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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)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

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 higher 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 announcement, 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 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 announcement 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 announcement misleading.

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

* For identification purposes only

HIGHLIGHTS

- The Group's revenue amounted to approximately S\$25,808,000 for the year ended 31 December 2024, representing an increase of approximately S\$2,345,000 or 10.0% as compared to the year ended 31 December 2023.
- Total comprehensive loss for the year attributable to the owners of the Company was approximately S\$182,000 for the year ended 31 December 2024 as compared to a loss of approximately S\$5,067,000 for the year ended 31 December 2023. The difference is mainly attributable to the increase in gross profit of approximately S\$1,502,000 and decreased in administrative expenses of approximately S\$3,332,000 as compared to the year ended 31 December 2023.
- The Board does not recommend the payment of any dividend for the years ended 31 December 2024 and 2023.

ANNUAL RESULTS

The Board of Directors (the “Board”) of the Company is pleased to present the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2024, together with the comparative figures for the corresponding year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2024

	<i>Notes</i>	2024 \$	2023 \$
Revenue	5	25,807,716	23,463,313
Cost of sales		<u>(23,062,675)</u>	<u>(22,220,680)</u>
Gross profit		2,745,041	1,242,633
Other income and gains	5	73,275	175,359
Administrative expenses		(2,965,407)	(6,297,171)
(Allowance)/reversal of expected credit losses (“ECLs”)		(199,596)	251,130
Impairment of property, plant and equipment		–	(427,798)
Finance costs	6	<u>(64,939)</u>	<u>(49,861)</u>
Loss before tax	7	(411,626)	(5,105,708)
Income tax expense	8	<u>–</u>	<u>(8,649)</u>
Loss for the year		(411,626)	(5,114,357)
Other comprehensive income:			
Item that may be reclassified subsequent to profit or loss:			
Exchange differences on translation of foreign operation		<u>229,639</u>	<u>47,602</u>
Total comprehensive loss for the year attributable to owners of the Company		<u>(181,987)</u>	<u>(5,066,755)</u>
Loss per share			
Basic and diluted	9	<u>(0.0025)</u>	<u>(0.0343)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2024

	<i>Notes</i>	2024 \$	2023 \$
Non-current assets			
Property, plant and equipment		6,495,796	7,835,653
Right-of-use assets		862,853	503,704
Intangible assets		–	49,672
		<hr/>	<hr/>
Total non-current assets		7,358,649	8,389,029
		<hr/>	<hr/>
Current assets			
Trade receivables	10	7,786,066	6,221,430
Deposits and other receivables		560,804	533,841
Prepayments		–	254,592
Pledged deposits		535,373	524,252
Cash and bank balances		623,969	1,664,561
		<hr/>	<hr/>
Total current assets		9,506,212	9,198,676
		<hr/>	<hr/>
Current liabilities			
Trade payables	11	901,139	962,236
Contract liabilities		71,347	77,824
Other payables and accruals	12	875,019	856,874
Bank borrowings	13	57,324	300,000
Lease liabilities		541,883	731,838
		<hr/>	<hr/>
Total current liabilities		2,446,712	2,928,772
		<hr/>	<hr/>
Net current assets		7,059,500	6,269,904
		<hr/>	<hr/>
Total assets less current liabilities		14,418,149	14,658,933
		<hr/>	<hr/>
Non-current liabilities			
Bank borrowings	13	187,799	–
Lease liabilities		289,179	535,775
		<hr/>	<hr/>
Total non-current liabilities		476,978	535,775
		<hr/>	<hr/>
Net assets		13,941,171	14,123,158
		<hr/>	<hr/>
Equity			
Share capital	14	5,725,993	5,725,993
Reserves		8,215,178	8,397,165
		<hr/>	<hr/>
Total equity		13,941,171	14,123,158
		<hr/>	<hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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, 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 and Hong Kong, primarily trucking and hubbing services.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards which include all individual IFRS Accounting Standard, International Accounting Standards ("IASs") and Interpretations promulgated by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules").

The consolidated financial statements have been prepared under the historical cost convention. The consolidated financial statements are presented in Singapore dollars ("S\$" or "\$"), which is also the functional and presentation currency of the Company except when otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2023 consolidated financial statements except for the adoption of the new/ revised IFRS Accounting Standards that are relevant to the Group and effective from the current accounting period as detailed in note 3 to the announcement.

