
Dividend paid		–	(4,000,000)
Net cash from (used in) financing activities	32a	9,591,153	(6,678,312)
Net increase in cash and cash equivalents		11,167,711	1,587,780
Cash and cash equivalents at beginning of year		12,740,393	11,152,613
Cash and cash equivalents at end of year, represented by bank balances and cash		23,908,104	12,740,393

See accompanying notes to consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

1 GENERAL

The Company was incorporated and registered as an exempted company in the Cayman Islands with limited liability on 20 June 2018 and its registered office is located at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the "**Companies Ordinance**") on 3 August 2018 and the principal place of business in Hong Kong and Singapore is at Unit 912, 9/F, Two Harbourfront 22 Tak Fung Street, Hunghom Kowloon, Hong Kong and 7 Keppel Road, #03-20/21/22/23/24 Tanjong Pagar Complex, Singapore respectively. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since 13 January 2021 ("**Listing date**").

The Company is an investment holding company and the principal activities of its operating subsidiaries are provision of trucking services, freight forwarding services and value added transport services. The details of the subsidiaries are set out in Note 31.

The consolidated financial statements are presented in Singapore Dollars ("**S$**"), which is also the functional currency of the Company.

The consolidated financial statements are approved by the Board of Directors of the Company on 30 March 2022.

2 GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing for the initial listing of the shares of the Company on the Stock Exchange, the companies comprising the Group underwent a group reorganisation (the "**Reorganisation**") as described below. Prior to the Reorganisation as mentioned below, Mr. Ng controlled Rejoice, Radiant, Richwell and Real Time, the major operating subsidiaries of the Group.

The Reorganisation comprised the following steps:

On 1 November 2017, Clear Bliss was incorporated in the British Virgin Islands ("**BVI**") with limited liability and is authorised to issue a maximum of 50,000 shares of a single class with a par value of United States dollars ("**US$**") 1.00 each. On 16 March 2018, 2 ordinary shares of par value of US$1.00 were allotted and issued to Mr. Ng, representing 100% of the then total issued share capital of Clear Bliss, for cash at par.

On 2 April 2018, pursuant to an agreement, (i) under the instructions of Mr. Ng, Mr. Ng Kong Hock (the son of Mr. Ng, as trustee for Mr. Ng) transferred 250,000 ordinary shares in Rejoice, representing 25% of the issued share capital of Rejoice to Clear Bliss at a consideration of S$3,231,910; and (ii) Mr. Ng transferred 750,000 ordinary shares in Rejoice, representing 75% of the issued share capital of Rejoice to Clear Bliss at a consideration of S$9,695,730. In consideration of the transfers, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

On 2 April 2018, pursuant to an agreement, (i) under the instructions of Mr. Ng, Mr. Gilbert Ho Chee Wee (as trustee for Mr. Ng) transferred 60,000 ordinary shares in Radiant, representing 30% of the issued share capital of Radiant, to Clear Bliss at a consideration of S$825,720; and (ii) Mr. Ng transferred 140,000 ordinary shares in Radiant, representing 70% of the issued share capital of Radiant, to Clear Bliss at a consideration of S$1,926,680. In consideration of the transfer, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

2 GROUP REORGANISATION AND BASIS OF PREPARATION AND PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On 2 April 2018, pursuant to an agreement, (i) under the instructions of Mr. Ng, Mr. Stephen Yeo Teck Nan (as trustee for Mr. Ng) transferred 150,000 ordinary shares in Richwell, representing 30% of the issued share capital of Richwell, to Clear Bliss at a consideration of S$918,850; (ii) under the instructions of Mr. Ng, Ms. Khoo Zi Qi, Evelyn (as trustee for Mr. Ng) transferred 50,000 ordinary shares in Richwell, representing 10% of the issued share capital of Richwell, to Clear Bliss at a consideration of S$306,283; and (iii) Mr. Ng transferred 300,000 ordinary shares in Richwell, representing 60% of the issued share capital of Richwell, to Clear Bliss at a consideration of S$1,837,700. In consideration of the transfers, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

On 2 April 2018, pursuant to the agreement, Mr. Ng transferred 300,000 ordinary shares in Real Time, representing the entire issued share capital of Real Time to Clear Bliss at a consideration of S$572,958. In consideration of the aforesaid transfer, Clear Bliss issued and allotted a total of 2 ordinary shares in Clear Bliss, credited as fully paid-up to Mr. Ng.

Upon completion of the above shares swap, Clear Bliss became the immediate holding company of Rejoice, Radiant, Richwell and Real Time.

On 19 June 2018, Mirana Holdings Limited ("**Mirana Holdings**") (a company not forming part of the Group) was incorporated in the BVI with limited liability to act as Mr. Ng's holding company to hold his interests in the Company. It is authorised to issue a maximum of 50,000 shares of a single class with a par value of US$1.00 each. On 19 June 2018, one ordinary share of par value of US$1.00 was allotted and issued to Mr. Ng, representing 100% of the total issued share capital of Mirana Holdings, for cash at par.

On 20 June 2018, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. Its initial authorised share capital is Hong Kong dollars ("**HK$**") 380,000 divided into 38,000,000 shares of par value of HK$0.01 each. On 20 June 2018, one fully paid share was issued to the initial subscriber which was transferred to Mirana Holdings on the same day.

On 18 December 2020, pursuant to a sale and purchase agreement entered into between the Company and Mr. Ng, the Company agreed to acquire the entire issued share capital in Clear Bliss. In consideration of such acquisition, the Company allotted and issued 78,124,999 new shares to Mirana Holdings, all credited as fully paid.

The Group resulting from the Reorganisation, including the Company and its subsidiaries, have always been under the common control of the Controlling Shareholder since their respective dates of incorporation and before and after the Reorganisation.

As a result, the consolidated financial information has been prepared under the principles of common control combination as if the Company had been the holding company of Clear Bliss, Rejoice, Radiant, Richwell and Real Time throughout each reporting date taking into account the respective date of incorporation of the group entities. The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each reporting date include the results, changes in equity and cash flows of the companies comprising the Group as if the current group structure had been in existence since their respective date of incorporation. The consolidated statements of financial position of the Group as at 31 December 2021 and 2020 have been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at those dates taking into account the respective dates of incorporation, where applicable.

3 ADOPTION OF NEW AND REVISED STANDARDS

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

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

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

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

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

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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.

