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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 2022

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 2022. This announcement, containing the full text of the 2022 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, 11 November 2022

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. Lo Suet Lai 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 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.

* For identification purposes only

C&N Holdings Limited 春能控股有限公司*

Incorporated in the Cayman Islands with limited liability

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Third Quarterly Report 2022

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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.

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- The Group's revenue amounted to approximately S\$20,172,000 for the nine months ended 30 September 2022, representing an increase of approximately S\$478,000 or 2.4% as compared to the nine months ended 30 September 2021.
- The loss attributable to the owners of the Company was approximately S\$5,197,000 for the nine months ended 30 September 2022 as compared to a loss of approximately S\$3,377,000 for the nine months ended 30 September 2021. The difference of approximately S\$1,820,000 is mainly attributable to a decrease in government grants received and the share option expenses recognised during the nine months ended 30 September 2022.
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2022.

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 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 and nine months ended 30 September 2022

	Note	Three months ended 30 September		Nine months ended 30 September	
		2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Revenue	3	6,732,142	6,365,367	20,171,706	19,693,542
Cost of sales		(6,731,052)	(5,912,074)	(19,845,502)	(18,476,381)
Gross profit		1,090	453,293	326,204	1,217,161
Other income	4	43,342	152,625	245,033	687,116
Administrative expenses		(1,864,699)	1,412,017)	(5,739,076)	(5,193,739)
Finance costs	5	(9,362)	(24,576)	(28,959)	(87,378)
Loss before tax	6	(1,829,629)	(830,675)	(5,196,798)	(3,376,840)
Income tax expense	7	–	–	–	–
Loss for the period and total comprehensive loss for the period		(1,829,629)	(830,675)	(5,196,798)	(3,376,840)
Basis and diluted loss per share	8	(0.0022)	(0.0011)	(0.0063)	(0.0049)

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2022

	Share capital	Share premium	Share option reserves	Retained earnings	Total equity
	S\$	S\$	S\$	S\$	S\$
At 1 January 2021 (audited)	1,106,317	19,773,348	–	(1,052,617)	19,827,048
Placing of shares	221,658	2,310,905	–	–	2,532,563
Share options issued	–	–	1,520,706	–	1,520,706
Issue of shares upon exercise of share options	22,231	957,604	(346,254)	–	633,581
Loss for the period and total comprehensive loss for the period	–	–	–	(3,376,840)	(3,376,840)
At 30 September 2021 (unaudited)	1,350,206	23,041,857	1,174,452	(4,429,457)	21,137,058
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

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 11 November 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 30 September		Nine months ended 30 September	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Revenue from contracts with customers	6,732,142	6,365,367	20,171,706	19,693,542

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	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Type of goods or services				
Trucking services	5,784,089	5,226,542	17,045,031	16,147,909
Hubbing services	948,053	1,138,825	3,126,675	3,545,633
	6,732,142	6,365,367	20,171,706	19,693,542
Timing of revenue recognition				
Services transferred at a point in time	5,784,089	5,226,542	17,045,031	16,147,909
Services transferred over time	948,053	1,138,825	3,126,675	3,545,633
	6,732,142	6,365,367	20,171,706	19,693,542

Geographical markets

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

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

	Three months ended 30 September		Nine months ended 30 September	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Gain on disposal of property, plant and equipment	11,364	41,336	11,364	55,393
Foreign exchange (loss)/gain	20,795	58,556	73,576	100,753
Government incentives	–	52,733	–	530,970
Gain on disposal of a subsidiary	8,365	–	8,365	–
Sundry income	2,818	–	151,728	–
	43,342	152,625	245,033	687,116

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

Notes to the Condensed Consolidated Financial Statements

5. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Interest on bank and other loans	8,272	21,551	24,818	77,775
Interest on lease liabilities	1,090	3,025	4,141	9,603
	9,362	24,576	28,959	87,378

