
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

CONTROLLING SHAREHOLDERS

Immediately after completion of the [REDACTED] and the Capitalisation Issue, each of Ventris Global and Mr. K L Chua is entitled to exercise or control the exercise of [REDACTED]% of voting rights at general meetings of our Company (without taking into account any Shares which may be allotted and issued upon the exercise of options under the Share Option Scheme). As such, each of Ventris Global and Mr. K L Chua is regarded as a Controlling Shareholder.

Save as disclosed above, there is no other person/entity who will, immediately following the completion of the [REDACTED] and the Capitalisation Issue, be directly or indirectly interested in 30% or more of the Shares then in issue or have a direct or indirect equity interest in any member of our Group representing 30% or more of the equity in such entity.

INDEPENDENCE FROM CONTROLLING SHAREHOLDERS

Our Directors do not expect there to be any significant transactions between our Group and our Controlling Shareholders and their respective associates upon the [REDACTED]. Our Directors believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective associates after the [REDACTED], having taken into consideration of the following factors:

(i) Management independence

As at the Latest Practicable Date, no Executive Director has overlapping roles or responsibilities in any business other than our business nor has any business which competes or is likely to compete, either directly or indirectly, with our business.

Each of our Directors is aware of his or her fiduciary duties as a director which require, among other things, that he or she acts for the benefit and in the best interests of our Company and does not allow any conflict between his or her duties as a Director and his or her interest to exist. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant meeting of the Board in respect of such transaction and shall not be counted in the quorum.

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(ii) Operational independence

Our operations are independent of and not connected with our Controlling Shareholders. Having considered that (i) we have established our own organisational structure comprising individual departments, each with specific areas of responsibilities; (ii) our Group has not shared our operational resources, such as customers, marketing, sale and general administration resources with our Controlling Shareholders and/or their associates; (iii) our Group has also established a set of internal controls to facilitate the effective operation of its business; (iv) as at the Latest Practicable Date, our Controlling Shareholders had no interest in any of our customer, supplier or other business partners, our Directors consider that our Group can operate independently from our Controlling Shareholders from the operational perspective; (v) as at the Latest Practicable Date, our Group had independent and direct access to suppliers or customers of our Group; and (vi) all of our operating subsidiaries hold the licenses necessary for the operation of our Group's business in their own names.

(iii) Administrative independence

Our Group has its own capabilities and personnel to perform all essential administrative functions, including internal control and auditor monitor, financial and accounting management, invoicing and billing, human resources and information technology.

(iv) Financial independence

We are financially independent of our Controlling Shareholders and their respective close associates. We have sufficient capital and banking facilities to operate our business independently, and have adequate resources to support our daily operations. In addition, our Group makes financial decisions according to our own business needs.

During the Track Record Period, Mr. K L Chua, one of our Controlling Shareholders, has provided (i) joint and several personal guarantees with Ms. S F Chua in favour of four banks/financing companies in Singapore, namely Bank A, Bank B, Company C and Company D, for the repayment obligations of CA Transportation under various loan facilities; and (ii) a joint and several personal guarantee with Ms. S F Chua in favour of two banks/financing companies in Singapore, namely Company D and Bank E, for the repayment obligations of Nexis Logistics under various loan facilities. The outstanding amount due to Company C had been repaid by CA Transportation by the internal resources of the Group and the joint and several personal guarantee given by Mr. K L Chua and Ms. S F Chua had been fully released as at the Latest Practicable Date. All outstanding amounts due to Company D had been repaid by CA Transportation and Nexis Logistics respectively by the internal resources of the Group and the joint and several guarantees given by Mr. K L Chua and Ms. S F Chua had been fully released as at the Latest Practicable Date. The personal guarantee given jointly and severally by Mr. K L Chua and Ms. S F Chua in favour of

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Bank A, Bank B and Bank E will be fully released and replaced by corporate guarantee(s) to be provided by our Company and/or other member(s) of our Group upon [REDACTED]. The banking facility granted by Bank A to CA Transportation is subject to, among other things, the conditions that Mr. K L Chua’s direct or indirect shareholding interests in our Company shall not be less than 50% and Mr. K L Chua shall remain as the key person operating the Group (the “**Bank A Conditions**”). According to the facility letter dated 4 November 2016 entered into between CA Transportation and Bank A, Bank A has offered to CA Transportation the facilities comprising overdraft facility, a term loan and banker’s guarantee in the aggregate amount of S\$567,000.

