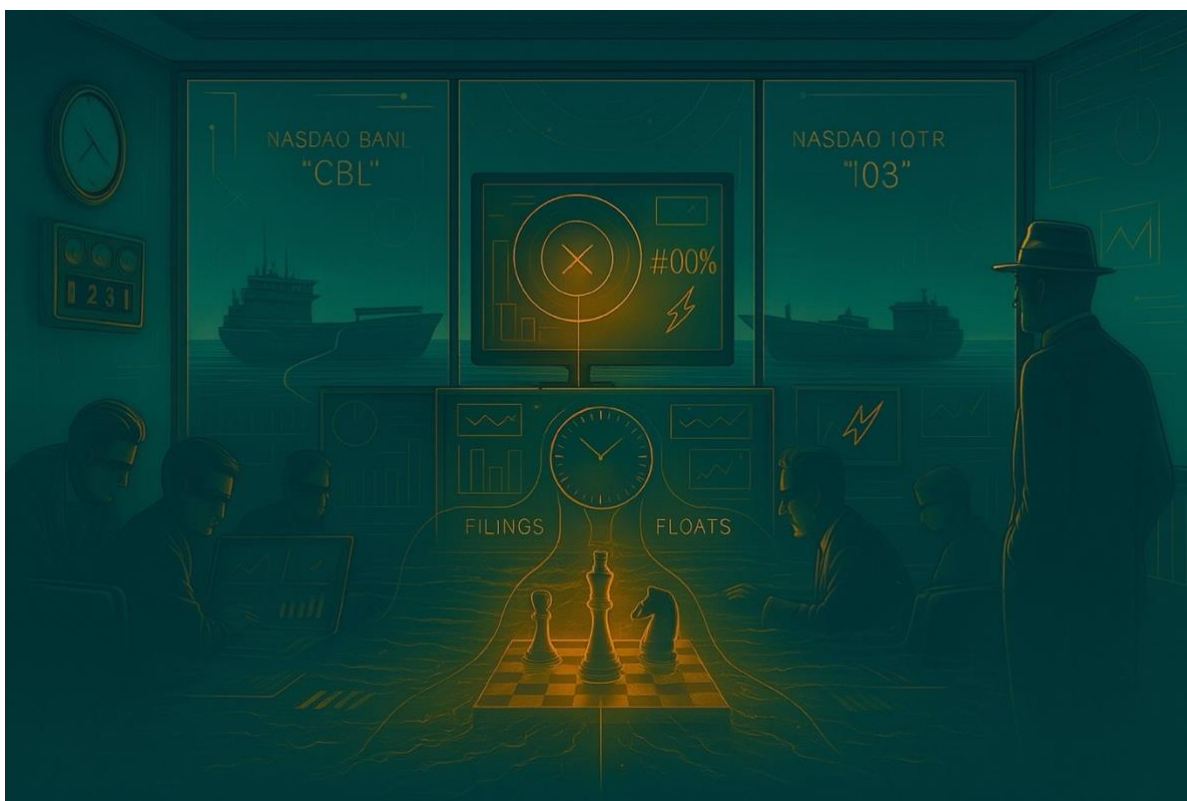




# The Twilight Zone of Compliance: When Going Public Means Becoming Private

## *Inside the Controlled Convergence of CBL and iO3*

Our [research series](#) on a “hidden” union between **IOTThree Limited** (NASDAQ:IOTR, “iO3”) and **CBL International Limited** (NASDAQ:BANL, “CBL”) has felt like playing chess in the dark or navigating the Twilight Zone. Each filing, conference remark, and corporate maneuver represents another fragment of a puzzle that insiders at these two micro-caps, born from the same region and operating within the same maritime ecosystem, would prefer to keep concealed.