The consolidated financial statements have been prepared on the historical cost basis and in accordance with the following accounting policies which conform to IFRSs. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 Shared-based Payment, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories or value in use in IAS 36 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Going concern

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries made up to 31 December each year. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporate the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses, as appropriate, from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is earlier.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

The Group recognises revenue from the following sources:

- Trucking services
- Freight forwarding services
- Value added transport services ("**VATS**")

i. Revenue from provision of trucking services

Trucking services refer to the transportation of cargo, primarily containers, from the customers' designated pick up points to their designated delivery point within Singapore. Revenue from trucking service is recognised over the period up to the delivering the cargo to the customers' designated delivery point.

ii. Revenue from provision of freight forwarding services

Revenue from outbound freight forwarding is recognised when the goods are delivered to the carriers at the port of disembarkation, while revenue from inward freight forwarding is recognised when goods arrive at the customers' designated port of arrival. Revenue is recognised over the period up to the delivering the goods to the customer's warehouse as the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs.

iii. Revenue from provision of value added transport services

Value added transport services refer to the handling and storage of laden and empty containers and general cargo at the Group's logistics yard. Revenue from provision of value added transport service is recognised over the respective service period based on the services provided as the customer simultaneously receives and consumes the services provided by the Group over the period.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as lessee (Continued)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued)

The Group as lessee (Continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as part of property, plant and equipment in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or nonlease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as Lessor

The Group enters into lease agreements as a lessor with respect to its investment properties.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating leases are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Covid-19-related rent concessions

Rent concessions relating to lease contracts that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in profit or loss in the period in which the event occurs.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments made to Central Provident Fund ("**CPF**") are recognised as expense when employees have rendered service entitling them to the contributions.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefits in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deduction any amount already paid.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from "profit before taxation" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognised the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Taxation (Continued)

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences on initial recognition of the relevant right-of-use assets and lease liabilities are not recognised due to application of the initial recognition exemption. Temporary differences arising from subsequent revision to the carrying amounts of right-of-use assets and lease liabilities, resulting from remeasurement of lease liabilities and lease modifications, that are not subject to initial recognition exemption are recognised on the date of remeasurement or modification.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currency transaction and translation

In preparing the consolidated financial statements of the Group, transactions in currencies other than the functional currency of the entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes are stated at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment (Continued)

Assets held under lease liabilities are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment loss.

Depreciation is recognised so as to write off the cost of items of investment properties less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Impairment of tangible and intangible assets

At the end of each reporting period, the management of the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of tangible and intangible assets (Continued)

Recoverable amount is the higher of fair values less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("**FVTOCI**"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Classification of financial assets (Continued)

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant periods.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("**ECL**"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Interest income is recognised in profit or loss using the effective interest method and is included in the "other income" line item.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically,

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other gains and losses" line item; and
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item.

Impairment of financial assets

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade receivables, other receivables, amounts due from related parties, bank deposit and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and measures the lifetime ECL on a collective basis for portfolios of trade receivables that share similar economic risk characteristics. The ECL on these financial assets are estimated using a provision matrix i.e., analysis of trade-related receivables by aging and apply a probability-weighted estimate of the credit losses within the relevant time band. The probability-weighted estimate of the credit losses is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-months ECL ("**12m ECL**"), unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring since initial recognition.

Lifetime ECL represent the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represent the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operation.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

The Group also considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Credit-impaired financial assets

Financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

a) significant financial difficulty of the issuer or the borrower;

b) a breach of contract, such as a default or past due event;

c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; and

d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification of financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant periods. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

4 SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Instruments (Continued)

Financial liabilities and equity (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the group companies' shareholders, where appropriate.

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.

Critical judgements in applying accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements (apart from those involving estimation which are dealt with below).

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key sources of estimation uncertainty

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next twelve months.

Estimated impairment of trade receivables (Note 18)

The Group recognises lifetime ECL for trade receivables, using a provision matrix i.e., analysis of trade-related receivables by aging and apply a probability-weighted estimate of the credit losses within the relevant time band. The probability-weighted estimate of the credit losses is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

As at 31 December 2021, the carrying amount of trade receivables is S$10,887,339 (2020: S$9,914,734) net of allowance for expected credit loss of S$143,829 (2020: S$149,277).

6 REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from provision of trucking services, freight forwarding services and value added transport services 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 years ended 31 December 2021 and 2020, there is no inter-segment sales.

Information is reported to 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
- Value added transport services

No further detailed analysis of the Group's assets and liabilities is regularly provided to the CODM for review.

6 REVENUE AND SEGMENT INFORMATION (Continued)

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

	2021 S$	2020 S$
Revenue from external customers:		
– Trucking services	**15,776,194**	20,704,846
– Freight forwarding services	**24,440,509**	15,440,733
– Value added transport services	**5,568,959**	4,149,076
	45,785,662	40,294,655
Segment result:		
– Trucking services	**4,105,397**	7,253,937
– Freight forwarding services	**6,803,422**	4,627,480
– Value added transport services	**2,454,544**	2,003,276
	13,363,363	13,884,693
Unallocated:		
– Other income	**764,063**	1,301,730
– Other gains and (losses)	**538,630**	(5,061)
– Selling expenses	**(76,661)**	(50,346)
– Administrative expenses	**(9,875,671)**	(8,283,029)
– Impairment gains and losses (including reversals of impairment losses) on financial assets	**2,000**	104,092
– Finance costs	**(223,436)**	(243,904)
– Listing expenses	**(774,080)**	(1,477,675)
Profit before tax	**3,718,208**	5,230,500

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

During the years ended 31 December 2021 and 2020, the contract prices for trucking services and freight forward services are agreed based on factors such as weight and distance etc. and for value added transport services are based on storage space occupied and storage duration used.

The accounting policies for segment information are the same as Group's accounting policies described in Note 4. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

6 REVENUE AND SEGMENT INFORMATION (Continued)

Geographical information

The Group principally operates in Singapore, which is also the place of domicile. The Group's all non-current assets other than financial assets are all located in Singapore.

Information about major customers

For the years ended 31 December 2021 and 2020, no single customer contributes 10% or more of total revenue of the Group.

7 OTHER INCOME

	2021 **S$**	2020 S$
Government grants (Note a)	**344,071**	988,888
Interest income	**18,013**	3,695
Rental income	**276,310**	224,377
Yard utilities income	**54,702**	41,323
Others	**70,967**	43,447
	764,063	1,301,730

Note a:

The government grants received mainly comprise Wage Credit Scheme ("**WCS**"), Job Growth Incentive ("**JGI**"), Special Employment Credit ("**SEC**"), Job Support Scheme ("**JSS**") and Foreign Worker Levy Rebates ("**FWL Rebates**"), 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.

During the year ended 31 December 2021, the Group recognised grants of S$247,255 (2020: S$809,962), under JSS. Under this scheme, the government provides wage support to employers, helping businesses retain their local employees (including Singapore citizens and permanent residents) during the economic uncertainty caused by the Covid-19.

During the year ended 31 December 2021, the Group received rebates of S$nil (2020: S$105,000) under FWL Rebates. Under this scheme, the government provides support to firms with workers who are unable to work during the economic uncertainty caused by the Covid-19.

During the year ended 31 December 2021, the Group recognised grants of S$48,780 (2020: S$nil) under JGI. Under this scheme, the government provides support to expend local workforce (eg: Singapore Citizen and Singapore Permanent Residents) from September 2020 to September 2022.

The remaining balances of grants for the years ended 31 December 2021 and 2020 are incentives received upon fulfilling the conditions for compensation of expenses already incurred or as immediate financial support with no future related costs nor related to any assets.