3. ADOPTION OF NEW AND AMENDMENT TO IFRS ACCOUNTING STANDARDS

Application of new and revised IFRS Accounting Standards

The Group has applied the following amendments to IFRS Accounting Standards issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2024 for the preparation of the consolidated financial statements:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRS Accounting Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRS Accounting Standards issued but not yet effective

The Group has not applied any new and amendments to IFRS Accounting Standards that have been issued but are not yet effective for the financial year beginning 1 January 2024. These new and amendments to IFRS Accounting Standards include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to IAS 21 and IFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7 — Contracts Referring Nature-Dependent Electricity	1 January 2026
IFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to IFRS 10 and IAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the IASB

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that, except for the new IFRS Accounting Standards as mentioned below, the adoption of other amendments to IFRS Accounting Standards is unlikely to have a significant impact on the consolidated financial statements.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements. The key changes introduced in IFRS 18 relate to (i) the structure of the statement of profit or loss, (ii) required disclosures for management-defined performance measures (which are referred to alternative or non-GAAP performance measures), and (iii) enhanced requirements for aggregation and disaggregation of information.

The directors of the Company are currently assessing the impact of applying IFRS 18 on the presentation and the disclosures of the consolidated financial statements.

4. SEGMENT INFORMATION

The chief operating decision maker has been identified as the directors of the Company. The directors of the Company review the Group’s internal reporting for the purposes of resource allocation and assessment of segment performance which focused on the category of services. The Group has identified two reportable segments as follows:

The trucking segment — the provision of cargo transportation and other related services. The Group offers cargo transportation services, primarily of containers, from customers’ designated pick up points to their designated delivery points within Singapore and Hong Kong.

The hubbing segment — the offering of the Group's container storage facility at its logistics yard to its customers.

Segment assets exclude, pledged deposits, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Year ended 31 December 2024	Trucking \$	Hubbing \$	Total \$
Segment revenue (note 5)			
Sales to external customers	24,571,081	1,236,635	25,807,716
Segment results	2,014,125	506,550	2,520,675
<i>Reconciliation</i>			
Other income			44,864
Reversal of ECL			289
Unallocated finance costs			(12,047)
Corporate and other unallocated expenses			(2,965,407)
Loss before tax			(411,626)
Segment assets	14,196,662	948,053	15,144,715
<i>Reconciliation</i>			
Pledged deposits			535,373
Cash and bank balances			623,969
Corporate and other unallocated assets			560,804
Total assets			16,864,861
Segment liabilities	1,720,902	247,988	1,968,890
<i>Reconciliation</i>			
Bank borrowings			245,123
Corporate and other unallocated liabilities			709,677
Total liabilities			2,923,690
Other segment information			
Depreciation and amortisation	1,915,966	59,211	1,975,177
Unallocated depreciation and amortisation			49,672
			2,024,849
Impairment of ECL	199,885	–	199,885
Unallocated reversal of ECL			(289)
			199,596
Finance costs	34,598	18,294	52,892
Unallocated finance costs			12,047
			64,939
Capital expenditure*	956,420	–	956,420

* Represents additions to property, plant and equipment and right-of-use assets

Year ended 31 December 2023	Trucking \$	Hubbing \$	Total \$
Segment revenue (note 5)			
Sales to external customers	21,336,737	2,126,576	<u>23,463,313</u>
Segment results	(637,388)	(978,346)	<u>(1,615,734)</u>
<i>Reconciliation</i>			
Other income			64,013
Reversal of allowance for ECL			236,731
Unallocated finance costs			(7,612)
Corporate and other unallocated expenses			<u>(3,783,106)</u>
Loss before tax			<u>(5,105,708)</u>
Segment assets	13,553,522	1,007,264	14,560,786
<i>Reconciliation</i>			
Pledged deposits			524,252
Cash and bank balances			1,664,561
Corporate and other unallocated assets			<u>838,106</u>
Total assets			<u>17,587,705</u>
Segment liabilities	1,573,119	828,096	2,401,215
<i>Reconciliation</i>			
Bank borrowings			300,000
Corporate and other unallocated liabilities			<u>763,332</u>
Total liabilities			<u>3,464,547</u>
Other segment information			
Depreciation and amortisation	2,071,904	59,211	2,131,115
Unallocated depreciation and amortisation			<u>586,063</u>
			<u>2,717,178</u>
Reversal of ECL	(14,399)	–	(14,399)
Unallocated reversal of ECL			<u>(236,731)</u>
			<u>(251,130)</u>
Finance costs	5,435	36,814	42,249
Unallocated finance costs			<u>7,612</u>
			<u>49,861</u>
Unallocated income tax expense			(8,649)
Impairment of property, plant and equipment	427,798	–	<u>427,798</u>
Capital expenditure*	3,562,559	–	<u>3,562,559</u>