Despite the pending convergence, iO3 and CBL operate as mirror opposites; one communicating through disciplined transparency, the other through deliberate silence. This is coordinated choreography: one company ascending toward institutional credibility, the other retreating into engineered opacity. Together, they demonstrate how the mechanics of compliance can be used not to reveal the market’s truth, but to conceal it quietly, elegantly, and in plain sight.

This story is not simply about two companies, but about how, in the turbulent waters of modern microcap markets, compliance can be very murky. How a firm can satisfy the rules of disclosure yet subvert the spirit of transparency those rules were meant to protect. How a Nasdaq listing — designed to democratize access — can be engineered to re-concentrate control. This article deciphers these latest dramatic twists in what may be the *final act* before the CBL-iO3 reveal.

## Trigger Event: The October 14 iO3 Filing

On **October 14, 2025**, iO3 quietly filed a [Form 6-K](#) with the U.S. SEC, an otherwise routine disclosure that, in context, lands like a starting gun. Beneath the procedural language of an “Extraordinary General Meeting” lies a blueprint that rewires the company’s entire capital structure and, by extension, validates much of what our research has suggested for months.

In one stroke, iO3 multiplied its authorized share capital **ten-fold**, from 80M to 800M shares, divided as follows:

- 700M Ordinary Shares
- 90M Class A Shares
- 10M Preferred Shares

Most critically, two insider-held blocks — **14,282,400 shares under iO3 Strategic Investments Ltd.** and **4,927,200 shares under All Wealthy International Ltd.** — were redesignated as Class A. This 19.2 million-share insider pool is now formally ring-fenced under the company’s Second Amended and Restated Memorandum and Articles of Association (ARM&A).

| IOTR OWNERSHIP (E)                            | # of Shares       | Ownership % |
|-----------------------------------------------|-------------------|-------------|
| <b>Institutional (Legacy)</b>                 | <b>4,340,400</b>  | <b>17%</b>  |
| <i>Ace Smart Global Limited</i>               | 947,600           | 3.69%       |
| <i>One Investment and Consultancy Limited</i> | 1,097,600         | 4.28%       |
| <i>Sakal Capital Pte. Ltd.</i>                | 1,097,600         | 4.28%       |
| <i>Shao Qi Limited</i>                        | 1,197,600         | 4.67%       |
| <b>Insider / Institutional</b>                | <b>19,209,600</b> | <b>75%</b>  |
| <i>iO3 Strategic Investments Limited</i>      | 14,282,400        | 55.68%      |
| <i>All Wealthy International Limited</i>      | 4,927,200         | 19.21%      |
| <b>New Institutional (SEC Filings)</b>        | <b>255,697</b>    | <b>1%</b>   |
| <b>Public Float (E)</b>                       | <b>1,844,303</b>  | <b>7%</b>   |
| <b>Totals</b>                                 | <b>25,650,000</b> | <b>100%</b> |

The same EGM authorizes the Board to execute a reverse split between 1-for-2 and 1-for-20, at its sole discretion within 12 months. That act transforms the capital structure into a tool capable of restoring Nasdaq compliance or facilitating further O/S engineering ahead of any transaction.

### Reconciling the Vote — The 500 K Share Gap

The ~18.7M “**For**” votes recorded on each EGM proposal imply near-total unanimity (> 98 %), yet they fall roughly 500K shares short of the 19.21M under CEO Koh’s sole voting control, as reported in his July 2025 13G. Opposition was effectively absent, suggesting retail has fled.

Two primary interpretations for this emerge:

**(A) Administrative Adjustment** — The missing Insider shares may have been **temporarily on loan**, under settlement, or otherwise ineligible between the record and meeting dates. If so, the discrepancy reflects mechanical timing, not intent. But that raises a deeper question: why would insiders or aligned institutions allow shares to be lent out — effectively enabling short pressure on their own company— **especially when they face a Nasdaq non-compliance threat?**

**(B) Strategic Abstention** — Alternatively, All Wealthy International may have deliberately withheld from the vote, leaving iO3 Strategic’s 14.28M shares and the roughly 4.3M legacy-institutional shares (if still custodied) to produce the 18.6M-vote total. Under that configuration, All Wealthy’s stake remains “clean” — unvoted, unpledged, and structurally available for future use as **collateral or parity backing** in a Preferred-share issuance rather than as the source of the new class itself.