8 OTHER GAINS AND (LOSSES)

	2021 S$	2020 S$
Gain on disposal of property, plant and equipment, net	**232,604**	960
Net foreign exchange gain(losses)	**306,026**	(11,413)
Others	**–**	5,392
	538,630	(5,061)

9 FINANCE COSTS

	2021 S$	2020 S$
Interest on:		
Bank borrowings	**24,485**	32,661
Lease liabilities	**198,951**	211,243
	223,436	243,904

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

10 PROFIT BEFORE TAX

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

	2021 S$	2020 S$
Depreciation of property, plant and equipment		
– Recognised as cost of services	**3,404,635**	2,670,780
– Recognised as administrative expenses	**488,443**	310,319
	3,893,078	2,981,099
Depreciation of investment properties	**189,140**	189,140
Amortisation of intangible assets	**42,726**	48,114
Audit fee paid or payable to auditors of the Company	**180,000**	180,000
Non-audit fee paid or payable to auditors of the Company	**–**	16,000
Audit fees in connection with the listing of the Company (Note i)	**83,813**	322,688
Listing expenses (Note i)	**774,080**	1,477,675
Directors' remuneration (Note 12)	**1,320,954**	1,046,600
Other staff costs:		
– Salaries and other benefits	**8,160,897**	7,448,049
– Contributions to CPF	**665,059**	580,495
Total staff costs (including directors' remuneration) (Note ii)	**10,146,910**	9,075,144
Gross rental income from investment properties recognised as other income (Note 7)	**(276,310)**	(224,377)
Less: Direct operating expenses incurred for investment properties that generated rental income	**241,730**	234,631
	(34,580)	10,254
Rental waivers (Note iii)	**–**	269,196

Note i: Included in listing expenses are audit fees of S$83,813 (2020: S$322,688) paid or payable to predecessor auditors of the Company and other assurance fees of S$nil (2020: S$186,836) paid or payable to other auditors of the Group in connection with the listing of the Company.

Note ii: The total staff costs of S$2,889,284 (2020: S$2,875,343) is included in cost of services and S$7,257,626 (2020: S$6,199,801) is included in administrative expenses respectively.

Note iii: These are rent relief received from the lessors which are direct consequences of Covid-19 pandemic. All the eligible rent concessions have been recognised as a reduction against rental in cost of services as at 31 December 2020.

11 INCOME TAX EXPENSE

	2021 S$	2020 S$
Tax expense comprises:		
Current tax:		
– Singapore corporate income tax ("**CIT**")	842,003	1,028,171
– Under(over) provision in prior years	36,853	(42,467)
Deferred tax expense (Note 26)	(17,000)	(12,424)
	861,856	973,280

The Group is subject to income tax on an entity basis on profits arising in or derived from jurisdictions in which members of the Group are domiciled and operate.

Cayman Islands

Under the current laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is imposed.

Singapore

The subsidiaries of the Company which operate in Singapore are subject to CIT at a rate of 17% (2020: 17%) on the estimated assessable profit for the year.

For the years ended 31 December 2020 and 2021, Rejoice, Richwell, Radiant and Real Time can 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.

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

	2021 S$	2020 S$
Profit before taxation	3,718,208	5,230,500
Tax at applicable tax rate of 17%	632,095	889,185
Tax effect of expenses not deductible for tax purpose	310,650	340,494
Tax effect of income not taxable for tax purpose	(42,422)	(141,031)
Effect of tax concessions and partial tax exemptions	(72,875)	(72,251)
Under(over) provision in prior years	36,853	(42,467)
Others	(2,445)	(650)
Taxation for the year	861,856	973,280

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For the financial year ended 31 December 2021

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

Directors' and chief executive's emoluments

During the years ended 31 December 2021 and 2020, 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) as follows:

Year ended 31 December 2021

	Fees S$	Discretionary bonus (Note a) S$	Salaries and allowances S$	Contributions to retirement benefit scheme (Note b) S$	Total S$
Executive Directors					
Mr. Ng	48,000	211,200	607,200	13,560	879,960
Mr. Ng Kong Hock	24,000	72,000	207,000	17,340	320,340
Independent Non-executive Directors					
Mr. Ho Wing Sum	40,218	–	–	–	40,218
Mr. Yeo Teck Chuan	40,218	–	–	–	40,218
Mr. Wong Kwun Ho *(resigned on 25 January 2022)*	40,218	–	–	–	40,218
	192,654	283,200	814,200	30,900	1,320,954

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

Directors' and chief executive's emoluments (Continued)

Year ended 31 December 2020

	Fees S$	Discretionary bonus (Note a) S$	Salaries and allowances S$	Contributions to retirement benefit scheme (Note b) S$	Total S$
Executive Directors					
Mr. Ng	48,000	176,000	528,000	13,260	765,260
Mr. Ng Kong Hock	24,000	60,000	180,000	17,340	281,340
Independent Non-executive Directors					
Mr. Ho Wing Sum *(appointed on 18 December 2020)*	–	–	–	–	–
Mr. Yeo Teck Chuan *(appointed on 18 December 2020)*	–	–	–	–	–
Mr. Wong Kwun Ho *(appointed on 18 December 2020)*	–	–	–	–	–
	72,000	236,000	708,000	30,600	1,046,600

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 years ended 31 December 2021 and 2020, no remuneration was paid by the Group to the director 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 waived any remuneration.

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

Employees' emoluments

During the year ended 31 December 2021, included in the five individuals with the highest emoluments in the Group, two were directors of the Company (2020: two) whose emoluments are included in the disclosures above. The emoluments of the remaining three (2020: three) individuals were as follows:

	2021 S$	2020 S$
Salaries and allowances	491,618	504,371
Discretionary bonus	76,100	65,000
Contribution to retirement benefits scheme	43,725	44,861
	611,443	614,232

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

	Number of individuals	
	2021	2020
Nil to HK$1,000,000	–	–
HK$1,000,001 to HK$1,500,000	3	3
HK$1,500,001 to HK$2,000,000	1	1
HK$2,000,001 to HK$2,500,000	–	–
HK$2,500,001 to HK$3,000,000	–	–
HK$3,000,001 to HK$3,500,000	–	–
HK$3,500,001 to HK$4,000,000	–	–
HK$4,000,001 to HK$4,500,000	–	1
HK$4,500,001 to HK$5,000,000	–	–
HK$5,000,001 to HK$5,500,000	1	–

During the years ended 31 December 2021 and 2020, 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.

13 DIVIDENDS

No dividend was paid or declared by the Company for the year ended 31 December 2021 (2020: Nil).

During the year ended 31 December 2020, Clear Bliss declared a dividend of S$4,000,000 in respect of the financial year ended 31 December 2019. The dividend was paid out during the year ended 31 December 2020.

14 EARNINGS PER SHARE

	2021	2020
Profit for the year attributable to the owners of the Company (S$)	**2,856,352**	4,257,220
Weighted average number of ordinary shares in issue	**1,242,294,521**	1,015,625,000
Basic and diluted earnings per share (S$ cents)	**0.23**	0.42

The calculation of basic earnings per share for the years ended 31 December 2021 and 2020 is based on the profit for the year attributable to owners of the Company and the weighted average number of shares in issue.

The weighted number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 December 2020 had been determined on the assumption that the group reorganisation to enable the Company to become the holding Company of the Group had been effective on 1 January 2020 and 1,015,625,000 shares in issue upon completion of the group reorganisation.