* Represents additions to property, plant and equipment and right-of-use assets

Revenue from major customers

Revenue from each major customer which individually contributed to 10% or more of the total revenue of the Group is set out below:

	2024 \$	2023 \$
Customer A	11,143,441	10,117,334
Customer B	3,034,508	3,500,087
Customer C	3,420,067	2,998,056

The revenue from the above major customers was derived from both the trucking and hubbing segments.

Geographical information

	Revenue		Non-current assets	
	2024 \$	2023 \$	2024 \$	2023 \$
Hong Kong	4,545,192	3,108,775	1,934,832	2,840,722
Singapore	21,262,524	20,354,538	5,423,817	5,548,307
Consolidated total	25,807,716	23,463,313	7,358,649	8,389,029

5. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the value of services rendered, net of GST, during the year.

An analysis of revenue is as follows:

	2024 \$	2023 \$
Revenue from contracts with customers within the scope of IFRS 15	25,807,716	23,463,313

(i) **Disaggregated revenue information**

Revenue from contracts with customers within the scope of IFRS 15

	2024	2023
	\$	\$
Types of goods or services		
Trucking services	24,571,081	21,336,737
Hubbing services	1,236,635	2,126,576
	<u>25,807,716</u>	<u>23,463,313</u>
Timing of revenue recognition		
Services transferred over time	<u>25,807,716</u>	<u>23,463,313</u>

(ii) **Performance obligations**

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

Trucking income

The performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, using output method.

Hubbing income

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

The amounts of transactions prices allocated to the performance obligations are expected to be recognised as revenue within one year.

(iii) Other income and gains

An analysis of other income and gains is as follows:

	2024	2023
	\$	\$
Interest income	11,121	12,392
Gain on disposal of property, plant and equipment	28,411	111,346
Government grants (<i>note</i>)	31,704	51,595
Sundry income	2,039	26
	<hr/>	<hr/>
	73,275	175,359
	<hr/>	<hr/>

Note: There were no unfulfilled conditions or contingencies relating to the various government grants, which mainly represent incentive schemes received from the Inland Revenue Authority of Singapore to support business operations.

6. FINANCE COSTS

	2024	2023
	\$	\$
Interest on lease liabilities	52,892	42,249
Interest on bank borrowings	12,047	7,612
	<hr/>	<hr/>
	64,939	49,861
	<hr/>	<hr/>

7. LOSS BEFORE TAX

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

	2024 \$	2023 \$
Employee benefits (excluding Directors' emoluments)		
— Salaries and wages	5,268,866	5,404,940
— CPF contributions	679,330	707,339
	<u>5,948,196</u>	<u>6,112,279</u>
Depreciation of property, plant and equipment	1,881,972	2,605,514
Amortisation of intangible assets	49,672	74,505
Depreciation of right-of-use assets	93,205	37,159
Lease payments not included in the measurement of lease liabilities	702,716	805,822
Auditor's remuneration		
— Audit service	130,277	120,069
Exchange losses, net	3,360	112,344
Allowance/(reversal) of ECLs	199,596	(251,130)
Impairment of property, plant and equipment	—	427,798
	<u>—</u>	<u>—</u>

8. INCOME TAX EXPENSE

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 for the years ended 31 December 2024 and 2023.

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

The applicable tax rates for a qualified group company incorporated in Hong Kong is 8.25% on the first HK\$2,000,000 of assessable profit and 16.5% on the remaining. The applicable tax rate for those non-qualified group companies incorporated in Hong Kong is 16.5%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit arose (2023: no assessable profit).