Either way, the governance outcome is unmistakable:

- **Koh's control is absolute, insulated inside Class A** under the new ARM&A.
- **Retail holders are effectively absent** while legacy institutions are muted.

Taken together, the voting math and the new Articles confirm that iO3 no longer functions as a typical public float. It appears to have been re-engineered into a **pre-merger control vehicle** — structured for alignment, not for open-market participation — and built atop a disclosure framework that, at best, **strains the spirit of IPO transparency**.

## Governance Summary — The New iO3 Power Structure

Through the October EGM, Koh transformed what was destined to be a dispersed ownership base post-IPO into a **3-tier control system** that now governs both capital and information flow.

### 1. Class A: The Lockbox of Control

The redesignation of iO3 Strategic and All Wealthy shares into **Class A** effectively removed them from normal market circulation. Class A shares cannot trade without conversion back to Ordinary, ensuring that insider holdings remain immobile — and that **voting power can be exercised without exposure to market accountability**. This is the architecture of *continuity without transparency*.

### 2. Ordinary: The Illusion of Float

While retail platforms report a public float of roughly 6.4M shares, analysis of the EGM data and [borrow-pool activity](#) indicate a far smaller genuine float — likely **under 2M shares**. That means the “market” in iO3 stock now functions less as a price-discovery mechanism and more as a **synthetic display** of liquidity, maintained through share lending rather than real investor participation. In this light, the act of insiders or institutional custodians lending shares to short sellers is not liquidity support — it is *optical engineering*.

### 3. Preferred: The Gateway for Strategic Entry

The newly authorized 10M Preferred shares introduce an instrument for external alignment — precisely the kind of class CBL could use for a future strategic investment or equity swap. Yet the magnitude of these structural changes barely appeared in iO3's IPO prospectus — beyond a boilerplate risk note and an obscure footnote — only six months earlier.

Reasonable investors could view that omission as material. It implies that the framework enabling a cross-company transaction was conceived pre-IPO but deliberately minimized — a decision that raises fundamental questions about timing, intent, and the ethical boundaries of disclosure. Investors who subscribed to what appeared to be a straightforward ordinary-share float in April 2025 could not have anticipated a governance overhaul of this scale by October.

# Scenario Matrix & The Staged Absorption Path

The structural and operational evidence we've chronicled narrows the field to several possible endgames for how this alignment between CBL and iO3 could formalize (*in descending order below*). Each pathway remains theoretically viable, yet the pattern of governance maneuvers and synchronized trading behavior converge toward one dominant outcome — a staged absorption.

## C) Immediate Merger (1:1 Equity Swap | <5%)

The cleanest but least plausible option. A statutory merger at 1:1 would instantly unify both ecosystems — but it would also attract regulatory scrutiny and raise problematic valuation questions. More critically, such an exchange would give iO3 insiders effective ownership control over CBL, a structure that Chia and CBL's board would almost certainly avoid.

## B) Deferred Merger via 2:1 VWAP Alignment (≈35%)

The two stocks have been moving lockstep in a narrow 2:1 channel since September so this scenario addresses fairness standards via rolling VWAP and eases the valuation conundrum. This swap ratio would also preserve CBL Insider's majority status, as we demonstrated in our last [Article](#). However, the 10M Preferred shares now available to iO3 increases the likelihood this scenario will be deferred until after Option A, a bridge phase before formal merger completion.