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	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Depreciation of property, plant and equipment	676,218	512,233	1,552,653	1,456,007
Amortisation of intangible assets	18,627	19,922	43,787	59,767
Depreciation of right-of-use assets	84,956	22,606	254,869	153,329
Employee benefits (excluding directors' remuneration)				
— Salaries and wages	1,491,464	1,725,160	5,625,964	6,066,841
— CPF contribution	122,166	161,199	555,312	519,797
	1,613,630	1,886,359	6,181,276	6,586,638
Lease payments not included in the measurement of lease liabilities	228,750	302,750	1,023,790	896,050
Foreign exchange loss/(gain)	(20,795)	(58,556)	(73,576)	(100,753)

Notes to the Condensed Consolidated Financial Statements

7. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 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% (2021: 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	
	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)	2022 S\$ (Unaudited)	2021 S\$ (Unaudited)
Loss attributable to the owners of the Company	(1,829,629)	(830,675)	(5,196,798)	(3,376,840)
Weighted average number of ordinary shares in issue for the purpose of calculating loss per share	834,176,000	774,329,670	821,238,588	689,647,059
Basic and diluted loss per share	(0.0022)	(0.0011)	(0.0063)	(0.0049)

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 821,238,588 (2021: 689,647,059) in issue during the nine months ended 30 September 2022.

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 (Unaudited)	Nominal value of ordinary shares HK\$ (Unaudited)	Share capital (equivalent to S\$) (Unaudited)
Ordinary share of HK\$0.01 each			
Authorised			
At 1 January 2021, 31 December 2021 and 30 September 2022	5,000,000,000	50,000,000	
Issued and fully paid			
At 1 January 2021, 31 December 2021 and 1 January 2022	780,800,000	7,808,000	1,350,206
Issue of shares upon exercise of share options	53,376,000	533,760	69,180
At 30 September 2022	834,176,000	8,341,760	1,419,386

10. DIVIDEND

The Directors do not recommend the payment of dividend for the nine months ended 30 September 2022 (nine months ended 30 September 2021: nil).

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.

Singapore's GDP grew by 4.4% in the third quarter of 2022. Economists expect it to get back on track quickly as global growth picks up and vaccination rates rise. With the government rolling back containment measures and working on increasing vaccination rates, the recovery should regain momentum over the coming months.

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. For the nine months ended 30 September 2022, the revenue of the Group increased by approximately S\$478,000 or approximately 2.4% to approximately S\$20,172,000 compared to the nine months ended 30 September 2021. The increase was mainly attributable to the increase of trucking price to customers to cover the increasing diesel expenses. The following table sets forth the revenue of the Group by revenue type for the periods indicated:

	Nine months ended 30 September 2022		Nine months ended 30 September 2021	
	S\$'000	%	S\$'000	%
Trucking services	17,045	84.5	16,148	82.0
Hubbing services	3,127	15.5	3,546	18.0
	20,172	100.0	19,694	100.0

Revenue from trucking services

Revenue from trucking services increased by approximately S\$897,000 to S\$17,045,000 for the nine months ended 30 September 2022, representing approximately 5.6% increase. The increase was mainly due to the general increase of trucking price to customers to cover the increasing diesel expenses.

Revenue from hubbing services

Revenue from hubbing services decreased by approximately S\$417,000 to approximately S\$3,127,000. 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 decreased from approximately S\$1,217,000 for the nine months ended 30 September 2021 to approximately S\$326,000 for the nine months ended 30 September 2022, mainly due to an increase in cost of diesel. The overall gross profit margin decreased from approximately 6.2% for the nine months ended 30 September 2021 to 1.6% for the nine months ended 30 September 2022. The decrease in gross profit margin is mainly due to the increase in cost of diesel since February 2022.

Other income

Other income decreased by approximately S\$442,000 from approximately S\$687,000 for the nine months ended 30 September 2021 to approximately S\$245,000 for the nine months ended 30 September 2022. The decrease was mainly attributed to a decrease in government grants that the government introduced in 2021 to help Singapore businesses during the COVID-19 period.