The Singapore statutory income tax rate has been provided at the rate of 17% (2023: 17%) for the year. No provision for Singapore Profits Tax has been made in the consolidated financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit (2023: no assessable profit). The income tax credit for the years ended 31 December 2024 and 2023 is:

	2024 \$	2023 \$
Deferred tax	<u>—</u>	<u>8,649</u>

9. LOSS PER SHARE

	2024 \$	2023 \$
Loss attributable to owners of the Company	<u>(411,626)</u>	<u>(5,114,357)</u>
Issued ordinary shares at the beginning of year	166,835,200	834,176,000
Effect of Share Consolidation	–	(792,467,200)
Effect of Rights Issue	<u>–</u>	<u>107,333,744</u>
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<u>166,835,200</u>	<u>149,042,544</u>

The calculation of the basic loss per share is based on the loss for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue.

For the purpose of calculation of basic and diluted loss per share for the year ended 31 December 2023, the share consolidation being effective on 4 January 2023 was deemed to be effective throughout the period from 1 January 2023 to 31 December 2023.

The weighted average number of ordinary shares for the purpose of calculating basic loss per share for the year ended 31 December 2023 has been adjusted to reflect the effect of bonus element in Rights Issue on 23 February 2023.

For the purpose of calculation of diluted loss per share, no adjustment has been made to the weighted average number of basic loss per share as the Company's outstanding share options have no dilutive effect for the years ended 31 December 2024 and 2023.

10. TRADE RECEIVABLES

	2024 \$	2023 \$
Trade receivables, gross	7,981,693	6,254,180
Less: Allowance for ECLs	<u>(195,627)</u>	<u>(32,750)</u>
Trade receivables, net	<u>7,786,066</u>	<u>6,221,430</u>

Trade receivables are all non-interest-bearing and are generally repayable on terms of 30 to 90 days (2023: 30 to 90 days).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice dates and net of loss allowance, is as follows:

	2024	2023
	\$	\$
Less than 30 days	3,323,355	4,584,082
31 to 60 days	1,413,289	1,285,607
61 to 90 days	142,976	348,715
More than 90 days	2,906,446	3,026
	<u>7,786,066</u>	<u>6,221,430</u>
Total	<u>7,786,066</u>	<u>6,221,430</u>

11. TRADE PAYABLES

Trade payables are non-interest-bearing and are normally settled on terms of 30 days (2023: 30 days).

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	2024	2023
	\$	\$
Less than 30 days	628,205	739,112
31 to 60 days	225,109	141,808
61 to 90 days	47,825	44,995
More than 90 days	–	36,321
	<u>901,139</u>	<u>962,236</u>

12. OTHER PAYABLES AND ACCRUALS

	2024	2023
	\$	\$
Accrued liabilities	667,208	702,546
GST payable	169,204	132,939
Other payables	38,607	21,389
	<u>875,019</u>	<u>856,874</u>

Other payables and accruals are non-interest-bearing and are normally repayable on demand.

Other payables and accruals denominated in HK\$ amounted to \$122,655 (2023: \$16,945) as at 31 December 2024.

13. BANK BORROWINGS

	2024 \$	2023 \$
Secured bank loans:		
On demand or within one year	57,324	300,000
More than one year, but not exceeding two years	59,885	–
More than two years, but not more than five years	127,914	–
	<u>245,123</u>	<u>300,000</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<u>(57,324)</u>	<u>(300,000)</u>
Amount due for settlement after 12 months	<u><u>187,799</u></u>	<u><u>–</u></u>

For the year ended 31 December 2024, the effective interest rates of the Group's bank loans at 4.38% (2023: 4.38%) per annum.

The Group's secured bank loans are secured by:

- (i) mortgages over the Group's properties situated in Singapore, which had an aggregate carrying amount of \$948,053 (2023: \$1,007,264) as at 31 December 2024;
- (ii) pledged time deposits with carrying amounts of \$535,373 (2023: \$524,252) as at 31 December 2024; and
- (iii) joint and several personal guarantees provided by the Directors of the Company's subsidiary.