## A) Strategic Investment + Class A Alignment (Most Probable | ≈60%)

The scenario, most consistent with recent filings and insider mechanics, is a structured investment framed as a partnership, executed through the newly authorized **Preferred Shares**:

- CBL would acquire or be issued roughly 10M iO3 Preferred Shares, securing ~35% economic influence without triggering consolidation or control reclassification.
- These ARM&A-authorized Preferreds allow flexible conversion, dividend, and voting terms at the Board's discretion, enabling economic alignment without surrendering iO3's governance control.
- The existing 19.2M Class A shares, held by iO3 Insiders, remain the locked control layer—ring-fencing insider power and ensuring strategic/operational continuity.
- The public float (Ordinary shares) continues to function as a liquidity shell for market optics, capital raises, reverse-split compliance maneuvers, or valuation benchmarking.

This architecture and approach would achieve several simultaneous objectives:

1. **Strategic Symmetry:** Gives CBL tangible exposure to iO3's technology ecosystem—JARVISS, FRIDAY, Seadronix, and Rivada—without absorbing it outright.
2. **Governance Integrity:** Preserves iO3's insider voting bloc and continuity of control via Class A, while leveraging Preferreds for special external participation.
3. **Regulatory Cover:** Frames transaction as a “strategic investment” or “joint development initiative,” avoiding 8-K disclosure triggers that a merger or acquisition would create.
4. **Market Psychology** – Tests reaction and adjusts VWAP corridors before setting ratios.

## Recent Examples of this “Two-Step Method”

| Corporate Pair                             | Year | Step 1 (“Partnership”)    | Step 2 (Full Deal) | Gap     |
|--------------------------------------------|------|---------------------------|--------------------|---------|
| <a href="#">Grab – Uber SEA</a>            | 2018 | “Strategic asset-sharing” | Full acquisition   | 45 days |
| <a href="#">Naver – Line / Yahoo Japan</a> | 2019 | “Business alliance”       | Merger into JV     | 60 days |
| <a href="#">CMA CGM – CEVA</a>             | 2018 | “Strategic cooperation”   | 100% acquisition   | 3 mths. |
| <a href="#">BP – Lightsource RE</a>        | 2017 | “43% partnership”         | Full subsidiary    | 8 mths. |

Most follow a **30–90-day rhythm** between non-binding headlines and binding transactions. While several of these cases later attracted regulatory scrutiny, they nonetheless demonstrate how short gap ‘strategic cooperation’ can act as a prelude to consolidation.

## Buyback Reallocation

CBL’s board-approved **US\$5M repurchase program**, announced in June 2025 and largely unused, can be suspended or terminated at any time under Nasdaq rules with a simple 6-K notice. Redirecting that authorization toward a strategic equity purchase would:

- Deploy idle cash without new financing.
- Convert a passive “confidence signal” into an active investment.
- Preserve optics by reallocating, not expanding, capital commitments.

In essence, the same dollars once earmarked to retire CBL shares could instead expand its ecosystem footprint — closing the financial circuit between the fuel and the technology.

## The Endgame

The **October 6 [Manifest Times](#) comments** by CBL’s Chia echo this first phase perfectly: discussion of *digital infrastructure*, *vertical integration*, and most tellingly, “*Developed a proprietary management system, now integrating AI and machine learning for enhanced decision-making.*” — yet no mention of a partner. If a “strategic partnership” or “framework deal” is announced between now and early November, it would fit the historical cadence preceding a full equity transaction— consistent with **Phase 1** of a staged absorption. If this timeline plays out, **CBL** will emerge as an institutional investment-ready platform by **2026**.

Meanwhile, **iO3** gradually exits the public markets — its technology monetized, its insiders rewarded through the **Class A**. The symmetry is restored; the chaos, retired. If this arc holds, the stagnation in both tickers is not narrative failure — it’s **intermission**. The alignment of VWAP ratios, mirrored insider structures, and post-EGM silence all point to one underlying truth: The story is already written. It just hasn’t been published yet.

iO3 is now **transaction-ready**: legally flexible, structurally insulated, and operationally opaque. Whether the next step manifests as a Preferred-share placement, a JV, or a full merger, the groundwork is complete. But beneath that readiness lies a deep contradiction: a company that listed to “go public” has instead engineered itself back into a private instrument, one whose next chapter will test not just financial outcomes, but the moral gravity of how those outcomes were achieved.

