

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 Report **2017**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

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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, (2) there are no other matters the omission of which would make any statement herein or this report misleading and (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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\$23,360,000 for the nine months ended 30 September 2017, representing an increase of approximately S\$3,617,000 or 18.3% as compared to the nine months ended 30 September 2016.
- The profit attributable to the owners of the Company was approximately S\$1,561,000 for the nine months ended 30 September 2017, representing a decrease of approximately S\$820,000 or 34.4% as compared to the nine months ended 30 September 2016. The decrease was mainly due to the recognition of the listing expenses of approximately S\$1,764,000 in connection with the Listing. Excluding the one-off listing expenses, the profit attributable to the owners of the Company for the nine months ended 30 September 2017 would have been S\$3,325,000, representing an increase of approximately 39.6% as compared to the corresponding period in 2016.
- The Board does not recommend the payment of any dividend for the nine months ended 30 September 2017.

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 2017, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

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

For the three months and nine months ended 30 September 2017

| | Note | Three months ended 30 September | | Nine months ended 30 September | |
|---|------|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Revenue | 3 | 8,771,892 | 6,153,450 | 23,360,395 | 19,743,051 |
| Cost of sales | | (6,102,358) | (5,050,539) | (17,378,680) | (15,316,478) |
| Gross profit | | 2,669,534 | 1,102,911 | 5,981,715 | 4,426,573 |
| Other income | 4 | 81,782 | 33,906 | 223,892 | 362,860 |
| Administrative expenses | | (875,069) | (572,888) | (3,893,655) | (1,873,882) |
| Finance costs | 5 | (68,536) | (33,631) | (140,597) | (106,031) |
| Profit before tax | 6 | 1,807,711 | 530,298 | 2,171,355 | 2,809,520 |
| Income tax expense | 7 | (331,293) | (75,562) | (610,606) | (428,071) |
| Profit for the period and total comprehensive income for the period | | 1,476,418 | 454,736 | 1,560,749 | 2,381,449 |
| Basic and diluted earnings per share | 8 | 0.0031 | 0.0009 | 0.0033 | 0.0050 |

Unaudited Condensed Consolidated Statement of Changes in Equity

For the nine months ended 30 September 2017

| | Share capital S\$ | Retained earnings S\$ | Merger reserve S\$ | Total equity S\$ |
|--|----------------------|-----------------------------|--------------------------|---------------------|
| At 1 January 2016 (audited) | — | 4,416,158 | 3,200,000* | 7,616,158 |
| Profit for the period and total comprehensive income for the period | — | 2,381,449 | — | 2,381,449 |
| At 30 September 2016 (unaudited) | — | 6,797,607 | 3,200,000* | 9,997,607 |
| At 1 January 2017 | — | 7,761,809 | 3,200,000* | 10,961,809 |
| Profit for the period and total comprehensive income for the period | — | 1,560,749 | — | 1,560,749 |
| Issue of shares | 1,730 | — | — | 1,730 |
| At 30 September 2017 (unaudited) | 1,730 | 9,322,558 | 3,200,000 | 12,524,288 |

* Merger reserve represents the aggregate issued paid-up capital of the subsidiaries comprising the Group.

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 19th Floor, Prosperity Tower, 39 Queen's Road Central, 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 Company was incorporated on 10 February 2017 and was incorporated for the purpose of acquiring the subsidiaries of the Group pursuant to the Reorganisation (the "Reorganisation"), details of which have been set out in the section headed "History, Reorganisation and Corporate structure — reorganisation" in the prospectus of the Company dated 6 October 2017 (the "Prospectus").

Apart from the Reorganisation, the Company has not commenced any business or operation since its incorporation. The Group is principally engaged in offering various transport and storage services to the logistics industry in Singapore, primarily trucking and hubbing services.