14. SHARE CAPITAL

The movements in the Company's authorised and issued share capital during the years ended 31 December 2024 and 2023 are as follows:

	Number of ordinary shares		Nominal value of ordinary shares	Share capital
	At HK\$0.01 per share	At HK\$0.2 per share	HK\$	(equivalent to \$)
Ordinary shares				
Authorised:				
At 1 January 2023	5,000,000,000	–	50,000,000	
Share Consolidation (note (i))	(5,000,000,000)	250,000,000	–	
At 31 December 2023, 1 January 2024 and 31 December 2024	–	250,000,000	50,000,000	
Issued and fully paid				
At 1 January 2023	834,176,000	–	8,341,760	1,442,676
Share Consolidation (note (i))	(834,176,000)	41,708,800	–	–
Issue of shares upon Rights Issue (note (ii))	–	125,126,400	25,025,280	4,283,317
At 31 December 2023, 1 January 2024 and 31 December 2024	–	166,835,200	33,367,040	5,725,993

Notes:

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

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

- (ii) On 23 February 2023, the Company allotted and issued 55,193,873 new shares on the basis of three rights shares for every one share held by qualifying shareholders at the subscription price of HK\$0.26 per rights share ("Rights Issue") and 69,932,527 new shares for the placing of the unsubscribed rights shares at the subscription price of HK\$0.26 per rights share. The gross proceeds from the Rights Issue was approximately HK\$32.5 million (equivalent to \$5,568,312).

For details, please refer to the prospectus of the Company dated 17 January 2023, the circular of the Company dated 9 December 2022, the announcements of the Company dated 21 October 2022, 1 December 2022, 13 February 2023 and 22 February 2023.

15. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a provider of transport and storage services to the logistics industry in Singapore and Hong Kong, offering trucking and hubbing services to the customers. Trucking services refer to the delivery of cargo, primarily containers, from our 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.

Our customers are mainly logistics service providers along the supply chain in Singapore and Hong Kong, 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.

FINANCIAL REVIEW

Revenue

The Group's revenue comprised of revenue from provision of transport and hubbing services to the logistics industry in Singapore and Hong Kong. For the year ended 31 December 2024, the revenue of the Group increased by approximately S\$2,344,000 or approximately 10.0% to approximately S\$25,808,000 compared to the year ended 31 December 2023. The increase was mainly attributable to the increase in revenue from trucking services. The following table sets forth the revenue of the Group by revenue type for the periods indicated:

	2024		2023	
	S\$'000	%	S\$'000	%
Trucking services	24,571	95.2	21,336	90.9
Hubbing services	1,237	4.8	2,127	9.1
	<u>25,808</u>	<u>100.0</u>	<u>23,463</u>	<u>100.0</u>

Revenue from trucking services

Revenue from trucking services increased by approximately S\$3,235,000 to approximately S\$24,571,000 for the year ended 31 December 2024, representing an 15.2% increase. The increase was mainly due to increase in trading volume.

Revenue from hubbing services

Revenue from hubbing services decreased by 41.8% or approximately S\$890,000. 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 over for loading. 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 increase/decrease in hubbing revenue 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.

For the year ended 31 December 2024, the vessels started to arrive more timely reducing the need for extended hubbing hence the decrease in revenue from hubbing services.

Gross (loss)/profit

The overall gross profit of approximately S\$1,243,000 for the year ended 31 December 2023 increased to approximately S\$2,745,000 for the year ended 31 December 2024, mainly due to the increase in revenue as compared to the year ended 31 December 2023. The overall gross profit margin from 5.3% for the year ended 31 December 2023 increased to profit of 10.6% for the year ended 31 December 2024. The table below sets forth a breakdown of gross profit and gross profit margin by revenue type for the periods indicated:

	2024		2023	
	<i>S\$'000</i>	<i>Gross profit margin</i>	<i>S\$'000</i>	<i>Gross profit/ (loss) margin</i>
Trucking services	2,220	9.0	2,729	12.8
Hubbing services	525	42.4	(1,486)	(69.9)
	<u>2,745</u>	<u>10.6</u>	<u>1,243</u>	<u>5.3</u>

Gross (loss)/profit from trucking services

The gross profit margin for trucking services decreased from approximately 12.8% for the year ended 31 December 2023 to profit of approximately 9.0% for the year ended 31 December 2024 mainly due to the increase in cost of diesel as compared to the year ended 31 December 2023. As more than a third of the costs for trucking services pertained to fixed costs like wages and depreciation, an increase in cost of diesel will decrease the gross profit margin.

Gross (loss)/profit from hubbing services

The gross profit margin for hubbing services increased from loss of 69.9% for the year ended 31 December 2023 to profit of approximately 42.4% for the year ended 31 December 2024 mainly due to more timely arrival of vessels that resulted in the decrease in need from customers for hubbing services.