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## From Information Containment to Structural Concealment

In the two months since CBL's H1 2025 results webinar, the eight attending analysts — representing firms such as Phillip Securities, UOB Kay Hian, GF Securities, Guotai Junan, Haitong International, CGS-CIMB, Aristo Capital, and HK MoneyClub — have released **no formal coverage**. No target-price reports, no updates, no initiations.

That silence is notable given management's presentation of **+154.7 % biofuel sales growth** and **400 bps margin recovery**, results that would normally trigger institutional commentary. The reasons may vary — optics, advisory timing, or liquidity constraints — but CBL's posture since that event has been very consistent: *methodical disclosure and visible engagement without hype*.

In the absence of formal analyst coverage, Hong Kong commentator **Create Lee** stepped into the gap, publishing an *HK MoneyClub* feature that reframed CBL as a long-term ESG value play rather than a short-term trade. Within hours, CBL amplified the post on LinkedIn — a subtle echo of the themes voiced earlier by Chairman **Chia Cheng Hwa** in his *Manifest Times* interview, where he emphasized digital integration, operational transparency, and readiness for the next phase of maritime decarbonization. Together, the two signals conveyed that CBL was not attempting to manufacture buzz but instead allowing **independent voices and verifiable progress** to define its narrative while management maintained a posture of factual discipline.

### The Paradox of Engagement

Despite CBL's bilingual posts, investor conference highlights, and ESG updates, market metrics have remained steady:

- Daily volume: ~10–70K shares
- Price range: \$0.65 – \$0.78 (near Q1 lows)
- Short borrow costs: flat to declining

This persistence suggests that CBL's communications are **credibility maintenance, not promotion**, a conscious effort to project governance maturity while avoiding retail speculation.

### The Dormant Buyback

One curious absence remains: no executed trades under the \$5M repurchase program approved in June 2025. At current low valuations, such inactivity is deliberate. The decision likely reflects a strategic hold on capital until structural alignment events — such as a joint-venture, stake purchase, or equity-swap — are complete. Rather than intervening in the market, management appears to be **preserving cash optionality** for a coordinated investment move, potentially the same that may involve iO3.

In short, CBL is behaving like a company preparing for institutionalization — restrained in tone, conservative in cash management, and increasingly transparent in its messaging.

## iO3: The IPO That Made a Company More Private

The U.S. IPO framework exists to foster transparency, liquidity, and accountability. iO3's post-IPO behavior has inverted that logic entirely:

