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**C&N Holdings Limited**  
**春能控股有限公司\***

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

**(Stock Code: 8430)**

**THIRD QUARTERLY RESULTS ANNOUNCEMENT  
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

The board (the “**Board**”) of directors (the “**Directors**”) of C&N Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited results of the Group for the nine months ended 30 September 2023. This announcement, containing the full text of the 2023 third quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcements of third quarterly results.

By Order of the Board  
**C&N Holdings Limited**  
**Chua Kang Lim**  
*Chairman*

Hong Kong, 14 November 2023

*As at the date of this announcement, the Board comprises Mr. Chua Kang Lim and Ms. Fung Mee Kuen as executive Directors, and Mr. Cheung Wai Kin, Ms. Wong Shuk Yee Camilla and Ms. Wong Ching Wan as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (“GEM”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the Company’s website at [www.cnlimited.com](http://www.cnlimited.com).*

\* For identification purposes only

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Main Board. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

*This report, for which the directors (the “Directors”) of C&N Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and (2) there are no other matters the omission of which would make any statement herein or this report misleading.*

*The original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.*

## CONTENTS

	<b>Pages</b>
Highlights	3
Unaudited Third Quarterly Results:	
Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Unaudited Condensed Consolidated Statement of Changes in Equity	5
Notes to the Condensed Consolidated Financial Statements	6
Management Discussion and Analysis	16
Other Information	22

- The Group's revenue amounted to approximately S\$15,538,000 for the nine months ended 30 September 2023, representing a decrease of approximately S\$4,634,000 or 23.0% as compared to the nine months ended 30 September 2022.
- The loss attributable to the owners of the Company was approximately S\$2,167,000 for the nine months ended 30 September 2023 as compared to a loss of approximately S\$5,197,000 for the nine months ended 30 September 2022. The difference of approximately S\$3,030,000 is mainly attributable to a decrease in administrative expenses during the nine months ended 30 September 2023.
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2023.

# Unaudited Third Quarterly Results

The Board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2023, together with the unaudited comparative figures for the corresponding period in 2022, as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the three months and nine months ended 30 September 2023*

	Note	Three months ended 30 September		Nine months ended 30 September	
		2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Revenue	3	<b>5,407,983</b>	6,732,142	<b>15,538,141</b>	20,171,706
Cost of sales		<b>(5,008,316)</b>	(6,731,052)	<b>(15,012,382)</b>	(19,845,502)
Gross profit		<b>399,667</b>	1,090	<b>525,759</b>	326,204
Other income/(losses)	4	<b>(131)</b>	43,342	<b>61,580</b>	245,033
Administrative expenses		<b>(434,143)</b>	(1,864,699)	<b>(2,714,257)</b>	(5,739,076)
Finance costs	5	<b>(11,319)</b>	(9,362)	<b>(39,598)</b>	(28,959)
Loss before tax	6	<b>(45,926)</b>	(1,829,629)	<b>(2,166,516)</b>	(5,196,798)
Income tax expense	7	–	–	–	–
Loss for the period and total comprehensive loss for the period		<b>(45,926)</b>	(1,829,629)	<b>(2,166,516)</b>	(5,196,798)
Basis and diluted loss per share	8	<b>(0.0003)</b>	(0.044) (restated)	<b>(0.015)</b>	(0.126) (restated)

# Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2023

	Share capital	Share premium	Share option reserves	Exchange reserve	Retained earnings	Total equity
	S\$	S\$	S\$	S\$	S\$	S\$
At 1 January 2022 (audited)	1,350,206	23,041,857	1,174,452	–	(4,657,552)	20,908,963
Share options issued	–	–	611,229	–	–	611,229
Issue of shares upon exercise of share options	96,082	1,386,407	(412,643)	–	–	1,069,847
Loss for the period and total comprehensive loss for the period	–	–	–	–	(5,196,798)	(5,196,798)
At 30 September 2022 (unaudited)	1,446,288	24,428,264	1,373,038	–	(9,854,350)	17,393,240
At 1 January 2023 (audited)	<b>1,442,676</b>	<b>24,233,418</b>	<b>1,373,145</b>	–	<b>(13,322,013)</b>	<b>13,727,226</b>
Loss for the period and total comprehensive loss for the period	–	–	–	<b>(295,351)</b>	<b>(2,166,516)</b>	<b>(2,461,867)</b>
Rights issue and placing of new shares	<b>4,283,317</b>	<b>1,179,370</b>	–	–	–	<b>5,462,687</b>
At 30 September 2023 (unaudited)	<b>5,725,993</b>	<b>25,412,788</b>	<b>1,373,145</b>	<b>(295,351)</b>	<b>(15,488,529)</b>	<b>16,728,046</b>

# Notes to the Condensed Consolidated Financial Statements

## 1. GENERAL INFORMATION AND GROUP REORGANISATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The Company's registered office address is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is 21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong. The head office and principal place of business of the Group is at 3 Soon Lee Street, #06-03, Pioneer Junction, Singapore 627606.