The Company became the holding company of the companies now comprising the Group on 25 September 2017 and the shares of the Company were listed on GEM on 18 October 2017 (the "Listing"). The companies now comprising the Group were under the common control of Mr. Chua Kang Lim (the "Controlling Shareholder") before and after the Reorganisation. Accordingly, the financial information for the nine months ended 30 September 2016 has been prepared on a combined basis by applying the principles of merger accounting as if the Reorganisation had been completed at the beginning of the financial period.

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 9 November 2017.

Notes to the Condensed Consolidated Financial Statements

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These condensed consolidated financial statements should be read in conjunction with the Group's audited financial information (the "Financial Information") for the years ended 31 December 2015 and 2016 and the five months ended 31 May 2017 included in the Accountants' Report set out in Appendix I to the Prospectus, 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 Financial Information.

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.

An analysis of the Group's revenue for the three months and nine months ended 30 September 2017 and 2016 is as follows:

| | Three months ended 30 September | | Nine months ended 30 September | |
|----------|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Trucking | 7,183,160 | 5,060,802 | 19,722,412 | 16,350,447 |
| Hubbing | 1,588,732 | 1,092,648 | 3,637,983 | 3,392,604 |
| | 8,771,892 | 6,153,450 | 23,360,395 | 19,743,051 |

Notes to the Condensed Consolidated Financial Statements

Geographical information

The Group principally operates in Singapore, also the place of domicile. All revenue and non-current assets of the Group are generated from external customers and located in Singapore by location of customers and non-current assets, respectively.

4. OTHER INCOME

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Gain on disposal of items of property, plant and equipment | 29,500 | 8,815 | 68,507 | 13,815 |
| One-off incentive for wage subsidies | 52,282 | 25,091 | 155,385 | 349,045 |
| | 81,782 | 33,906 | 223,892 | 362,860 |

There were no unfulfilled conditions or contingencies relating to the incentives from Singapore Government.

5. FINANCE COSTS

| | Three months ended 30 September | | Nine months ended 30 September | |
|----------------------------------|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Interest on bank and other loans | 35,774 | 16,406 | 77,939 | 51,434 |
| Interest on finance leases | 32,762 | 17,225 | 62,658 | 54,597 |
| | 68,536 | 33,631 | 140,597 | 106,031 |

Notes to the Condensed Consolidated Financial Statements

6. PROFIT BEFORE TAX

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Depreciation | 524,616 | 421,689 | 1,523,343 | 1,233,101 |
| Employee benefits (excluding directors' remuneration) | | | | |
| — Salaries and wages | 2,049,274 | 1,707,309 | 5,852,045 | 5,326,553 |
| — CPF contribution | 280,744 | 225,416 | 802,273 | 755,416 |
| | 2,330,018 | 1,932,725 | 6,654,318 | 6,081,969 |
| Rental expenses | 381,381 | 236,423 | 1,143,565 | 941,204 |
| Listing expenses | 142,481 | — | 1,764,097 | — |

7. INCOME TAX EXPENSE

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Current tax | | | | |
| — Singapore Corporate Income Tax ("CIT") | 331,293 | 75,562 | 589,804 | 350,844 |
| (Over)/underprovision in prior periods | — | — | (1,038) | 1,071 |
| Deferred tax | — | — | 21,840 | 76,156 |
| | 331,293 | 75,562 | 610,606 | 428,071 |

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.

Notes to the Condensed Consolidated Financial Statements

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% (2016: 17%) on the chargeable income arising in Singapore during the reporting period. Income tax expense of the Group relates wholly to the profits of its two operating subsidiaries.