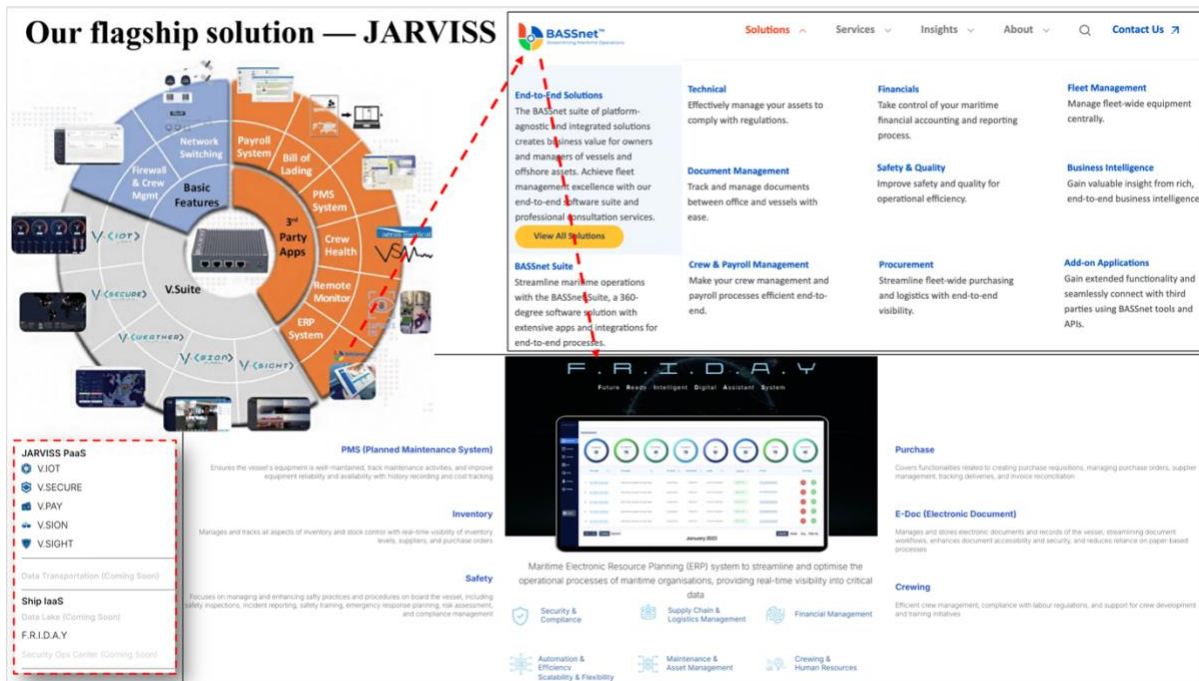
| Intended IPO Objective    | Observed Outcome (iO3)                                                               |
|---------------------------|--------------------------------------------------------------------------------------|
| Capital Formation         | No secondary raise; insider holdings re-designated into Class A super-votes.         |
| Price Discovery           | Stock collapse amid near-zero liquidity; no analyst coverage or IR narrative.        |
| Information Symmetry      | Key developments confined to silent SEC filings; no public commentary.               |
| Liquidity Creation        | Short-borrow pool (~800 K shares) implies synthetic rather than organic circulation. |
| Governance Accountability | EGM resolutions centralized control under Class A and Preferred shares.              |

In effect, **iO3 went public to become more private** — using Nasdaq not as a capital market, but as a legitimacy wrapper for future strategic positioning. This is not mere caution; it is structural evasion. Leadership's refusal to disclose information, despite their material significance, raises legitimate questions about governance ethics, IPO candor, and the judgement of a team that rushed to list before completing its foundational structuring.

Where CBL is methodically preparing for integration, **iO3 appears to be concealing it** — weaponizing silence as a corporate strategy. iO3's silence is not prudence — it is **patterned control**. Since its IPO, iO3 has communicated only when forced by regulation or counterparties, publishing four perfunctory news items while withholding details of material developments.

Nowhere is this clearer than in two omissions that go to the heart of investor transparency:

1. **The FRIDAY Connection** – iO3's April 2025 press release announcing ClassNK approval for the *F.R.I.D.A.Y.* system makes no reference to **BASSnet**, the enterprise framework from which FRIDAY's core functionality appears to have been derived. If the system was built under a commissioned pilot or IP agreement — as strongly implied by CBL's remarks — that omission materially obscures ownership and revenue attribution.
2. **The “Coming Soon” Modules** – iO3's website lists several modules under development — *Ship IaaS*, *Data Lake*, and *Security Ops Center* — yet none appear in the IPO prospectus or Annual Report. For a company touting itself as a maritime ERP innovator, excluding these pending assets from investor documentation represents a **serious lapse in disclosure integrity**.



## Integrity Before Integration: *Asymmetry of Disclosure*

What emerges from these parallel trajectories is a profound asymmetry in both communication philosophy and corporate intent. CBL has chosen the slower, steadier route — using structured transparency, disciplined disclosure, and regulatory precision to build credibility ahead of its next strategic move. iO3, by contrast, has chosen silence and obfuscation — expanding control internally while withholding information that would clarify its true operational and IP-landscape.

