

C&N Holdings Limited 春能控股有限公司*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8430

2022 First Quarterly Report

* For identification purpose 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.

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.



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Highlights

- The Group's revenue amounted to approximately S\$6,668,000 for the three months ended 31 March 2022, representing a decrease of approximately S\$424,000 or 6.0% as compared to the three months ended 31 March 2021.
- The loss attributable to the owners of the Company was approximately S\$1,733,000 for the three months ended 31 March 2022. The increase of loss of approximately S\$1,287,000 is mainly attributable to a decrease in gross profit and recognition of share-based payment during the three months ended 31 March 2022.
- The Board does not recommend the payment of any dividend for the three months ended 31 March 2022.

Unaudited First 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 ended 31 March 2022, together with the unaudited comparative figures for the corresponding period in 2021, as follows:

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

For the three months ended 31 March 2022

		Three months ended 31 March	
	Notes	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Revenue	3	6,667,900	7,092,396
Cost of sales		(6,553,607)	(6,605,254)
Gross profit		114,293	487,142
Other income	4	128,359	348,790
Administrative expenses		(1,964,750)	(1,244,794)
Finance costs	5	(10,494)	(37,186)
Loss before tax	6	(1,732,592)	(446,048)
Income tax expense	7	—	—
Loss for the period and total comprehensive loss for the period		(1,732,592)	(446,048)
Basic and diluted loss per share	8	(0.0022)	(0.0007)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2022

	Share capital S\$	Share premium S\$	Option reserves S\$	Retained earnings S\$	Total equity S\$
At 1 January 2021 (audited)	1,106,317	19,773,348	—	(1,052,617)	19,827,048
Loss for the period and total comprehensive loss for the period	—	—	—	(446,048)	(446,048)
At 31 March 2021 (unaudited)	1,106,317	19,773,348	—	(1,498,665)	19,381,000
At 1 January 2022 (audited)	1,350,206	23,041,857	1,174,452	(4,657,552)	20,908,963
Grant of share options	—	—	529,563	—	529,563
Issue of shares upon exercise of share options	67,460	646,608	(330,977)	—	383,091
Loss for the period and total comprehensive loss for the period	—	—	—	(1,732,592)	(1,732,592)
At 31 March 2022 (unaudited)	1,417,666	23,688,465	1,373,038	(6,390,144)	20,089,025

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 in Hong Kong is 21st Floor, CMA Building, 64 Connaught Road Central, Central, Hong Kong. The head office and principal place of business of the Group is 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 13 May 2022.

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 2021, 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 2022.

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 within Singapore.
- (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 31 March	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Revenue from contracts with customers	6,667,900	7,092,396

Notes to the Condensed Consolidated Financial Statements

Revenue from contracts with customers

(i) *Disaggregated revenue information*

	Three months ended	
	31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Type of goods or services		
Trucking services	5,552,864	5,782,270
Hubbing services	1,115,036	1,310,126
	6,667,900	7,092,396
Timing of revenue recognition		
Services transferred at a point in time	5,552,864	5,782,270
Services transferred over time	1,115,036	1,310,126
	6,667,900	7,092,396

Geographical markets

All of the Group's revenue were generated in Singapore.

(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 amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

Notes to the Condensed Consolidated Financial Statements

4. OTHER INCOME

	Three months ended 31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Gain on disposal of property, plant and equipment	11,364	—
Exchange gain — net	15,113	38,814
Government grants	—	309,976
Sundry income	101,882	—
	128,359	348,790

There were no unfulfilled conditions or contingencies relating to the various government grants received from the Singapore Government.

5. FINANCE COSTS

	Three months ended 31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Interest on lease liabilities	1,670	3,799
Interest on bank borrowings	8,824	33,387
	10,494	37,186

Notes to the Condensed Consolidated Financial Statements

6. LOSS BEFORE TAX

	Three months ended 31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	517,028	538,403
Depreciation of right-of-use assets	35,565	78,750
Amortisation of intangible assets	6,533	19,922
Employee benefits (excluding directors' remuneration)		
— Salaries and wages	1,963,681	2,386,839
— CPF contribution	273,645	197,450
— Share-based payment	529,563	—
	2,766,889	2,584,289
Lease payments not included in the measurement of lease liabilities	378,750	219,800
Exchange gain — net	(15,113)	(38,814)

7. INCOME TAX EXPENSE

	Three months ended 31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Current tax		
— Singapore Corporate Income Tax ("CIT")	—	—

Notes to the Condensed Consolidated Financial Statements

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.