The Group is principally engaged in offering various transport and storage services to the logistics industry in Singapore, primarily trucking and hubbing services.

These quarterly unaudited condensed consolidated financial statements have been prepared under the historical cost convention and are presented in Singapore Dollar ("S\$"), which is also the functional currency of the Company.

These quarterly unaudited condensed financial statements were approved by the Board of Directors of the Company on 14 November 2023.

## 2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the applicable disclosure requirements of the GEM Listing Rules. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the annual consolidated financial statements, except for the adoption of the new and revised accounting standards which are relevant to the Group's operations and are effective for the Group's financial year beginning on 1 January 2023.

# Notes to the Condensed Consolidated Financial Statements

## 3. REVENUE AND SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has two reportable segments as follows:

- (a) The trucking segment refers to the provision of cargo transportation and other related services. The Group offers cargo transportation services, primarily of containers, from the customers designated pick up points to their designated delivery points.
- (b) The hubbing segment refers to the offering of the Group's container storage facility at its logistic yard to its customers.

Revenue represents the value of services rendered, net of goods and services tax ("GST"), during the year.

An analysis of revenue is as follows:

	Three months ended 30 September		Nine months ended 30 September	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Revenue from contracts with customers	<b>5,407,983</b>	6,732,142	<b>15,538,141</b>	20,171,706

# Notes to the Condensed Consolidated Financial Statements

## Revenue from contracts with customers

### (i) Disaggregated revenue information

	Three months ended 30 September		Nine months ended 30 September	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
<b>Type of goods or services</b>				
Trucking services	4,899,899	5,784,089	13,658,149	17,045,031
Hubbing services	508,084	948,053	1,879,992	3,126,675
	<b>5,407,983</b>	6,732,142	<b>15,538,141</b>	20,171,706
<b>Timing of revenue recognition</b>				
Services transferred at a point in time	4,899,899	5,784,089	13,658,149	17,045,031
Services transferred over time	508,084	948,053	1,879,992	3,126,675
	<b>5,407,983</b>	6,732,142	<b>15,538,141</b>	20,171,706

# Notes to the Condensed Consolidated Financial Statements

## (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

### Trucking income

The performance obligation is satisfied at a point in time upon delivery of customer goods to the designated location.

### Hubbing income

The performance obligation is satisfied over the respective storage periods on a straight-line basis.

The transaction prices allocated to the remaining performance obligations are expected to be recognised in less than one year.

## 4. OTHER INCOME/(LOSSES)

	Three months ended 30 September		Nine months ended 30 September	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Gain on disposal of property, plant and equipment	30,000	11,364	88,041	11,364
Foreign exchange (loss)/gain	(81,430)	20,795	(113,757)	73,576
Gain on disposal of a subsidiary	–	8,365	–	8,365
Sundry income	51,299	2,818	87,296	151,728
	(131)	43,342	61,580	245,033

# Notes to the Condensed Consolidated Financial Statements

## 5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Interest on bank and other loans	2,680	8,272	9,604	24,818
Interest on lease liabilities	8,639	1,090	29,994	4,141
	<b>11,319</b>	9,362	<b>39,598</b>	28,959

# Notes to the Condensed Consolidated Financial Statements

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Three months ended 30 September		Nine months ended 30 September	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Depreciation of property, plant and equipment	<b>479,098</b>	676,218	<b>1,679,522</b>	1,552,653
Amortisation of intangible assets	–	18,627	–	43,787
Depreciation of right-of-use assets	–	84,956	<b>23,500</b>	254,869
Employee benefits (excluding directors' remuneration)				
— Salaries and wages	<b>1,586,965</b>	1,491,464	<b>4,276,456</b>	5,625,964
— CPF contribution	<b>124,478</b>	122,166	<b>478,923</b>	555,312
	<b>1,711,443</b>	1,613,630	<b>4,755,379</b>	6,181,276
Lease payments not included in the measurement of lease liabilities	<b>62,345</b>	228,750	<b>352,718</b>	1,023,790
Foreign exchange loss/(gain)	<b>81,430</b>	(20,795)	<b>113,757</b>	(73,576)

# Notes to the Condensed Consolidated Financial Statements

## 7. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Current tax				
— Singapore Corporate Income Tax (“CIT”)	—	—	—	—
— Over-provision in prior years	—	—	—	—
	—	—	—	—

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong during the financial periods.