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 years ended 31 December 2021 and 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15 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 2020	1,304,784	470,876	13,037,366	4,920,923	1,064,029	52,807	20,850,785
Additions	–	92,051	48,383	2,225,118	57,944	1,759	2,425,255
Disposals/Written off	–	(39,149)	–	(55,577)	–	–	(94,726)
At 31 December 2020	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**
Accumulated depreciation:							
At 1 January 2020	1,115,857	345,032	9,004,513	779,400	1,025,518	46,975	12,317,295
Charge for the year	144,507	76,297	673,888	2,048,890	33,560	3,957	2,981,099
Disposals/Written off	–	(35,293)	–	(55,577)	–	–	(90,870)
At 31 December 2020	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**
Carrying amounts:							
At 31 December 2020	44,420	137,742	3,407,348	4,317,751	62,895	3,634	7,973,790
At 31 December 2021	**48,073**	**180,031**	**2,833,240**	**3,244,353**	**322,813**	**13,876**	**6,642,386**

For the year ended 31 December 2021, there were additions of S$2,626,919 (2020: S$2,425,255) including non-cash additions of right-of-use assets of S$1,979,331 (2020: S$2,274,688).

For year ended 31 December 2020, the disposals refers to early termination of a lease under IFRS 16 with carrying values of a right-of-use assets and corresponding lease liability of S$3,856 and S$4,816 measured at the date of derecognition, respectively, the gain amounted to S$960 has been recognised in other gains and losses (Note 8). There is no early termination of a lease for the year ended 31 December 2021.

15 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 vehicles	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:

	2021 S$	2020 S$
Carrying values		
Leasehold buildings	**3,244,353**	4,317,751
Computer and office equipment	**72,520**	49,916
Motor vehicles	**1,124,125**	1,217,417
	4,440,998	5,585,084

	2021 S$	2020 S$
Depreciation recognised in profit and loss		
Leasehold buildings	**3,013,436**	2,048,890
Computer and office equipment	**16,689**	18,654
Motor vehicles	**93,292**	152,641
	3,123,417	2,220,185

	2021 S$	2020 S$
Additions		
Leasehold buildings (Note A)	**1,940,038**	2,225,118
Computer and office equipment	**39,293**	49,570
Motor vehicles	**–**	–
	1,979,331	2,274,688

Note A: For the year ended 31 December 2020, the additions of leasehold buildings include S$91,000 of reinstatement costs.

As at 31 December 2021, total short term leases recognised in the profit or loss are S$40,858 (2020: S$158,381), after set-off against the rental waiver of S$nil (2020: S$269,196) and the Group is committed to S$20,488 (2020: S$18,900) for these leases.

16 INVESTMENT PROPERTIES

	2021 S$	2020 S$
Cost:		
At beginning and end of the year	**5,528,341**	5,528,341
Accumulated depreciation:		
At beginning of the year	**1,504,546**	1,315,406
Charge for the year	**189,140**	189,140
At end of the year	**1,693,686**	1,504,546
Carrying amount:		
At end of the year	**3,834,655**	4,023,795

The investment properties comprise industrial properties that are leased to external customers. The leases contain initial non-cancellable period of between 1 to 4 years. Subsequent renewal are negotiated with the lessees. Investment properties with net carrying value amounting to S$950,976 (2020: S$1,780,090) are mortgaged to the bank to secure bank loans (Note 24).

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

At 31 December 2021, the fair values of the investment property amounted to S$5,900,000 (2020: S$5,900,000).

The fair values have been arrived at by the management and are based on comparable market transactions of similar properties in the neighbourhood that have been transferred in the open market. As at 31 December 2020, the fair values were assessed based on valuations carried out by Ravia Global Appraisal Advisory Limited.

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.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2021 and 2020 are as follows:

	Fair value as at	
Address	**2021 S$**	2020 S$
Level 3		
1 Commonwealth Lane, #06-24 to #06-26, Singapore 149544	**2,610,000**	2,610,000
1 Commonwealth Lane, #06-27, Singapore 149544	**870,000**	870,000
55 Serangoon North Avenue 4, #01-07, Singapore 555859	**1,500,000**	1,500,000
2 Buroh Crescent, #09-04, Singapore 627546	**920,000**	920,000
	5,900,000	5,900,000

17 INTANGIBLE ASSETS

	2021 S$	2020 S$
Cost:		
At beginning of year	342,641	336,446
Additions	7,376	6,195
At end of year	350,017	342,641
Accumulated amortisation:		
At beginning of year	209,376	161,262
Charge for the year	42,726	48,114
At end of year	252,102	209,376
Carrying values	97,915	133,265

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.

18 TRADE RECEIVABLES

	2021 S$	2020 S$
Trade receivables	11,031,168	10,064,011
Allowance for doubtful receivables	(143,829)	(149,277)
	10,887,339	9,914,734

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18 TRADE RECEIVABLES (Continued)

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 year:

	2021 **S$**	2020 S$
Within 30 days	**5,096,742**	4,111,077
31 days to 60 days	**2,446,328**	3,037,013
61 days to 90 days	**946,611**	1,357,659
91 days to 180 days	**965,383**	738,419
181 days to 1 year	**668,684**	333,811
Over 1 year	**763,591**	336,755
	10,887,339	9,914,734

Before accepting any new customer, the Group has assessed the potential customer's credit quality and defined credit limit to each customer on individual basis. Limits attributed to customers are reviewed when necessary. The majority of the Group's accounts receivables that are past due but not impaired have no history of defaulting on repayment. As at 31 December 2021 and 2020, the Group does not charge interest or hold any collateral over the balances.

The Group applied simplified approach to provide the expected credit losses prescribed by IFRS 9. The impairment methodology is set out in Note 4.

As at 31 December 2021, S$1,249,319 due from a customer ("**Customer A**"), an independent third party, was past due and expected credit loss is assessed individually.

Customer A rented certain space in the Group's yard for storing cargo. In October 2020, Customer A entered into a settlement agreement with its creditors, pursuant to which Customer A obtained its creditors' approval for payment of the storage cost due to the Group before any distributions are made to the rest of the creditors of Customer A. The directors expected that Customer A will sell the cargo, which is kept in the Group's yard, and distribute the proceeds of the sale to its creditors with first priority given to the Group.

In the opinion of the directors of the Group, the estimated market value of the cargo is higher than the outstanding balance due from Customer A. Therefore the Group will be able to recover the outstanding balance in full and expected credit loss is minimal.

18 TRADE RECEIVABLES (Continued)

As part of the Group's credit risk management, the Group assess the impairment for its customers based on different group of customers which share common risk characteristics and applies internal credit rating for its customers. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix as at 31 December 2021 and 2020 within lifetime ECL (not credit impaired). Customers with credit-impaired were assessed individually.