Regarding the Bank A Conditions for the corporate guarantee in favour of Bank A, such conditions are required by Bank A and our Directors consider such conditions to be commercially agreeable having taking into account the fact that (i) pursuant to the Rule 13.16A of the GEM Listing Rules, our Controlling Shareholders, including Mr. K L Chua , would be subject to a lock-up undertaking which requires them not to dispose of any of their shares in our Company within the first 6 months after [REDACTED] and, within the following 6 months, not to dispose of their shares such that they would cease to be a controlling shareholder; and (ii) Mr. K L Chua has already been appointed as an executive Director and the chairman of our Board even if without Bank A’s request. As such, the Directors consider that the Bank A Conditions for the corporate guarantee in favour of Bank A would not compromise the financial independence of our Group and could be dealt with by way of disclosure, and we shall comply with the disclosure requirements pursuant to Rules 17.20 and 17.23 of the GEM Listing Rules as and when appropriate.

Our Directors are therefore of the view that our Group is not financially dependent on our Controlling Shareholders or their respective close associates in our business operations and our Group is able to obtain external financing on market terms and conditions for our business operations as and when required.

RULE 11.04 OF THE GEM LISTING RULES

None of our Controlling Shareholders and our Directors has any interest in a business apart from our Group’s business which competes or is likely to compete, directly or indirectly, with our Group’s business, and would require disclosure pursuant to Rule 11.04 of the GEM Listing Rules.

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DEED OF NON-COMPETITION

Our Controlling Shareholders have entered into the Deed of Non-competition in favour of our Company (for ourselves and as trustee of our subsidiaries), pursuant to which our Controlling Shareholders have jointly and severally, irrevocably and unconditionally undertaken to and covenanted with our Company (for ourselves and for the benefit of our subsidiaries) that during the continuation of the Deed of Non-competition it or he would not, and would procure that its or his close associates (other than any member of our Group) would not, whether on its or his own account or in conjunction with or on behalf of any person, firm or company, whether directly or indirectly, carry on a business which is, or be interested or involved or engaged in or acquire or hold any rights or interest or otherwise involved in (in each case whether as a shareholder, partner, principal, agent, director, employee or otherwise and whether for profit, reward or otherwise) any business which competes or is likely to compete directly or indirectly with the business currently and from time to time engaged by our Group (including but not limited to the provision of transport and storage services to the logistics industry in Singapore and business ancillary to any of the foregoing, in each case, to be more particularly described or contemplated in this document), in Singapore and any other country or jurisdiction to which our Group provides such services and/or in which any member of our Group carries on such business from time to time (the "**Restricted Business**"). Such non-competition undertaking does not apply to:

- (i) any interests in the shares of any member of our Group; or
- (ii) interests in the shares of a company other than our Company whose shares are listed on a recognised stock exchange provided that:
 - (a) any Restricted Business conducted or engaged in by such company (and assets relating thereto) accounts for less than 10% of that company's consolidated turnover or consolidated assets, as shown in that company's latest audited accounts; or
 - (b) the total number of the shares held by our Controlling Shareholders and/or their respective close associates in aggregate does not exceed 10% of the issued shares of that class of the Company in question and such Controlling Shareholders and/or their respective close associates are not entitled to appoint a majority of the directors of that company and at any time there should exist at least another shareholder of that company whose shareholdings in that company should be more than the total number of shares held by our Controlling Shareholders and their respective close associates in aggregate; or
 - (c) our Controlling Shareholders and/or their respective close associates do not have the control over the board of such company.

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The Deed of Non-competition shall take effect upon [REDACTED] and shall expire on the earlier of:

- (a) the day on which the Shares cease to be listed on GEM or other recognised stock exchange;
or
- (b) the day on which our Controlling Shareholders and his/its close associates, individually or taken as a whole, cease to own, in aggregate, 30% or more of the then issued share capital of our Company directly or indirectly or cease to be deemed as our Controlling Shareholders and do not have power to control the Board or there is at least one other independent shareholder other than our Controlling Shareholders and his/its respective close associates holding more shares than our Controlling Shareholders and his/its respective close associates taken together.

The Controlling Shareholders and/or their close associates may take up new business opportunities which compete with the Company only if they comply with their obligations under the Deed of Non-competition in doing so.

Pursuant to the Deed of Non-competition, each of our Controlling Shareholders has undertaken that if each of our Controlling Shareholders and/or any of his/its close associates is offered or becomes aware of any project or new business opportunity ("**New Business Opportunity(ies)**") that relates to the Restricted Business, whether directly or indirectly, he/it shall (i) promptly within ten (10) Business Days notify our Company in writing of such opportunity and provide such information as is reasonably required by our Company in order to enable our Company to come to an informed assessment of such New Business Opportunity; and (ii) use his/its best endeavours to procure that such opportunity is offered to our Company on terms no less favourable than the terms on which such New Business Opportunity is offered to him/it and/or his/its close associates.