Singapore corporate income tax has been provided at the rate of 17% (2022: 17%) on the chargeable income arising in Singapore during the period. Income tax expense of the Group relates wholly to the profits of its two operating subsidiaries.

# Notes to the Condensed Consolidated Financial Statements

## 8. LOSS PER SHARE

	Three months ended 30 September		Nine months ended 30 September	
	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)	2023 S\$ (Unaudited)	2022 S\$ (Unaudited)
Loss attributable to the owners of the Company	<b>(45,926)</b>	(1,829,629)	<b>(2,166,516)</b>	(5,196,798)
Weighted average number of ordinary shares in issue for the purpose of calculating loss per share	<b>166,835,200</b>	834,176,000	<b>142,436,823</b>	821,238,588
Basic and diluted loss per share	<b>(0.0003)</b>	(0.044) (restated)	<b>(0.015)</b>	(0.126) (restated)

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company and the weighted average number of ordinary shares of 142,436,823 (2022: 821,238,588) in issue during the nine months ended 30 September 2023.

No adjustment has been made to the basic loss per share presented as the Group had no potentially dilutive ordinary shares in issue during those periods.

# Notes to the Condensed Consolidated Financial Statements

## 9. SHARE CAPITAL

	Number of ordinary shares		Nominal value of ordinary shares	Share capital
	At HK\$0.01 per share (unaudited)	At HK\$0.2 per share (unaudited)	HK\$ (unaudited)	(equivalent to S\$) (unaudited)
Ordinary share of HK\$0.01 each				
<b>Authorised</b>				
At 1 January 2022,				
31 December 2022	5,000,000,000	–	50,000,000	
Share consolidation (note b)	(5,000,000,000)	250,000,000	–	
At 30 September 2023	–	<b>250,000,000</b>	<b>50,000,000</b>	
<b>Issued and fully paid</b>				
At 1 January 2022	780,800,000	–	7,808,000	1,350,206
Issuance of 53,376,000 ordinary shares of HK\$0.01 upon exercise of share option	53,376,000	–	533,760	92,470
At 31 December 2022	834,176,000	–	8,341,760	1,442,676
Share consolidation (note b)	(834,176,000)	41,708,800	–	–
Rights Issue and placing of new shares (note a)	–	125,126,400	25,025,280	4,283,317
At 30 September 2023	–	<b>166,835,200</b>	<b>33,367,040</b>	<b>5,725,993</b>

# Notes to the Condensed Consolidated Financial Statements

Note:

- (a) On 23 February 2023, the Company allotted and issued 55,193,873 new shares on the basis of three rights share for every one share held by qualifying shareholders at the subscription price of HK\$0.26 per rights share ("Rights Issue"). The Company also allotted and issued 69,932,527 new shares for the unsubscribed rights shares at the placing price of HK\$0.26 per placing share. The gross proceeds from the Rights Issue was approximately HK\$32.5 million.

For details, please refer to the prospectus of the Company dated 17 January 2023, the circular of the Company dated 9 December 2022, the announcements of the Company dated 21 October 2022, 1 December 2022 and 13 February 2023.

- (b) On 30 December 2022, an ordinary resolution was passed at the extraordinary general meeting of the Company that every twenty issued and unissued existing shares of a par value of HK\$0.01 each in the share capital of the Company be consolidated into one consolidated share of a par value of HK\$0.2 each in the share capital of the Company (the "Share Consolidation"). The Share Consolidation became effective on 4 January 2023.

For details, please refer to the circular of the Company dated 9 December 2022, the announcements of the Company dated 21 October 2022 and 1 December 2022.

## 10. DIVIDEND

The Directors do not recommend the payment of dividend for the nine months ended 30 September 2023 (nine months ended 30 September 2022: nil).

# Management Discussion and Analysis

## **BUSINESS REVIEW**

The Group is a provider of transport and storage services to the logistics industry in Singapore and Hong Kong, offering trucking and hubbing services to customers. Trucking services refer to the delivery of cargo, primarily containers, from the customers' designated pick up point to their designated delivery point. Hubbing services refer to the handling and storage of laden and empty containers at the Group's logistics yard or other locations designated by the customers.