The income tax expense for the reporting period can be reconciled to the profit before tax per the statement of profit or loss and other comprehensive income as follows:

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Profit before tax | 1,807,711 | 530,298 | 2,171,355 | 2,809,520 |
| Tax at Singapore CIT of 17% | 307,311 | 90,151 | 369,130 | 477,618 |
| Tax effect of expenses not deductible for tax purpose | 37,339 | 1,047 | 282,276 | 7,982 |
| Tax effect of income under tax exemption and rebate | (13,357) | (1,981) | (40,071) | (38,193) |
| (Over)/underprovision in prior periods | — | — | (1,038) | 1,071 |
| Others | — | (13,655) | 309 | (20,407) |
| Income tax expense for the period | 331,293 | 75,562 | 610,606 | 428,071 |

Notes to the Condensed Consolidated Financial Statements

8. EARNINGS PER SHARE

| | Three months ended 30 September | | Nine months ended 30 September | |
|--|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Profit attributable to the owners of the Company | 1,476,418 | 454,736 | 1,560,749 | 2,381,449 |
| Number of ordinary shares in issue | 480,000,000 | 480,000,000 | 480,000,000 | 480,000,000 |
| Basic and diluted earnings per share | 0.0031 | 0.0009 | 0.0033 | 0.0050 |

The calculation of the basic earnings per share is based on the profit for the period attributable to owners of the Company and the number of shares in issue post Re-organisation and the capitalisation issue. The number of shares for the purpose of basic earnings per share for the nine months ended 30 September 2017 and 2016 is based on the assumption that 480,000,000 ordinary shares of the Company are in issue and issuable, comprising 1,000,000 shares issued at date of incorporation and capitalisation issue of 479,000,000 ordinary shares as further detailed in note 9, as if the respective ordinary shares were outstanding throughout the periods.

No adjustment has been made to the basic earnings 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. ISSUED CAPITAL

The movements in the Company's authorised and issued share capital during the period from 10 February 2017 (date of incorporation) to 30 September 2017, and up to 9 November 2017 are as follows:

| | Number of ordinary shares | Nominal value of ordinary shares HK\$ |
|---|---------------------------------|--|
| Notes | (Unaudited) | (Unaudited) |
| Authorised: | | |
| 38,000,000 ordinary shares of HK\$0.01 each on 10 February 2017 (date of incorporation) | 38,000,000 | 380,000.00 |
| Increase of 4,962,000,000 ordinary shares of HK\$0.01 each on 25 September 2017 (b) | 4,962,000,000 | 49,620,000.00 |
| | <hr/> | <hr/> |
| At 30 September 2017 and 9 November 2017 | 5,000,000,000 | 50,000,000.00 |
| Issued and fully paid: | | |
| Issuance of 1 ordinary share of HK\$0.01 on 10 February 2017 (date of incorporation) (a) | 1 | 1 |
| Issuance of 999,999 ordinary shares of HK\$0.01 each on 25 September (date of completion of Reorganisation) (a) | 999,999 | 9,999.99 |
| Capitalisation issue of 479,000,000 ordinary shares of HK\$0.01 each (c) | 479,000,000 | 4,790,000.00 |
| Issuance of 160,000,000 ordinary shares of HK\$0.01 each on 18 October 2017 (d) | 160,000,000 | 1,600,000.00 |
| | <hr/> | <hr/> |
| At 9 November 2017 | 640,000,000 | 6,400,000.00 |

Notes to the Condensed Consolidated Financial Statements

Notes:

- (a) 1 ordinary share and 999,999 ordinary shares of HK\$0.01 each was issued and allotted to Ventris Global Limited on 10 February 2017 and 25 September 2017 respectively.
- (b) Pursuant to an ordinary resolution passed on 25 September 2017, the authorised share capital of the Company was increased from HK\$380,000 to HK\$50,000,000 by the creation of 4,962,000,000 additional ordinary shares of HK\$0.01 each, ranking pari passu with the existing Shares in all respects.
- (c) Pursuant to an ordinary resolution passed on 25 September 2017, 479,000,000 ordinary shares of HK\$0.01 each were issued, allotted and credited as fully paid at par by way of capitalisation from the share premium account to the holder of shares whose name appeared on the register of members of the Company at the close of business on 25 September 2017 in proportion to their respective shareholdings. This allotment and capitalisation issue were conditional on the share premium account being credited as a result of the placing of new shares in connection with the Company's initial public offering as detailed in note (d) below.
- (d) In connection with the Company's initial public offering, 160,000,000 ordinary shares of HK\$0.01 each were issued at a price of HK\$0.44 per Share for a total cash consideration before expenses, of approximately HK\$70,400,000. Dealing in the Shares on GEM of the Stock Exchange commenced on 18 October 2017.