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

No Hong Kong profits tax has been provided since no assessable profit arose in Hong Kong during the reporting periods ended 31 March 2022 and 2021.

The Singapore statutory income tax rate has been provided at the rate of 17% (2021: 17%) for the reporting period. Income tax expense of the Group relates wholly to the taxable profits of its two operating subsidiaries which were taxed at the statutory tax rate of 17% in Singapore. Major components of income tax expense for the reporting periods ended 31 March 2022 and 2021 are:

	Three months ended	
	31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Loss before tax	(1,732,592)	(446,048)
Tax at Singapore CIT of 17%	(294,541)	(75,828)
Tax losses not recognised	294,541	75,828
Income tax expense for the period	—	—

Notes to the Condensed Consolidated Financial Statements

8. LOSS PER SHARE

	Three months ended 31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Loss attributable to the owners of the Company	(1,732,592)	(446,048)
Number of ordinary shares in issue	819,840,000	640,000,000
Basic and diluted loss per share	(0.0022)	(0.0007)

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 801,241,169 (2021: 640,000,000) in issue during the period.

9. DIVIDEND

The Directors do not recommend the payment of dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: nil).

10. RELATED PARTY DISCLOSURES

Compensation of key management personnel

	Three months ended 31 March	
	2022	2021
	S\$	S\$
	(Unaudited)	(Unaudited)
Remuneration paid to key management personnel (including directors' remuneration)	238,455	318,826

The remuneration of the key management personnel of the Group is determined by having regard to the performance of individuals of the Group and market trends.

Management Discussion and Analysis

BUSINESS REVIEW

The Group is a provider of transport and storage services to the logistics industry in Singapore, 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. However, Singapore's economy expanded 3.8 per cent in January to March from a year ago amid the COVID-19 pandemic, according to advance estimates released by the Ministry of Trade and Industry. As our customers are mainly logistics service providers along the supply chain in Singapore, the cargo that we transport for our customers include various types of plastic resin, scrap steel, paper products and others. These cargoes are mainly for import/export business, hence any disruptions in the global trade economy will directly impact our customers, and hence the Group.

FINANCIAL REVIEW

Revenue

Our Group's revenue comprised of revenue from provision of transport and hubbing services to the logistics industry in Singapore. For the three months ended 31 March 2022, the revenue of the Group decreased by approximately S\$424,000 or approximately 6.0% to approximately S\$6,668,000 compared to the three months ended 31 March 2021. The increase was mainly attributable to the recovery of the global trade economy, increasing trading volume. The following table sets forth the revenue of our Group by revenue type for the periods indicated:

	3 months ended 31 March 2022		3 months ended 31 March 2021	
	S\$'000	%	S\$'000	%
Trucking services	5,553	83.3	5,782	81.5
Hubbing services	1,115	16.7	1,310	18.5
	6,668	100.0	7,092	100.0

Management Discussion and Analysis

Revenue from trucking services

Revenue from trucking services decreased by approximately S\$229,000 to S\$5,553,000 for the three months ended 31 March 2022, representing approximately 4.0% decrease. The decrease was mainly due to the general decrease in volume from our customers.

Revenue from hubbing services

Revenue from hubbing services decreased by 14.9% or approximately S\$195,000 with the decrease in business volume. 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.

However, the decrease in hubbing revenue will not be proportionate to the trend in trucking revenue due to the following reasons: (i) different customers and different job orders may have different service requirement, 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 decreased from approximately S\$487,000 for the three months ended 31 March 2021 to approximately S\$114,000 for the three months ended 31 March 2022, mainly due to competitive environment. The overall gross profit margin decreased from approximately 6.9% for the three months ended 31 March 2021 to approximately 1.7% for the three months ended 31 March 2022.

Other income

Other income decreased by approximately S\$221,000 from approximately S\$349,000 for the three months ended 31 March 2021 to approximately S\$128,000 for the three months ended 31 March 2022. The decrease was mainly because there was the receipt of government grants mainly from the Jobs Support Scheme to help Singapore business during the period ended 31 March 2021.

Administrative expenses

Administrative expenses increased by S\$720,000 to approximately S\$1,965,000 for the three months ended 31 March 2022, as compared to approximately S\$1,245,000 for the three months ended 31 March 2021. The increase was mainly due to the share-based payment recognised for the three months ended 31 March 2022.