Other income and gains

Other income and gains decreased by approximately S\$102,000 from approximately S\$175,000 for the year ended 31 December 2023 to approximately S\$73,000 for the year ended 31 December 2024. The decrease was mainly attributed to the decrease of gain on disposals of property, plant and equipment as compared to the year ended 31 December 2023.

Administrative expenses

Administrative expenses comprised mainly of office expenses, staff costs, auditor's remuneration and compliance costs. Total administrative expenses decreased to approximately S\$2,965,000 for the year ended 31 December 2024 from approximately S\$6,297,000 for the year ended 31 December 2023.

Income tax expense

The Group's income tax expense was amounted to approximately S\$9,000 for the year ended 31 December 2023, while there was no income tax expense for the year ended 31 December 2024.

Loss for the year

Due to the combined effect of the aforesaid factors, we recorded a loss of approximately S\$412,000 for the year ended 31 December 2024, representing a decrease of approximately S\$4,702,000 as compared to the loss of approximately S\$5,114,000 for the year ended 31 December 2023.

Liquidity and Financial Resources and Capital Structure

As at 31 December 2024, the Group had total assets of approximately S\$16,865,000 (2023: approximately S\$17,588,000), which is financed by total liabilities and shareholders' equity (comprising share capital, share premium and retained earnings) of approximately S\$2,924,000 (2023: approximately S\$3,465,000) and approximately S\$13,941,000 (2023: approximately S\$14,123,000) respectively. The current ratio as at 31 December 2024 of the Group was approximately 3.9 times (2023: approximately 3.1 times).

As at 31 December 2024, the Group had cash and cash equivalents of approximately S\$624,000 (2023: approximately S\$1,665,000) which were placed with major banks in Singapore and Hong Kong.

The bank borrowings and lease liabilities of the Group as at 31 December 2024 was approximately S\$1,076,000 (2023: approximately S\$1,568,000). The gearing ratio (calculated based on bank borrowings and lease liabilities divided by total equity) of the Group as of 31 December 2024 was 7.7% (2023: 11.1%).

Foreign Exchange Exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group retains a large part of its proceeds from the Share Offer in Hong Kong dollars which contributed to a foreign exchange loss of approximately S\$3,000 (2023: loss of approximately S\$112,000) as Hong Kong dollars depreciated (2023: depreciated) against Singapore dollars.

Future Plans for Material Investments and Capital Assets

Save as disclosed in the Company's prospectus dated 6 October 2017 (the "Prospectus") and in this announcement, the Group did not have other plans for material investments or capital assets as of 31 December 2024.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2024, except for disclosed elsewhere in this announcement, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

Significant Investments Held

The Group did not hold any significant investments during the year ended 31 December 2024.

Contingent Liabilities

Performance guarantees were given by financial institutions and insurance companies on behalf of the Group to certain suppliers. The Group in turn, provides a counter indemnity to the financial institutions and insurance companies. The aggregate amount of the performance guarantees given by the financial institutions and insurance companies was S\$670,000 as at 31 December 2024 (2023: S\$670,000).

Capital Commitments

As at 31 December 2024, the Group had capital commitment contracted for purchase of property, plant and equipment of approximately S\$71,000 (2023: S\$575,000).

Employee Information and Remuneration Policies

As at 31 December 2024, the Group had an aggregate of 121 employees (2023: 130).

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\$6,567,000 for the year ended 31 December 2024 (2023: approximately S\$6,852,000).

The Group did not experience any significant problem with our employees or disruptions to our operations due to labour disputes, nor did the Group experience any difficulty in the recruitment and retention of experienced employees. The Group continues to maintain a good relationship with our employees.

FUND RAISING ACTIVITIES

Rights Issue

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

USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the prospectus, the net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Rights Issue were approximately HK\$31.4 million. As at 31 December 2024, the Group had utilised all net proceeds as follows:

Implementation Plan	Planned use of proceeds as shown in the prospectus HK\$ million	Actually utilised amount up to 31 December 2024 HK\$ million
Payment of rental expenses and management fee	6.2	6.2
Payment of salaries of the Group’s employees	20.0	20.0
Working capital for the existing business	5.2	5.2
	<u>31.4</u>	<u>31.4</u>

Prospects

The Group continues to strive towards providing customers with timely delivery and storage of their containers, continuing our growth strategy and enhancing overall competitiveness and market share in Singapore. The Singapore economy has decelerated considerably since the end of last year. The slowdown is largely due to contractions in the trade-related sectors amid the ongoing global manufacturing and trade downturn, especially in electronics.