	Average loss rate S$	Gross trade receivable S$	ECL
As at 31 December 2021			
Assessed based on provision matrix			
Low risk	**0.24%**	**9,682,348**	**23,494**
Assessed individually			
Watch list	**1.67%**	**1,249,319**	**20,834**
Loss	**100%**	**99,501**	**99,501**
		11,031,168	**143,829**
As at 31 December 2020			
Assessed based on provision matrix			
Low risk	0.22%	9,142,194	–*
Assessed individually			
Watch list	0.39%	772,540	–*
Loss	100%	149,277	149,277
		10,064,011	149,277

* The amount is insignificant, hence no adjustment was made for impairment loss.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

18 TRADE RECEIVABLES (Continued)

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

	Lifetime (simplified approach) S$	Lifetime (assessed individually) S$	Total S$
1 January 2020	–	456,000	456,000
Reversal of provision for the year	–	(104,092)	(104,092)
Write-offs	–	(202,631)	(202,631)
31 December 2020	–	149,277	149,277
Provision/(reversal of provision) for the year	23,494	(25,494)	(2,000)
Write-offs	–	(3,448)	(3,448)
31 December 2021	23,494	120,335	143,829

The directors of the Company are of the opinion that there has low default risk for trade receivables aged over 90 days which categorised as "Low risk" and the balances are still considered fully recoverable due to long-term/on-going business relationship and sound repayment record from these customers.

19 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 S$	2020 S$
Rental and other deposits (Note a)	4,234,098	794,348
Prepayments	370,672	179,156
Staff advances	48,050	49,200
Grant receivable (Note b)	–	101,017
Deferred issue costs (Note 10)	–	1,062,645
Issue costs reimbursable by a shareholder (Note c)	–	354,215
Others	62,892	40,917
	4,715,712	2,581,498
Analysed as:		
– Current	1,297,244	2,004,852
– Non-current	3,418,468	576,646
	4,715,712	2,581,498

Notes:

(a) The deposit balances pertains to non-current deposit of yard, warehouse and office rental amounted to S$418,468 (2020: S$576,646). As at 31 December 2021, included in the non-current deposits was a refundable deposit of S$3,000,000 (2020: S$Nil) paid by the Group in respect of a strategic acquisition.

(b) As at 31 December 2020, the Group is eligible for JSS, a government grant announced to provide wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during the period of economic uncertainty caused by the Covid-19. The Group has fulfilled the conditions to receive the grant, hence a grant receivable and a deferred grant income (Note 22) was recognised as at 31 December 2020.

(c) The balance is interest-free and will be repaid within 12 months.

For the purpose of impairment assessment, the other receivable balances are considered to have low credit risk as they are not due for repayment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the year in assessing the loss allowance for other receivables.

20 AMOUNTS DUE FROM (TO) RELATED PARTIES

a. Amounts due from related parties

	2021 S$	2020 S$
Due from related companies		
Trade related		
Crystal Parts Pte Ltd	717	383
JH Tyres & Batteries Pte Ltd	554	4,721
R&S Engineering Works Pte Ltd	1,741	1,043
	3,012	6,147
Due from immediate holding company		
Non-trade related		
Mirana Holdings Limited (Note i)	370,256	–
	373,268	6,147

The average credit period for provision of services to the related parties is 30 days. The aging of trade related amounts due from the related parties presented based on the invoice date at the end of each reporting period is as follows:

	2021 S$	2020 S$
Trade related		
Within 30 days	3,012	6,147

For the purpose of impairment assessment, amounts due from related parties are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for amounts due from related parties.

Note i: the balance is unsecured, interest-free and has no fixed repayment term.

20 AMOUNT DUE FROM (TO) RELATED PARTIES (Continued)

b. Amounts due to related parties

	2021 S$	2020 S$
Due to related companies		
Trade related		
JH Tyres & Batteries Pte Ltd	45,603	36,618
R&S Engineering Works Pte Ltd	52,271	63,093
	97,874	99,711

The average credit period for provision of services is 30 days. The aging of trade related amounts due to the related parties presented based on the invoice date at the end of each reporting period is as follows:

	2021 S$	2020 S$
Within 30 days	97,874	99,711

21 BANK BALANCES AND CASH

	2021 S$	2020 S$
Cash and bank balances	23,908,104	12,740,393
Pledged deposits	550,000	450,000
	24,458,104	13,190,393
Less: Pledged deposits	(550,000)	(450,000)
Cash and cash equivalents in the consolidated statement of cash flows	23,908,104	12,740,393

As at 31 December 2021, bank balances of S$23,908,104 (2020: S$12,740,393) carry interest ranging from 0.01% to 0.05% (2020: 0.01% to 0.05%) per annum.

As at 31 December 2021, included in the pledged deposit of S$550,000 (2020: S$450,000) represents restricted bank deposit for issuance of letter of credits with original maturity of 6 months to 1 year and being renewed automatically by month.

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22 TRADE AND OTHER PAYABLES

	2021 S$	2020 S$
Trade payables	**1,945,208**	955,697
GST payables	**177,486**	191,718
Customer deposits	**815,380**	636,980
Accrued operating expenses	**1,577,061**	1,260,928
Accrued listing expenses	**–**	1,459,933
Deferred grant income (Note a)	**–**	163,514
Others	**7,538**	12,044
	4,522,673	4,680,814
Analysed as:		
– Current	**4,050,473**	4,115,834
– Non-current (Note b)	**472,200**	564,980
	4,522,673	4,680,814

Notes:

(a) During the year ended 31 December 2020, the Group received government grants of S$872,460 in cash in connection with JSS for the purpose of retaining local employees during the period of economic uncertainty. At 31 December 2020, grants receivables of S$101,017 (Note 19) have been recognised as there is reasonable assurance that the conditions attached to the grants have been fulfilled under the JSS.

The grants relating to the relevant staff costs are recognised in other income over the period necessary to match them with the costs that the grants are intended to compensate. This scheme has resulted in a credit to income in the year ended 31 December 2020 of S$809,963. As at 31 December 2020, an amount of S$163,514 remains to be deferred.

(b) Non-current trade and other payables arise from customer deposit for office and yard rental. The lease term for these office and yard rental range from 1 to 3 years (2020: 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:

	2021 S$	2020 S$
Within 30 days	**1,421,308**	644,002
31 to 60 days	**378,440**	261,847
61 to 90 days	**38,503**	32,485
Over 90 days	**106,957**	17,363
	1,945,208	955,697

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

23 LEASE LIABILITIES

The exposure of the Group's lease liabilities are as follows:

	2021 S$	2020 S$
Lease liabilities payable:		
– Within one year	**2,622,473**	2,585,253
– Within a period of more than one year but not more than two years	**675,222**	1,638,998
– Within a period of more than two years but not more than five years	**93,130**	345,530
	3,390,825	4,569,781
Less: Amount due for settlement within one year shown under current liabilities	**(2,622,473)**	(2,585,253)
Amount due for settlement after one year shown under non-current liabilities	**768,352**	1,984,528

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

As at 31 December 2021, the total net cash outflows for leases including the payments of lease liabilities for the year ended 31 December 2021 was S$3,357,238 (2020: S$2,384,227).

24 BANK BORROWINGS

	2021 S$	2020 S$
Secured and guaranteed - at amortised cost:		
Bank loans	**580,815**	1,096,521
Analysed as:		
Carrying amount repayable:		
– On demand or within one year	**45,757**	95,292
– More than one year, but not exceeding two years	**46,666**	100,277
– More than two years, but not exceeding five years	**145,748**	328,407
– More than five years	**342,644**	572,545
	580,815	1,096,521
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(45,757)**	(95,292)
	535,058	1,001,229

The bank borrowings are secured by:

(i) First legal mortgage over the Group's investment properties (Note 16); and

(ii) Guarantee from a director of the Group in his personal capacity.