Income tax expense

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

Management Discussion and Analysis

Loss for the period

Due to the combined effect of the aforesaid factors, we recorded a loss of approximately S\$1,733,000 for the three months ended 31 March 2022, representing an increase of approximately S\$1,287,000 as compared to the loss of approximately S\$446,000 for the three months ended 31 March 2021.

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\$695,000 as at 31 March 2022.

Capital commitments

As at 31 March 2022, the Group has no capital commitment.

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. In the first three months of 2022, the Group saw an improvement in its business volume and the Singapore economy in general. In addition, estimates of Singapore's gross domestic product continues to remain at 3% to 5%, barring a setback to the global economy.

We have already witnessed the impact of COVID-19 on trade activities, and we believe that the economy and our Group are better prepared for any potential disruptions resulting. 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.

Employee information

As at 31 March 2022, the Group had an aggregate of 181 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\$3,005,000 for the three months ended 31 March 2022 (three months ended 31 March 2021: approximately S\$2,826,000).

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

As at 31 March 2022, 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 SFO) held by the Directors and chief executive of the Company (the "Chief Executive") 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 shares/ Position	Percentage of shareholding	Capacity
Mr. Chua Kang Lim ("Mr. Chua")	64,605,000 (<i>Note</i>) Long position	7.88%	Interest of controlled company and beneficial owner
Ms. Chua Sui Feng ("Ms. Chua")	6,400,000 Long position	0.82%	Beneficial owner

Note: 58,205,000 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.

Other Information

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 31 March 2022, 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.

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 31 March 2022, other than the Directors and Chief Executive, the following persons 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:

Shareholder	Number of shares/ Position	Percentage of shareholding	Capacity
1. Ventris Global Limited	58,205,000	7.10%	Beneficial owner
2. Dai Wangfei	79,000,000	9.64%	Beneficial owner
3. Wang Hufei	209,435,000	25.55%	Beneficial owner

Save as disclosed above, as at 31 March 2022, 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.

COMPETING INTEREST

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

On 25 September 2017, the then sole shareholder of the Company approved and conditionally adopted a share option scheme to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group.

Movements in the share options granted under the Share Option Scheme during the three months ended 31 March 2022 is set out below:

Date of grant	Exercisable period	Exercise price	Closing price per share immediately before the date of grant		No. of options outstanding as at 1 January 2022	No. of options granted during the three months ended 31 March 2022	No. of options exercised during the three months ended 31 March 2022	No. of options outstanding as at 31 March 2022	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 March 2022
			HK\$	HK\$					
Employees (note 1)	21 May 2021 to 20 May 2024	0.285	0.285	51,200,000	–	–	51,200,000	6.25%	
Employees (note 2)	20 January 2022 to 19 January 2025	0.1056	0.102	–	62,464,000	(39,040,000)	23,424,000	2.86%	
Total				51,200,000	62,464,000	(39,040,000)	74,624,000	9.11%	

Other Information

Note:

1. Options have been granted to 8 employees. Each of them have 6,400,000 Options.
2. Options have been granted to 8 employees. Each of them have 7,808,000 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

As at 31 March 2022, the carrying amount of the Group's properties and bank deposits of S\$842,436 and S\$503,642 respectively were pledged for the Group's secured bank loans.

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.

EVENTS AFTER THE REPORTING DATE

The outbreak of novel coronavirus (COVID-19) continues to spread to countries across the world.

Up to the date of this report, management has not been aware of any cases of COVID-19 infection among the staff. The COVID-19 has greatly impacted on the business operations of the Group, since we are a logistics company that is largely dependent on the global trade economy. At this point in time, management cannot determine the duration of COVID-19 and therefore are not yet able to quantify the full financial impact. However, management will closely monitor the evolving COVID-19 situation and assess the ongoing development and respond accordingly.

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 three months ended 31 March 2022.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 15 of the GEM Listing Rules. During the three months ended 31 March 2022, 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 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 three months ended 31 March 2022.

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. Lo Suet Lai 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 three months ended 31 March 2022 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, 13 May 2022

As at the date of the report, the Board comprises three executive directors, namely, Mr. Chua Kang Lim, Ms. Chua Sui Feng and Ms Fung Mee Kuen; and three independent non-executive directors, namely, Mr. Cheung Wai Kin, Ms. Lo Suet Lai and Ms. Wong Shuk Yee Camilla.