Yet both paths appear to lead to the same destination. If, as the evidence increasingly suggests, CBL is preparing to inject capital into iO3 through the newly authorized Preferred structure, then **integrity itself becomes the final pre-merger variable**. The companies may soon be linked financially, but reputationally they could not be further apart:

- **CBL's quiet professionalism** now serves as the visible anchor of the ecosystem.
- **iO3's evasive posture** as the shadow partner whose credibility must be rehabilitated before any integration can be publicly defended.

This duality, disclosure versus omission, readiness versus concealment, defines the current inflection point. From here, the question is no longer whether convergence will occur, but whether it will do so under the banner of transparency, or as another exercise in orchestrated opacity.

## Conclusion: The Twilight Zone of Compliance

What iO3 and, occasionally, CBL embody is modern market dysfunction, *a twilight zone of compliance*. They list publicly not to democratize ownership, but to institutionalize legitimacy. They meet every technical requirement — filings, audits, voting procedures — yet hollow out the mechanisms of true transparency. The result is a new corporate archetype: the publicly traded private entity, existing in plain sight yet operating under self-contained logic and standards.

This is where the Twilight Zone hypothesis takes form. When regulatory design assumes disclosure equals transparency, but disclosure is stripped of meaning, opacity becomes legal. When market makers recycle synthetic inventory under the guise of liquidity, stasis masquerades as movement. In this dual system — compliant but uncommunicative, liquid but illusory — strategic convergence can unfold without detection.

The irony of this entire saga is how effort and outcome diverged. iO3 spent years crafting an IPO that tried to hide the reality of what was underway. The result was errors and delay. By trying to manipulate through obfuscation, they sacrificed the one thing the market values most: clarity. The karmic lesson is plain. Had they simply told the real story — maritime compliance, digitalization, fuel logistics, and the logic of integration — they might already stand as sector leaders, trading at high valuations with strong institutional backing.

Yet out of that delay came something unexpected: a puzzle. Concealment forced the truth into fragments — fragments now being assembled by those who see through the fog. Complexity collapses under its own weight and truth inevitably reasserts itself — those who hold both patience and positioning — will reap the reward when the tide finally turns.

#### **CBL-iO3-Convergence Timeline**

**2022 May–Aug:** iO3 V.Sight trials conducted on 2 PIL vessels.

**2023 Jan:** PIL plans JARVISS/V.Sight rollout across 60 vessels. CBL secures ISCC EU & ISCC Plus certifications and successfully expands global port coverage.

**2023 Oct:** iO3 files draft IPO with SEC — JARVISS only, no FRIDAY reference.

**2024 Dec 23:** iO3 investor deck introduces FRIDAY.

**2024 Dec 31:** iO3 IPO declared effective after 14 months of SEC delays.

**2025 Apr 10:** iO3 IPO executed on NASDAQ.

**2025 Feb:** FRIDAY receives ClassNK approval.

**2025 Mar:** CBL executes first B24 biofuel bunkering in Singapore.

**2025 Apr:** CBL 2024 Annual Report confirms deployment of technology upgrades driving operational enhancements.

**2025 Sept:** CBL webinar highlights Methanol & LNG expansion; PIL confirmed as a top 9 liner customer.

**2025 Sept:** CBL Chairman interview emphasizes:

- “Digital system for tracking and compliance.”
- “Vertical & horizontal integration.”
- “Scalable ESG logistics model.”

**2025 Oct:** iO3 Extraordinary General Meeting (EGM).

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**Disclosure & Disclaimer:** The information herein reflects public data and interpretive analysis, not insider knowledge. It represents a speculative hypothesis and opinion. Investors should conduct independent due diligence before making any investment decisions.