All of our Directors (excluding those who is/are interested in the New Business Opportunity and has/have conflict of interests with our Company) will review the New Business Opportunity and decide whether to invest in the New Business Opportunity. If our Group has not given written notice of its desire to invest in such New Business Opportunity or has given written notice denying the New Business Opportunity within thirty (30) Business Days (the "**30-day Offering Period**") of receipt of notice from our Controlling Shareholders and/or his/its close associates shall be permitted to invest in or participate in the New Business Opportunity on his/its own accord. With respect to the 30-day Offering Period, our Directors consider that such period is adequate for our Company to assess any New Business Opportunity. In the event that our Company requires additional time to assess the New Business Opportunity, our Company may give a written notice to our Controlling Shareholders within the 30-day Offering Period and our Controlling Shareholders agree to extend the period to a maximum of sixty (60) Business Days. Our Group may elect not to take up the New Business Opportunity if the Directors consider that (i) taking up the New Business Opportunity is not

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beneficial to our Group, whether financially or otherwise; (ii) our Group does not have sufficient financial resources to take up the New Business Opportunity; (iii) the risk involved in the New Business Opportunity is too high; and/or (iv) there exists any other reason or circumstance under which taking up the New Business Opportunity is not in the interest of our Company and our Shareholders as a whole. In the event our Company decides not to take up any New Business Opportunities after [REDACTED], our Company will disclose in our annual report details of such New Business Opportunities, and our Company's reason for not taking up such New Business Opportunities. The Company and the Controlling Shareholders confirm, and the Controlling Shareholders undertake to the Company that any New Business Opportunities will be handled in compliance with the Deed of Non-Competition provided by the Controlling Shareholders.

Our Controlling Shareholders or their respective close associates may retain the New Business Opportunity we declined to take up if it is interest of our Company and our Shareholders as a whole to avoid the risk that the New Business Opportunity is captured by the competitors or potential competitors of our Group. The retention of New Business Opportunities which may complete with the Group by our Controlling Shareholders or their respective close associates pursuant to the terms of the Deed of Non-competition will not violate their non-competition obligations under the Deed of Non-competition.

Pursuant to the Deed of Non-Competition, our Controlling Shareholders shall, and shall use their best effort to procure their respective close associates to, grant us an option to purchase any equity interest, assets or other interests which form part of any New Business Opportunities not taken by us but has been retained by our Controlling Shareholders or their respective close associates at a fair value as appraised by an independent professional valuer.

Further, our Controlling Shareholders shall, and shall use their best efforts to, procure their respective close associates, to let us have the pre-emptive right for any transfer, sale, lease, licence, grant of right to any New Business Opportunities not taken up by us but has been retained by our Controlling Shareholders or their respective close associates, on the same terms as and before the offer of such transfer, sale, lease, licence or grant to any third party.

In view of the option to purchase or the pre-emption right granted to our Company as described above, our Directors are of the view that in the event that our Company decides not to take up the New Business Opportunities, it would be in the interest for our Company for the New Business Opportunities to be taken by our Controlling Shareholders or their respective close associates rather than by the competitors or potential competitors of our Group.

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CORPORATE GOVERNANCE MEASURES

Our Company will adopt the following measures to manage the conflict of interests arising from competing business and to safeguard the interests of our Shareholders:

- our Independent Non-Executive Directors will review, on an annual basis, the compliance with the non-competition undertaking by our Controlling Shareholders under the Deed of Non-competition;
- our Controlling Shareholders undertake to provide all information requested by our Company which is necessary for the annual review by our Independent Non-Executive Directors and the enforcement of the Deed of Non-competition;
- our Company will disclose decisions on matters reviewed by our Independent Non-Executive Directors relating to compliance and enforcement of the Deed of Non-competition in the annual report of our Company;
- our Controlling Shareholders will make confirmation on compliance with their undertaking under the Deed of Non-competition in the annual report of our Company; and
- our Independent Non-Executive Directors may appoint independent financial adviser and other professional advisers as they consider appropriate to advise them on any matter relating to the Deed of Non-competition or connected transaction(s) at the cost of our Company.

None of the members of our Group has experienced any dispute with its shareholders or among its shareholders themselves and our Directors believe that each member of our Group has maintained positive relationship with its shareholders. With the corporate governance measures including the measures set out in this paragraph headed “Corporate governance measures” and the paragraph headed “Compliance with the Corporate Governance Code” and “Board Committees” in the section headed “Directors and senior management” in this document, our Directors believe that the interest of the Shareholders will be protected.