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

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.

Pledge of Assets

As at 31 December 2024, the carrying amounts of the Group’s properties and bank deposits of approximately S\$948,000 and S\$535,000 respectively (2023: approximately S\$1,007,000 and S\$524,000 respectively) were pledged for the Group’s secured bank borrowings.

Share Option Scheme

The Company has a share option scheme (the “Share Option Scheme”) which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 25 September 2017. Details of the Share Option Scheme can be found on Appendix IV to the Prospectus.

Movements in the share options granted under the Share Option Scheme during the year ended 31 December 2024 is set out below:

							Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 December 2024
	Date of grant	Exercisable period	Adjusted exercise price HK\$	Closing price per share immediately before the date of grant HK\$	No. of options outstanding as at 1 January 2024	Lapsed/ cancelled during the year	No. of options outstanding as at 31 December 2024
Employees	21 May 2021	21 May 2021 to 20 May 2024	5.467	0.285	2,669,194	(2,669,194)	– (Note 1)
	20 January 2022	20 January 2022 to 19 January 2025	2.026	0.102	1,221,156	–	1,221,156 (Note 2)
					<u>3,890,350</u>	<u>(2,669,194)</u>	<u>1,221,156</u> <u>0.73%</u>

Notes:

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

The Share Option Scheme will expire on 17 October 2027.

There were 2,669,194 share options lapsed upon expiry of the exercise period on 20 May 2024, other than that there was no option has been granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2024. The number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year 2024 (the “FY2024”) were both 4,170,880 Shares. The total number of Shares available for issue under each of the Share Option Scheme (including options granted but not yet exercised and options available for issue) was 4,170,880 Shares, representing approximately 2.5% of the total number of issued Shares as at the date of this announcement.

COMPETING BUSINESS

For the year ended 31 December 2024, none of the Directors, controlling shareholder or their respective close associates (as defined in the GEM Listing Rules) has any interests in a business that competes or is likely to compete either directly or indirectly with the business of the Group.

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 year ended 31 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE

The Directors recognise the importance of good corporate governance in management and internal procedures so as to achieve effective accountability. The Company's corporate governance practices are based on the principles of good corporate governance as set out in the Corporate Governance Code in Part 2 of Appendix C1 to the GEM Listing Rules (the "CG Code") and in relation to, among others, the Directors, chairman and chief executive officer, Board composition, the appointment, re-election and removal of Directors, their responsibilities and remuneration and communications with the Shareholders. For the period under review, 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.

As at the date of this announcement, the Company does not has a director acting as the chairman and the chief executive officer. Therefore, the Directors consider there is no deviation from Code Provision A.2.1 the CG Code. 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.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this announcement, the Company has maintained the prescribed public float under the GEM Listing Rules.

EVENTS AFTER THE REPORTING PERIOD

As at the date of this announcement, the Group had no significant events after the reporting period which need to be disclosed.

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 year ended 31 December 2024.

REQUIRED STANDARD OF DEALINGS FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and each of them had confirmed his/her compliance with the Required Standard of Dealings during the year ended 31 December 2024.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules and the CG Code which is adopted on 14 October 2017 and revised on 31 December 2018. 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. Li Hong Jing 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 year ended 31 December 2024 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.

FINANCIAL INFORMATION

The financial information set out in this announcement does not constitute the Group's draft consolidated financial statements for the financial year, but represents an extract from those financial statements. The financial information has been reviewed by the audit committee and approved by the Board, as to the amounts set out in the Group's draft consolidated financial statements for the year.

SCOPE OF WORK OF MCMILLAN WOODS (HONG KONG) CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Company's auditor, McMillan Woods (Hong Kong) CPA Limited, to the amounts set out in the Group's draft consolidated financial statements for the year ended 31 December 2024. The work performed by McMillan Woods (Hong Kong) CPA Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by McMillan Woods (Hong Kong) CPA Limited on the preliminary announcement.

By order of the Board
C&N Holdings Limited
Fung Mee Kuen
Executive Director

Hong Kong, 31 March 2025

As at the date of this announcement, the Board comprises Ms. Fung Mee Kuen as executive Director, and Mr. Cheung Wai Kin, Ms. Wong Shuk Yee Camilla and Ms. Li Hong Jing as independent non-executive Directors.

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.