Administrative expenses

Administrative expenses increased by approximately S\$545,000 or 10.5% from approximately S\$5,194,000 for the nine months ended 30 September 2021 to approximately S\$5,739,000 for the nine months ended 30 September 2022. The increase is mainly due to increase in office maintenance expense and professional fee 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.

Management Discussion and Analysis

Loss for the period

Due to the combined effect of the aforesaid factors, we recorded an unaudited loss of approximately S\$5,197,000 for the nine months ended 30 September 2022, compared to the unaudited loss of approximately S\$3,377,000 for the nine months ended 30 September 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 30 September 2022.

Capital commitments

As at 30 September 2022, the Group has no capital commitment.

Prospects

2022 has been a challenging year for the Group, with the COVID-19 pandemic causing great uncertainty to the general economic and market conditions in Singapore and the industry in which we operate. The global economic recovery faces risks from mounting price pressures due to supply chain disruptions, shortage of shipping containers and rising energy costs amid tensions involving Russia and Ukraine. Besides, persistent supply chain bottlenecks, alongside rising energy prices due to geopolitical tensions, have also exacerbated global inflationary pressures. This has affected our business operations to a large extent.

While the Singapore's economy grew by 7.6% in 2021, Singapore is expecting recovery and forecasted its gross domestic product (GDP) to grow at 3% to 5% in 2022 with the opening of the global markets. Management is continuously monitoring the situation and in constant discussion with our customers to understand their changing business needs. Additionally, the Group continues to strive to provide customers with timely delivery and storage of their containers, execute our growth strategy in the industry, as well as enhance overall competitiveness and market share in Singapore.

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. 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 2022, the Group had an aggregate of 137 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\$7,083,000 for the nine months ended 30 September 2022 (nine months ended 30 September 2021: approximately S\$7,427,000).

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 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 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 shares/ Position	Percentage of shareholding	Capacity
Mr. Chua Kang Lim ("Mr. Chua")	64,605,000 (Note) Long position	7.74%	Interest of controlled company and beneficial owner
Ms. Chua Sui Feng	6,400,000 Long position	0.77%	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.

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 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.

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 2022, 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:

Shareholder	Number of shares/ Position	Percentage of shareholding	Capacity
1. Ventris Global Limited	58,205,000	6.98%	Beneficial owner
2. Dai Wangfei	79,000,000	9.47%	Beneficial owner
3. Wang Hufei	209,345,000	25.11%	Beneficial owner

Save as disclosed above, as at 30 September 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.

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 2022 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 2022 HK\$	No. of options granted during the nine months ended 30 September 2022	No. of options exercised during the nine months ended 30 September 2022	No. of options outstanding as at 30 September 2022	Approximate percentage of the underlying shares for the options in the issued shares of the Company
Employees	21-May-21	21 May 2021 to 20 May 2024	0.285	0.285	51,200,000	-	-	51,200,000	6.14%
	20-January-22	20 January 2022 to 19 January 2025	0.1056	0.102	-	62,464,000	(39,040,000)	23,424,000	2.81%
	12-April-22	12 April 2022 to 11 April 2025	0.064	0.064	-	14,336,000	(14,336,000)	-	-
Total					51,200,000	76,800,000	(53,376,000)	74,624,000	8.95%

Other Information

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 approximately S\$500,000 were mortgaged to secure the Group's bank loans as at 30 September 2022.

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 impact on the business operations of the Group, since it is a logistics company that is largely dependent on the global trade economy. At this point in time, management cannot determine the duration of the COVID-19 and therefore are not yet able to quantify the full financial impact. However, management will continue to 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 nine months ended 30 September 2022.

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 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 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 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 nine months ended 30 September 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, 11 November 2022

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. Lo Suet Lai 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.