Led by our experienced management team, we have developed a reputation as a reliable transport and hubbing services provider equipped with a large vehicle fleet that is capable of handling large volumes of customer orders.

The ongoing COVID-19 pandemic and the mutation of the COVID-19 virus continues to be a challenge for the supply chain. As our customers are mainly logistics service providers along the supply chain in Singapore, the cargoes that we transport for our customers include various types of plastic resin, scrap steel, waste paper products and others. These cargoes are mainly raw materials used in factory production, hence the resumption of activities in ports and factories will directly have a positive impact on our customers, and hence the Group.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

The Group's revenue comprised of revenue from provision of transport and hubbing services to the logistics industry in Singapore and Hong Kong. For the nine months ended 30 September 2023, the revenue of the Group decreased by approximately S\$4,634,000 or approximately 23.0% to approximately S\$15,538,000 compared to the nine months ended 30 September 2022. The decrease was mainly attributable to the decrease in trading volume. The following table sets forth the revenue of the Group by revenue type for the periods indicated:

	Nine months ended 30 September 2023		Nine months ended 30 September 2022	
	S\$'000	%	S\$'000	%
Trucking services	13,658	87.9	17,045	84.5
Hubbing services	1,880	12.1	3,127	15.5
	15,538	100.0	20,172	100.0

### Revenue from trucking services

Revenue from trucking services decreased by approximately S\$3,387,000 to S\$13,658,000 for the nine months ended 30 September 2023, representing approximately 19.9% decrease. The decrease was mainly due to the general decrease in trading volume.

### Revenue from hubbing services

Revenue from hubbing services decreased by approximately S\$1,247,000 to approximately S\$1,880,000. It is common for customers to request for us to truck the containers, and also provide storage space for these containers while waiting for vessels to arrive at port before we can truck the containers for export. Customers that require hubbing services are generally those whom have large volume in the import and export of goods, who are mainly freight forwarders and global logistics companies.

# Management Discussion and Analysis

However, the decrease in revenue from hubbing services will not be proportionate to the trend in revenue from trucking services due to the following reasons: (i) different customers and different job orders may have different service requirements, such as different sizes of containers and number of storage days, hence revenue earned will differ; and (ii) not all our customers require hubbing services.

## Gross profit

The overall gross profit increased from approximately S\$326,000 for the nine months ended 30 September 2022 to approximately S\$526,000 for the nine months ended 30 September 2023. The overall gross profit margin increased from approximately 1.6% for the nine months ended 30 September 2022 to 3.4% for the nine months ended 30 September 2023. The increase in gross profit margin is mainly due to the decrease in cost of diesel.

## Other income/(losses)

Other income decreased by approximately S\$183,000 from approximately S\$245,000 for the nine months ended 30 September 2022 to approximately S\$62,000 for the nine months ended 30 September 2023. The decrease was mainly attributed to a decrease in sundry income.

## Administrative expenses

Administrative expenses decreased by approximately S\$3,025,000 or 52.7% from approximately S\$5,739,000 for the nine months ended 30 September 2022 to approximately S\$2,714,000 for the nine months ended 30 September 2023. The decrease was mainly due to the recognition of share-based payment during the nine months ended 30 September 2022.

## Income tax expense

The Group's income tax expense was nil as a result of the Group being in a tax loss position.

## Loss for the period

Due to the combined effect of the aforesaid factors, we recorded an unaudited loss of approximately S\$2,167,000 for the nine months ended 30 September 2023, compared to the unaudited loss of approximately S\$5,197,000 for the nine months ended 30 September 2022.

# Management Discussion and Analysis

## Contingent liabilities

Performance guarantees were given by financial institutions and insurance companies on behalf of the Group to certain suppliers. The Group in turn, provides a counter indemnity to the financial institutions and insurance companies. The aggregate amount of the performance guarantees given by the financial institutions and insurance companies was S\$670,000 as at 30 September 2023.

## Capital commitments

As at 30 September 2023, the Group has no capital commitment.