As at 31 December 2021, the weighted average effective interest rate of the loans are ranged various from 2.00% to 6.25% (2020: 2.00% to 6.25%). The amounts are repayable at the dates throughout to 2033.

25 PROVISIONS FOR REINSTATEMENT COST

	2021 S$	2020 S$
At beginning of the year	**480,000**	389,000
Additions	**–**	91,000
At end of the year	**480,000**	480,000
Analysed as:		
– Current	**389,000**	–
–Non-current	**91,000**	480,000
	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.

26 DEFERRED TAX LIABILITIES

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

	2021 S$	2020 S$
At beginning of the year	**426,500**	438,924
Credit to profit or loss for the year (Note 11)	**(17,000)**	(12,424)
At end of the year	**409,500**	426,500

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.

27 SHARE CAPITAL

The shares of the Company were successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited 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:			
At 1 January 2020	38,000,000	0.01	380,000
Increase on 18 December 2020 (Note a)	1,962,000,000	0.01	19,620,000
At 31 December 2020 and 31 December 2021	**2,000,000,000**		**20,000,000**

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27 SHARE CAPITAL (Continued)

	Number of ordinary shares	Share capital S$
Issued and fully paid		
At 1 January 2020	1	–*
Issue of shares pursuant to the Reorganisation (Note 2)	78,124,999	134,698
At 31 December 2020	78,125,000	134,698
Capitalisation issue of shares (Note a)	937,500,000	1,599,365
Issue of new shares upon initial public offering (Note b)	234,375,000	399,842
At 31 December 2021	**1,250,000,000**	**2,133,905**

* The amount is less than S$1.

Notes:

(a) Pursuant to the written resolution on 18 December 2020, it was resolved that the authorised share capital of the Company was increased from HK$380,000 divided into 38,000,000 Shares of par value of HK$0.01 to HK$20,000,000 divided into 2,000,000,000 Shares of par value of HK$0.01 each by the creation of 1,962,000,000 Shares of par value of HK$0.01 each; and an amount of HK$9,375,000 (equivalents to approximately S$1,599,365) which is standing to the credit of the share premium account of the Company is capitalised and applied to pay up in full at par a total of 937,500,000 shares for allotment, each ranking pari passu in all respects with the Shares then in issue.

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

28 OPERATING LEASE ARRANGEMENTS

Lease commitments

The Group as lessor

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

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

	2021 S$	2020 S$
Within one year	180,600	281,972
In the second to fifth year inclusive	33,700	231,372
	214,300	513,344

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

29 RETIREMENT BENEFIT PLAN

As prescribed by the CPF board of Singapore, the Group's employees employed in Singapore, who are Singapore Citizens or Permanent Residents, are required to join the CPF scheme. During the years ended 31 December 2021 and 2020, the Group contributes up to 17% of the eligible employees' salaries, with each employee's qualifying salary capped at S$6,000 per month to the CPF scheme.

As at 31 December 2021, the total costs charged to profit or loss of S$695,959 (2020: S$611,095) representing contributions paid to the retirement benefits scheme by the Group.

As at 31 December 2021, the contributions of S$199,808 (2020: S$198,546) were accrued respectively. The amounts were paid subsequent to the end of the year.

During the years ended 31 December 2021 and 2020, the Group had no forfeited contributions under retirement benefit plan utilised to reduce future contributions.

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30 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 financials 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 year:

	2021 S$	2020 S$
Provision of services by the Group		
Provision of freight services		
JH Tyres & Batteries Pte Ltd	**6,685**	9,343
Provision of trucking services		
Crystal Parts Pte Ltd	**6,049**	3,210
JH Tyres & Batteries Pte Ltd	**11,242**	10,859
R&S Engineering Works Pte Ltd	**13,026**	8,870
Purchases of services by the Group		
Purchase of motor vehicle upkeep services		
JH Tyres & Batteries Pte Ltd	**(407,313)**	(354,182)
R&S Engineering Works Pte Ltd	**(581,930)**	(571,625)

Compensation of directors and key management personnel

	2021 S$	2020 S$
Short-term benefits	**1,670,997**	1,525,370
Post-retirement benefits	**72,752**	71,707
	1,743,749	1,597,077

A director and controlling shareholder of the Group has provided personal guarantees in relation to bank borrowings, of which S$535,058 (2020: S$1,265,236) remained outstanding.

31 PARTICULARS OF SUBSIDIARIES

Details of the subsidiaries directly and indirectly held by the Company as at 31 December 2021 and 2020 are set out below:

Name of subsidiary	Country of incorporation	Proportion of ownership interest and voting power 2021 %	2020 %	Principal activities and principal place of business	Notes
Directly held:					
Clear Bliss Holdings Limited	British Virgin Islands	**100**	100	Investment holding, British Virgin Islands	(a)
Indirectly held:					
Rejoice Container Services (Pte) Ltd	Singapore	**100**	100	Trucking and VATS, Singapore	(b)
Richwell Global Forwarding Pte. Ltd.	Singapore	**100**	100	Freight forwarding, Singapore	(b)
Radiant Overseas Pte Ltd	Singapore	**100**	100	Freight forwarding, Singapore	(b)
Real Time Forwarding Pte. Ltd.	Singapore	**100**	100	Freight forwarding, Singapore	(b)
Will Knight Limited	Hong Kong	**100**	N/A	Business development	

The subsidiaries now comprising the Group are limited liability companies and has adopted 31 December as their financial year end date.

Notes:

(a) There is no statutory audit requirements in the jurisdiction.

(b) The statutory financial statements of these companies are prepared in accordance with Singapore Financial Reporting Standards ("**FRSs**") issued by Accounting Standards Council in Singapore were audited by Crowe Horwath First Trust LLP, for the year ended 31 December 2021, which is Public Accountants and Chartered Accountants registered in Singapore.

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32 OTHER CASH FLOW INFORMATION

a. Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings S$	Lease liabilities S$	Total S$
At 1 January 2020	1,193,816	4,833,089	6,026,905
Financing cash flows	(129,956)	(2,384,227)	(2,514,183)
Non-cash changes:			
Interest on lease liabilities	–	211,243	211,243
Interest on bank borrowings	32,661	–	32,661
New lease raised	–	2,183,688	2,183,688
Early termination of a lease	–	(4,816)	(4,816)
Rental waiver (Note 10)	–	(269,196)	(269,196)
At 31 December 2020	1,096,521	4,569,781	5,666,302
Financing cash flows	(540,191)	(3,357,238)	(3,897,429)
Non-cash changes:			
New lease raised	–	1,979,331	1,979,331
Interest on lease liabilities	–	198,951	198,951
Interest on bank borrowings	24,485	–	24,485
At 31 December 2021	**580,815**	**3,390,825**	**3,971,640**

b. Major non-cash transactions

During the year ended 31 December 2021, issue costs reimbursable by a shareholder of S$370,256 (2020: S$nil) is transferred to amount due from immediate holding company.

During the year ended 31 December 2021, the Company had non-cash addition to right-of-use assets of S$1,979,331 (2020: S$2,274,688).