10. DIVIDEND

The Directors do not recommend the payment of dividend for the nine months ended 30 September 2017 (nine months ended 30 September 2016: nil).

Notes to the Condensed Consolidated Financial Statements

11. RELATED PARTY DISCLOSURES

Compensation of key management personnel

| | Three months ended 30 September | | Nine months ended 30 September | |
|---|------------------------------------|----------------------------|-----------------------------------|----------------------------|
| | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) | 2017 S\$ (Unaudited) | 2016 S\$ (Unaudited) |
| Remuneration paid to key management personnel (including directors' remuneration) | 201,729 | 178,149 | 651,819 | 508,055 |

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.

12. SUBSEQUENT EVENTS

Conditional upon the share premium amount of the Company being credited as a result of the initial listing of the Company's shares, the Company's directors were authorised to capitalise the amount of HK\$4,790,000 from the amount standing to the credit of the share premium account of the Company and apply such sum to pay up in full at par 479,000,000 ordinary shares for allotment and issue to the person(s) whose name(s) appear(s) on the register of members of the Company at the close of business.

The Company successfully listed its shares on GEM on 18 October 2017 and issued a total of 160,000,000 shares by way of public offer and placing at a price of HK\$0.44 each on Listing.

Management Discussion and Analysis

BUSINESS REVIEW

For the financial period till date, 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.

The shares of the Company were successfully listed on GEM on 18 October 2017 (the "Listing").

FINANCIAL REVIEW

Revenue

The Group's overall unaudited revenue amounted to approximately S\$23,360,000 for the nine months ended 30 September 2017, representing an increase of approximately S\$3,617,000 or 18.3% as compared to the nine months ended 30 September 2016.

The increase in revenue was mainly due to the Group securing new customers in 2017, and also obtaining new projects from existing customers.

Gross Profit

As a result of the increase in revenue, the Group's gross profit increased by approximately S\$1,555,000 or 35.1% from approximately S\$4,427,000 for the nine months ended 30 September 2016 to approximately S\$5,982,000 for the nine months ended 30 September 2017.

The overall gross profit margin increased slightly from 22.4% for the nine months ended 30 September 2016 to 25.6% for the nine months ended 30 September 2017.

The overall gross profit margin for the three months ended 30 September 2017 increased by 12.5% from 17.9% to 30.4%. Gross profit margin for the first half of the year was relatively low due to lower revenue, and an increase in fuel and vehicle costs as compared to the same period in prior year. For the three months ended 30 September 2017, the Group managed to secure few new projects from existing customers with higher gross margins, resulting in higher revenue and gross profit margin as compared to the three months ended 30 September 2016.

Management Discussion and Analysis

Other income

Other income decreased by approximately S\$139,000 from approximately S\$363,000 for the nine months ended 30 September 2016 to approximately S\$224,000 for the nine months ended 30 September 2017. The decrease was mainly attributed to a decrease in one-off incentive for wage subsidies declared by the Singapore Government.

Administrative expenses

Administrative expenses increased by approximately S\$2,020,000 or 107.8% from approximately S\$1,874,000 for the nine months ended 30 September 2016 to approximately S\$3,894,000 for the nine months ended 30 September 2017. The increase was mainly attributed to i) listing expenses of approximately S\$1,764,000 incurred in 2017, ii) higher depreciation expense due to new office purchased in 2017 and corresponding renovation costs incurred, and iii) increase in total staff costs of approximately S\$85,000 due to increase in number of support staff.

Income tax expense

The Group's income tax expense increased by approximately S\$183,000 from approximately S\$428,000 to approximately S\$611,000 for the nine months ended 30 September 2017. The increase in tax expense, despite a decrease in profit before tax of approximately S\$638,000 was mainly due to the listing expenses incurred in 2017, which was non-deductible for tax purposes.