## FUND RAISING ACTIVITIES

### Rights Issue

On 21 October 2022, the Board proposed to raise gross proceeds of approximately HK\$32.5 million on the basis of three (3) rights shares for every one (1) existing Share held on the record date by issuing 125,126,400 rights shares at the subscription price of HK\$0.26 per rights share (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the record date as announced by the Company from time to time subject to the approval of the Stock Exchange (the "Record Date")). The rights issue (the "Rights Issue") is only available to the qualifying Shareholders and will not be extended to the excluded Shareholders. The estimated net proceeds (after the deduction of the costs and expenses which the Company will incur in the Rights Issue) will be approximately HK\$31.4 million (assuming no further issue of new Share(s) and no repurchase of Share(s) by the Company on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue for (i) approximately HK\$6.2 million for the payment of rental expenses and management fee for the next 12 months; (ii) approximately HK\$20.0 million for the payment of salaries of the Group's employees for the next 12 months; and (iii) approximately HK\$5.2 million for the working capital for the existing business. The Rights Issue were approved by the Shareholders at the EGM held on 30 December 2022. The Rights Issue was completed in 23 February 2023. For the further details of the Rights Issue, please refer to the prospectus of the Company dated 17 January 2023, the circular of the Company dated 9 December 2022, the announcements of the Company dated 21 October 2022, 1 December 2022 and 13 February 2023.

# Management Discussion and Analysis

## USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the prospectus, the net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Rights Issue were approximately HK\$31.4 million. As at 30 September 2023, the Group had utilised approximately HK\$27.2 million of the net proceeds as follows:

<b>Implementation Plan</b>	<b>Planned use of proceeds as shown in the prospectus HK\$ million</b>	<b>Actually utilised amount up to 30 September 2023 HK\$ million</b>
Payment of rental expenses and management fee	6.2	3.4
Payment of salaries of the Group's employees	20.0	18.6
Working capital for the existing business	5.2	5.2
	<b>31.4</b>	<b>27.2</b>

## Prospects

The Group continues to strive towards providing customers with timely delivery and storage of their containers, continuing our growth strategy and enhancing overall competitiveness and market share in Singapore. The Singapore economy has decelerated considerably since the end of last year. Growth, on a year-on-year basis, slowed to 2.1 per cent in the fourth quarter of last year before decreasing further to 0.1 per cent in the first three months of 2023. The slowdown is largely due to contractions in the trade-related sectors amid the ongoing global manufacturing and trade downturn, especially in electronics.

The year promises to continue to be a challenging and volatile year for the Group. Management is constantly monitoring the global trade economy and in constant discussion with our customers to understand the situation and their needs.

# Management Discussion and Analysis

The future plans of the Group are detailed in the section headed “Future Plans and Use of Proceeds” in the prospectus dated 6 October 2017 (the “Prospectus”). As disclosed in the Prospectus, the Company expects to: (a) maintain growth in the industry and enhance overall competitiveness and market share in Singapore; (b) increase service capacity through the acquisition of new vehicles; (c) enhance and expand the Group’s workforce to keep up with the Group’s business expansion; (d) purchase a new office to incorporate an increase in workforce; and (e) enhance the Group’s information technology system. With the uncertainty in the global trade economy, the Group is cautious with its expansion plans.

## **Employee Information**

As at 30 September 2023, the Group had an aggregate of 140 employees.

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors’ emoluments, amounted to approximately S\$5,367,000 for the nine months ended 30 September 2023 (nine months ended 30 September 2022: approximately S\$7,083,000).

## Other Information

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2023, the interests and short positions of directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) held by the Directors and chief executives of the Company (the "Chief Executives") 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 were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

### DIRECTORS' INTEREST IN THE SHARES OF THE COMPANY

Name of Director	Number of underlying shares held, capacity and nature of interest			Approximate percentage of the issued share capital
	Direct beneficially owner	Through controlled corporation	Total	
Mr. Chua Kang Lim ("Mr. Chua")	320,000 (Note) Long position	2,910,250	3,230,250	1.94%

Note: These shares are held by Ventris Global Limited ("Ventris"). The entire issued share capital of Ventris is legally and beneficially owned by Mr. Chua. Mr. Chua is deemed to be interested in the shares of the Company in which Ventris is interested under Part XV of the SFO.