33 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2021 S$	2020 S$
ASSETS AND LIABILITIEs		
Non-current asset		
Investment in a subsidiary	134,698	134,698
Current assets		
Other receivables, deposits and prepayments	72,347	1,466,870
Due from immediate holding company	370,256	–
Due from a subsidiary	3,848	–
Bank balances and cash	11,053,813	9,054
	11,500,264	1,475,924
Current liabilities		
Trade and other payables	142,062	1,604,209
Due to a subsidiary	5,279,630	5,002,030
	5,421,692	6,606,239
Net current assets (liabilities)	6,078,572	5,130,315
Net assets (liabilities)	6,213,270	(4,995,617)
EQUITY		
Share capital (Note 27)	2,133,905	134,698
Reserves	4,079,365	(5,130,315)
Total equity attributable to owners of the Company	6,213,270	(4,995,617)

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For the financial year ended 31 December 2021

33 STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (Continued)

A summary of the Company's capital and reserves is as follows:

	Share capital S$	Share premium S$	Accumulated losses S$	Total S$
Balance at 1 January 2020	–	–	(3,508,183)	(3,508,183)
Loss for the year, representing total comprehensive loss for the year	–	–	(1,622,132)	(1,622,132)
Transactions with owners, recognised directly in equity				
Issue of shares pursuant to the Reorganisation (Note 2)	134,698	–	–	134,698
At 31 December 2020	134,698	–	(5,130,315)	(4,995,617)
Loss for the year, representing total comprehensive loss for the year	–	–	(1,540,376)	(1,540,376)
Transactions with owners, recognised directly in equity				
Issue of new shares upon initial public offering (Note 27b)	399,842	15,593,812	–	15,993,654
Capitalisation issue of shares (Note 27a)	1,599,365	(1,599,365)	–	–
Share issuance costs (Note 27b)	–	(3,244,391)	–	(3,244,391)
At 31 December 2021	**2,133,905**	**10,750,056**	**(6,670,691)**	**6,213,270**

34 CAPITAL RISKS MANAGEMENT

The Group manages its capital to ensure that it will be able to be continue as a going concern while maximising the return to shareholders through the optimisation of equity balance. The Group's overall strategy remains unchanged throughout the financial year ended 31 December 2021.

The capital structure of the Group consists of debt, which includes amounts due to related parties, trade and other payables, lease liabilities and bank borrowings as disclosed in Notes 20(b), 22, 23 and 24, respectively, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital and reserves. The Group is not subject to any externally imposed capital requirement.

The management of the Group review the capital structure on a regular basis. As part of this review, the management considers the cost of capital and the associated risk with each class of items in the context of capital structure, and takes appropriate actions to adjust the Group's capital structure. Based on the recommendations of the management, the Group will balance its overall capital structure through continuity of funding of cash flows from operating activities.

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Categories of financial instruments

	2021 S$	2020 S$
Financial assets		
– Amortised Cost		
Bank balances and cash	23,908,104	12,740,393
Restricted bank deposit	550,000	450,000
Trade receivables	10,887,339	9,914,734
Other receivables and deposits *	4,345,040	1,238,680
Amounts due from related parties	373,268	6,147
Total	40,063,751	24,349,954
Financial liabilities		
– Amortised Cost		
Bank borrowings	580,815	1,096,521
Amounts due to related parties	97,874	99,711
Trade payables and other payables**	4,345,187	4,325,582
Total	5,023,876	5,521,814

* Prepayments, grant receivables and deferred issue costs are excluded.

** GST payables and deferred grant income are excluded.

Financial risk management objectives and policies

The Group's financial instruments include trade receivables, other receivables and deposits, amounts due from/to related parties, restricted bank deposit, bank balances and cash, trade and other payables and bank borrowings. The risks associated with these financial instruments and obligations under lease liabilities include market risk (interest rate risk and currency risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(a) Market risk management

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to cash flow interest rate risk on the variable rate of interest incurred on bank borrowings. The Group is also exposed to fair value interest rate risk in relation to fixed-rate obligations under finance leases/lease liabilities and bank deposit. It is the Group's policy to maintain an appropriate level between its fixed-rate and variable-rate borrowings so as to minimise the fair value and cash flow interest rate risk.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for nonderivative instruments. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. The following sensitivity analysis represents management's assessment of the reasonably possible change in interest rates.

If interest rates of the variable-rate borrowings had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year ended 31 December 2021 would decrease/increase by approximately S$2,904 (2020: S$5,483).

In the management's opinion, the sensitivity analysis is unrepresentative of the inherence interest risk as the year end exposure does not reflect the exposure during the year.

No sensitivity analysis on variable interest-bearing bank balances is presented as the impact is expected to be insignificant.

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(b) Currency risk management

The Group has certain trade receivables and payables denominated in United States dollar ("**USD**") other than the functional currency of the respective group entities, which exposes the Group to foreign currency risk. The Group manages the risk by closely monitoring the movement of the foreign currency rate.

The carrying amounts of the Group's significant monetary assets and liabilities denominated in foreign currencies at the end of each reporting period are as below:

	2021 **S$**	2020 S$
Monetary assets:		
– Denominated in USD	**3,572,779**	2,004,102
– Denominated in HKD	**11,063,739**	–
Monetary liabilities:		
– Denominated in USD	**647,769**	378,438
– Denominated in EURO	**38,354**	27,234

Sensitivity analysis

The following table details the sensitivity to a 10% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates.

A negative number below indicates a decrease in profit for the year where S$ strengthens 10% against all foreign currencies. For a 10% weakening of S$ against all foreign currencies, there would be an equal but opposite impact on the profit for the year.

	2021 **S$**	2020 S$
Profit for the year:		
– USD Impact	**(242,776)**	(134,930)
– EURO Impact	**3,183**	2,260
– HKD Impact	**(1,106,205)**	–

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk management

At the end of each reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Group's concentration of credit risk by geographical location is mainly in Singapore, which accounted for 71% (2020: 96%) of the total financial assets as at 31 December 2020.

Trade receivables consist of a large number of customers, spread across diverse industries. The Group reviews the recoverable amount of each individual trade debt, including trade receivable and amounts due from related parties of trade nature, at the end of each reporting period to ensure that adequate impairment losses are made to reflect changes in credit risk since initial recognition of the respective trade debts.

As at 31 December 2021, approximately 11% (2020: 8%) and 25% (2020: 22%) of outstanding trade receivables were due from the Group's largest customer and top 5 customers respectively.

Bank balances

The credit risk on bank balances is limited because the counterparties are reputable financial institutions.

Trade receivables

The Group reassess the lifetime ECL for trade receivables at the end of each reporting period to ensure that adequate impairment losses are made for significant increases in the likelihood or risk of a default occurring since initial recognition. In this regard, management of the Group considers that the Group's credit risk is significantly reduced. Lifetime ECL for trade receivables with significant increase in credit risk and credit-impaired are assessed individually.

Other receivables and amounts due from related parties

For other receivables, non-trade amounts due from related parties, the Group has assessed and concluded that the ECL rate for these receivables is immaterial under lifetime ECL method based on the Group's assessment on the risk of default of the counterparties. Thus, no loss allowance provision for the amounts as recognised for the years ended 31 December 2021 and 2020.

The Group applied credit risk modelling upon adoption of IFRS 9. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis.