Profit for the Period

Due to the combined effect of the aforesaid factors, we recorded an unaudited profit of approximately S\$1,561,000 for the nine months ended 30 September 2017, representing a decrease of approximately S\$820,000 as compared to the unaudited profit for the nine months ended 30 September 2016.

Excluding the listing expenses incurred of approximately S\$1,764,000, the Group would have recorded a profit of approximately S\$3,325,000 for the nine months ended 30 September 2017, representing an increase of approximately S\$944,000.

Capital commitments

As at 30 September 2017, the Group has commitment of approximately S\$58,000 for the purchase of equipment.

Management Discussion and Analysis

Prospects

The Group continues to strive to provide customers with timely delivery and storage of their containers, maintain growth in the industry and enhance overall competitiveness and market share in Singapore. In the first nine months of 2017, there was no material adverse change in the general economic and market conditions in Singapore or the industry in which it operates that had affected or would affect the business operations or financial condition materially and adversely.

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.

Employee Information

As at 30 September 2017, the Group had an aggregate of 170 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\$7,019,000 for the nine months ended 30 September 2017 (nine months ended 30 September 2016: approximately S\$6,598,000).

Other Information

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

The shares of the Company were listed on the Stock Exchange on 18 October 2017 and the Company was not required to keep any register under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as at 30 September 2017.

As at 30 September 2017, 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 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") | 480,000,000 (Note) Long position | 75% | Interest of controlled company |

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.

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 30 September 2017, 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 30 September 2017, 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 | 480,000,000 | 75.00% | Beneficial owner |

Other Information

Save as disclosed above, as at 30 September 2017, 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' INTEREST IN COMPETING BUSINESS

During the period under review, none of the Directors or the substantial shareholders or their respective 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.

INTERESTS OF THE COMPLIANCE ADVISER

As notified by Vinco Capital Limited ("Vinco Capital"), save and except as the compliance adviser agreement entered into between the Company and Vinco Capital dated 3 October 2017, neither Vinco Capital, its close associates nor any of the directors or employees of Vinco Capital who have been involved in providing advice to the Company, has or may have any interest in securities of the Company or which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules as of 30 September 2017.

SHARE OPTION SCHEME

On 25 September 2017, the then shareholders of the Company approved and conditionally adopted a share option scheme (the "Share Option Scheme") to enable the Company to grant options to eligible participants as incentives and rewards for their contribution to the Group. No option has been granted since its effective date and up to the date of this report.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in the Prospectus, the Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

PLEDGE OF ASSET

The carrying amount of motor vehicles held under finance leases was approximately S\$10,893,000 as at 30 September 2017. Leased assets are pledged as securities for the related finance lease liabilities.

In addition to the assets held under finance leases, the Group's buildings with an aggregate carrying amount of approximately S\$1,045,000 were mortgaged to secure the Group's bank loans as at 30 September 2017.

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\$640,000 as at 30 September 2017.

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 as the shares of the Company were not yet listed on GEM as at 30 September 2017.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The code provisions of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules (the "CG Code") were not applicable to the Company for the Period as the shares of the Company were not yet listed on GEM as at 30 September 2017. The Company has adopted and complied with the code provisions, where applicable, upon Listing.

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 2017.

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 audit committee consists of three independent non-executive Directors, namely Mr. Kwong Choong Kuen, who has the appropriate auditing and financial related management expertise and serves as the chairman of the audit committee, Mr. Dax Teo Tak Sin and Ms. Grace Choong Mai Foong. The audit committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2017 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, 9 November 2017

As at the date of the report, the Board comprises two executive directors, namely, Mr. Chua Kang Lim and Ms. Chua Sui Feng; and three independent non-executive directors, namely, Mr. Kwong Choong Kuen, Mr. Dax Teo Tak Sin and Ms. Grace Choong Mai Foong.