### DIRECTORS' INTEREST IN THE SHARES OF VENTRIS, AN ASSOCIATED CORPORATION OF THE COMPANY

Director	Capacity/ Nature of interest	Number of shares in Ventris	Percentage of shareholding in Ventris
Mr. Chua	Beneficial owner	1 Long position	100%

Save as disclosed above, as at 30 September 2023, none of the Directors or the Chief Executive of the Company had any interests or short positions in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be 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 were 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, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## Other Information

### **SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY**

So far as the Directors and the Chief Executive are aware, as at 30 September 2023, other than the Directors and Chief Executive, the following person had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

<b>Shareholder</b>	<b>Number of shares/ Position</b>	<b>Percentage of shareholding</b>	<b>Capacity</b>
1. Ventris Global Limited	2,910,250	1.74%	Beneficial owner
2. Wang Hufei	10,471,750	6.28%	Beneficial owner

Save as disclosed above, as at 30 September 2023, the Directors and the Chief Executive of the Company are not aware of any other person who had an interest or short position in the shares or underlying shares which would require to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

## DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the period under review, none of the Directors or the controlling shareholders of the Company or their respective close associates (as defined in the GEM Listing Rules) of the Company had any interests in any businesses which competed or is likely to compete either directly or indirectly with the business of the Group.

## SHARE OPTION SCHEME

Share options were granted to eligible participants under a share option scheme approved and adopted by the shareholders of the Company on 27 September 2017 ("Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed or will contribute to the growth and development of the Group.

Movement in the share options granted under the Share Option Scheme during the nine months ended 30 September 2023 is set out below:

	Date of grant	Exercisable period	Exercise price HK\$	Closing price per share immediately before the date of grant HK\$	No. of options outstanding as at 1 January 2023	No. of options granted during the period ended 30 September 2023	No. of options exercised during the period ended 30 September 2023	No. of options outstanding as at 30 September 2023	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 30 September 2023
Employees	21 May 2021	21 May 2021 to 20 May 2024	5.467	0.285	2,669,194	-	-	2,669,194 (Note 1)	1.60%
	20 January 2022	20 January 2022 to 19 January 2025	2.026	0.102	1,221,156	-	-	1,221,156 (Note 2)	0.73%
					3,890,350	-	-	3,890,350	2.33%

## Other Information

Notes:

1. Options have been granted to 8 employees. Each of them have 333,649 Options.
2. Options have been granted to 3 employees. Each of them have 407,052 Options.

The Share Option Scheme will expire on 17 October 2027.

### **MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the period.

### **PLEDGE OF ASSET**

The Group's buildings with an aggregate carrying amount of the Group's properties and bank deposits of approximately S\$510,000 and S\$586,000 were mortgaged to secure the Group's bank loans as at 30 September 2023.

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

### **COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company during the nine months ended 30 September 2023.

### **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE**

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix 15 to the GEM Listing Rules. During the nine months ended 30 September 2023, the Company had complied with all the code provisions set out in the CG Code with the exception of the following deviation:

#### **Code Provision A.2.1**

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Mr. Chua is acting as the chairman and the chief executive officer. In view of Mr. Chua being the founder of our Group, and his responsibilities in corporate strategic planning and overall business development, the Board believes that it is in the interests of both our Group and our shareholders to have Mr. Chua taking up both roles for effective management and business development. Therefore, the Directors consider the deviation from Code Provision A.2.1 the CG Code to be appropriate in such circumstance. The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of the chairman and chief executive officer is necessary.

### **DIVIDEND**

The Board takes into account the Group’s overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Board does not recommend the payment of dividend for the nine months ended 30 September 2023.

## Other Information

### AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the rules 5.28 and 5.29 of the GEM Listing Rules and code provision C.3.3 of the CG Code. The primary duties of our audit committee are, among other things, to review and supervise the financial reporting process and internal control systems of the Group. The audit committee consists of three independent non-executive Directors, namely Mr. Cheung Wai Kin, who has the appropriate auditing and financial related management expertise and serves as the chairman of the audit committee, Ms. Wong Ching Wan and Ms. Wong Shuk Yee Camilla. The audit committee has reviewed the accounting principles and policies adopted by the Group and the consolidated financial statements of the Group for the nine months ended 30 September 2023 and is of the opinion that such results complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements, and that adequate disclosures had been made.

By order of the Board  
**C&N Holdings Limited**  
**Chua Kang Lim**  
*Chairman*

Singapore, 14 November 2023

*As at the date of the report, the Board comprises two executive Directors, namely, Mr. Chua Kang Lim and Ms. Fung Mee Kuen; and three independent non-executive Directors, namely, Mr. Cheung Wai Kin, Ms. Wong Ching Wan and Ms. Wong Shuk Yee Camilla.*

*This report will remain on the "Latest Company Announcements" page of the Stock Exchange's website for at least 7 days from the date of its publication and on the Company's website at [www.cnlimited.com](http://www.cnlimited.com).*