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk management (Continued)

To assess whether there is a significant increase in credit risk the Group compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition, it considers available reasonable the supportive forwarding looking information, including below indicators:

- internal credit rating based on historical information;
- actual or expected significant changes in the operating results of the debtors; and
- significant changes in the expected performance and behavior of the debtors, include changes in the payment status of debtors.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Basis for recognising ECL Trade receivables	 Other financial asset
Low risk	The counterparty has low risk of default, does not have past-due amounts and usually settle within credit period.	Lifetime ECL - not credit - impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but expect to settle in full	Lifetime ECL - not credit - impaired	Lifetime ECL - not credit-impaired
Loss	There is evidence indicating that the asset is credit-impaired.	Lifetime ECL - credit - impaired	Lifetime ECL - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off	Amount is written off

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For the financial year ended 31 December 2021

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk management (Continued)

The table below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 December 2021							
Trade receivables	18	N.A.	Low risk (i)	Lifetime ECL (Simplified approach)	9,682,348	(23,494)	9,658,854
Trade receivables	18	N.A.	Watch list/ Loss (i)	Lifetime ECL (assessed individually)	1,348,820	(120,335)	1,228,485
Other receivables	19	N.A.	Low risk (ii)	12m ECL	4,345,040	–	4,345,040
Amounts due from related parties	20(a)	N.A.	Low risk (ii)	12m ECL	373,268	–	373,268
						(143,829)	
31 December 2020							
Trade receivables	18	N.A.	Low risk (i)	Lifetime ECL (Simplified approach)	9,142,194	–	9,142,194
Trade receivables	18	N.A.	Watch list/ Loss (i)	Lifetime ECL (assessed individually)	921,817	(149,277)	772,540
Other receivables	19	N.A.	Low risk (ii)	12m ECL	1,238,680		1,238,680
Amounts due from related parties	20(a)	N.A.	Low risk (ii)	12m ECL	6,147	–	6,147
						(149,277)	

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(c) Credit risk management (Continued)

(i) The probability-weighted estimate of the credit losses is determined based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

In order to minimise the credit risk of trade receivables, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

(ii) In order to minimise the credit risk on other receivables and amounts due from related parties, management makes periodic collective assessments as well as individual assessment on the recoverability of receivables based on historical settlement records and past experience. The directors of the Company believe that there is no material credit risk inherent in the Group's outstanding balances of other receivables. In addition, the credit risk on amounts due from related parties are reduced as the Group can closely monitor the repayment of the related parties. Other than concentration of credit risk on the amounts due from related parties, the Group has no other significant concentration on recognised financial assets with exposure spread over a number of counterparties.

Relevant information with regard to the exposure of credit risk and expected credit losses for trade and other receivables and amounts due from related parties as at 31 December 2021 and 2020 are set out in Notes 18, 19 and 20(a).

(d) Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulties in meeting its financial obligations as and when they fall due. In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the relevant market rates as at the reporting date) of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows, where applicable.

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(d) Liquidity risk management (Continued)

Non-derivative financial liabilities (Continued)

	Weighted average interest rate %	On demand or within 3 months S$	3 to 6 Months S$	6 to 12 months S$	1 to 5 years S$	Over 5 years S$	Total undiscounted cash flow S$	Carrying amount S$
As at 31 December 2021								
Non-interest bearing								
Trade and other payables	N/A	3,872,987	–	–	472,200	–	4,345,187	4,345,187
Amounts due to related parties	N/A	97,874	–	–	–	–	97,874	97,874
Interest bearing								
Lease liabilities	2.80 - 4.45	826,413	737,098	1,149,923	787,260	–	3,500,694	3,390,825
Bank borrowings	2.00 – 6.25	14,237	14,237	28,474	284,740	308,427	650,115	580,815
Total		4,811,511	751,335	1,178,397	1,544,200	308,427	8,593,870	8,414,701
As at 31 December 2020								
Non-interest bearing								
Trade and other payables	N/A	3,760,602	–		564,980	–	4,325,582	4,325,582
Amounts due to related parties	N/A	99,711	–	–	–	–	99,711	99,711
Interest bearing								
Lease liabilities	2.47 - 6.43	758,180	723,636	1,251,572	2,038,297	–	4,771,685	4,569,781
Bank borrowings	2.00 – 6.25	33,214	34,052	68,104	544,831	617,345	1,297,546	1,096,521
Total		4,651,707	757,688	1,319,676	3,148,108	617,345	10,494,524	10,091,595

Non-derivative financial assets

All financial assets of the Group as at 31 December 2021 and 2020 are repayable on demand or due within one year, other than security deposits for the lease of yards and refundable deposit paid for strategic acquisition.

35 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

Financial risk management objectives and policies (Continued)

(e) Fair value of financial assets and financial liabilities

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on recurring basis.

The fair value of financial assets and financial liabilities is determined in accordance with generally accepted pricing model based on discounted cash flow analysis.

The management of the Groups considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statement approximate to their fair values.

36 CONTINGENT LIABILITIES

During the reporting period, the Group had no material contingent liabilities.

37 CAPITAL COMMITMENT

As at the end of the reporting period, the Group had no material capital commitment.

38 EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, S$1,500,000 of the refundable deposit as mentioned in note 19(a) has been refunded to the Group. Pursuant to a supplemental agreement entered by the Group in respect of the strategic acquisition, the Group and the seller agreed to extend the timetable and revised the proposed consideration.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last four financial years, as extracted from the published financial statements, is set out as below:

CONSOLIDATED/COMBINED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December				
	2021 S$'000	2020 S$'000	2019 S$'000	2018 S$'000	2017 S$'000
Revenue	**45,785**	40,295	43,676	40,668	36,748
Cost of services	**(32,422)**	(26,410)	(26,633)	(26,257)	(23,269)
Gross profit	**13,363**	13,885	17,043	14,411	13,479
Other income	**764**	1,302	425	477	572
Other gains and losses	**539**	(5)	34	204	43
Selling expenses	**(77)**	(50)	(65)	(73)	(122)
Administrative expenses	**(9,876)**	(8,283)	(8,226)	(7,307)	(6,945)
Impairment losses and gains (including reversals of impairment losses) on financial assets	**2**	104	(478)	(516)	(26)
Finance costs	**(223)**	(244)	(140)	(42)	(60)
Listing expenses	**(774)**	(1,478)	(1,032)	(2,474)	–
Profit before tax	**3,718**	5,231	7,561	4,680	6,941
Income tax expense	**(862)**	(973)	(1,495)	(1,064)	(980)
Profit and other comprehensive income for the year	**2,856**	4,258	6,066	3,616	5,961

CONSOLIDATED/COMBINED ASSETS AND LIABILITIES

	As at 31 December				
	2021 S$'000	2020 S$'000	2019 S$'000	2018 S$'000	2017 S$'000
ASSETS AND LIABILITIES					
Non-current assets	**13,993**	12,707	13,358	10,253	9,326
Current assets	**37,016**	25,116	23,137	15,448	17,616
Total assets	**51,009**	37,823	36,495	25,701	26,942
Non-current liabilities	**2,276**	4,457	4,930	1,592	2,190
Current liabilities	**8,047**	8,286	6,742	5,342	6,517
Total liabilities	**10,323**	12,743	11,672	6,934	8,707
Total equity	**40,686**	25,080	24,823	18,767	18,235