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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)

DISCLOSEABLE TRANSACTION RELATING TO THE PURCHASE OF THE EQUIPMENT

The Board announces that on 21 May 2020, the Subsidiary agreed to purchase the Equipment from the Supplier at the purchase price of S\$470,000 (equivalent to approximately HK\$2,575,600).

The principal terms of the Sales Quotation are summarised below.

**Date of confirmation of the
Sales Quotation:** 21 May 2020

Customer: The Subsidiary, an indirect wholly-owned subsidiary of the Company

Supplier: Ten-League Port Engineering Solutions Pte. Ltd.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Supplier and its ultimate beneficial owners are Independent Third Parties.

The Supplier is wholly owned by Ten-League Corporations Pte. Ltd. whose ordinary shares are owned as to approximately 99.99998% by Jison Lim (Lin Zhixian) and 0.00002% by Lin Liming and whose preference shares are owned as to 50% by Phillip Enterprise Fund Limited and 50% by Phillip Ventures Enterprise Fund 5 Ltd. Phillip Enterprise Fund Limited and Phillip Ventures Enterprise Fund 5 Ltd. are private equity fund vehicles which are managed by Phillip Private Equity Pte. Ltd. with more than 40 investors which are Independent Third Parties.

Equipment description: A new Sany brand five layer reach stacker (Model no.: SRSC45H1)

Unit Purchase Price and terms of payment: The purchase price shall be S\$470,000 (equivalent to approximately HK\$2,575,600) and shall be payable by the Subsidiary to the Supplier in the following manner:

- (i) 5% of the purchase price as deposit (the “**Deposit**”) plus 7% full goods and services tax in Singapore (“**GST**”) shall be payable upon order confirmation; and
- (ii) the remaining balance of the purchase price shall be payable by cash on delivery or a bank release letter before delivery of the Equipment.

All payments have to be cleared within one week after delivery of the Equipment, otherwise the Supplier has the right to forfeit any Deposit and GST paid to repossess the Equipment without any liability.

The purchase price is intended to be funded by the existing bank facility which provides a non-revolving hire purchase line. Further announcement will be made by the Company when a hire purchase agreement is entered into with the bank.

The purchase price was determined after arm’s length negotiations between the Subsidiary and the Supplier based on the market price of similar model of reach stackers.

Delivery of the Equipment: The Supplier shall deliver the Equipment within 60 days upon receipt of confirmation and upon receipt of Deposit.

Delivery will take place upon:

- (i) the Supplier having received the Deposit and full GST;
- (ii) cash on delivery for balance of the purchase price or the Supplier having received the bank release letter (if any);
- (iii) the Supplier having received a copy of the Equipment insurance under the Subsidiary’s account.

Repossession of the Equipment:

If payment of the purchase price is not made in accordance with the terms of the Sales Quotation, the Supplier has the right to repossess the Equipment and Deposit will be forfeited to cover the loss incurred by the Supplier for bringing in a new equipment from overseas.

Cancellation:

In the event the Subsidiary cancels the order of the Equipment at any time prior to delivery of the Equipment, a penalty equivalent to 30% of the total value of the Sales Quotation will be imposed and become payable immediately.

Maintenance of the Equipment:

The Subsidiary will enter into a maintenance agreement with the Supplier for a term of five years since the date of delivery of the Equipment in relation to the maintenance of the Equipment at a monthly service fee of S\$1,020 for the 1st year, S\$1,390 for the 2nd year, S\$1,640 for the 3rd year, S\$2,180 for the 4th year and S\$2,620 for the 5th year. The service fee is payable monthly in cash in arrears. Payment terms are 30 days from invoice date. The maintenance service is only valid for equipment used in Singapore.

At the request of the Subsidiary, the Supplier may offer to conduct operating and maintenance training with the Subsidiary at the Subsidiary's work site in Singapore for a maximum of one week.

GENERAL INFORMATION OF THE SUPPLIER

The Supplier is a company incorporated in Singapore with limited liability and is principally engaged in marketing, sales, installation of heavy port equipment, etc.

REASONS FOR AND BENEFITS OF THE PURCHASE

The Group is principally engaged in offering various transport and storage services to the logistics industry in Singapore, primarily trucking and hubbing services. Trucking services are referred to the delivery of cargo, primarily containers, from the customers' designated pick up point to their designated delivery point. Hubbing services are referred to the handling and storage of laden and empty containers at our logistic yards or other locations designated by our customers.

The purchase of a new reach stacker is for the replacement of the existing reach stacker. It is more beneficial and economically feasible to purchase a new replacement than to send the existing reach stacker for further repair based on the cost-benefit analysis performed

by the management of the Company. The new reach stacker will be used for handling containers of the Group's hubbing business and improve the operation sufficiency of the Group.

Based on the above, the Directors consider that the terms of the Purchase and the transactions contemplated thereunder are (i) fair and reasonable; (ii) on normal commercial terms; and (iii) in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Purchase exceeds 5% but is less than 25%, the Purchase and the transactions contemplated thereunder constitute a discloseable transaction on the part of the Company and is subject to the announcement requirement under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	board of Directors
“Company”	C&N Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	a new Sany brand five layer reach stacker
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries (from time to time)
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Group and its connected persons

“Purchase”	purchase of the Equipment by the Subsidiary from the Supplier at the purchase price of S\$470,000 (equivalent to approximately HK\$2,575,600) pursuant to the terms of the Sales Quotation
“Sales Quotation”	a sales quotation issued by the Supplier on 20 May 2020 for the supply of the Equipment to the Subsidiary which was confirmed by the Subsidiary on 21 May 2020
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	CA Transportation & Warehousing Pte Ltd, a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company
“Supplier”	Ten-League Port Engineering Solutions Pte. Ltd., a company incorporated in Singapore with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“S\$”	Singapore dollars, the lawful currency of Singapore
“%”	per cent

Yours faithfully
For and on behalf of the Board of
C&N Holdings Limited
Chua Kang Lim
Chairman

Hong Kong, 21 May 2020

For the purpose of this announcement, unless otherwise indicated, conversion of Singapore dollars into Hong Kong dollars is calculated at the approximate exchange rate of S\$1.00 to HK\$5.48. This exchange rate is adopted for the purpose of illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rates at all.

As at the date of this announcement, the Board comprises Mr. Chua Kang Lim and Ms. Chua Sui Feng as executive Directors, and Mr. Dax Teo Tak Sin, Mr. Kwong Choong Kuen and Ms. Grace Choong Mai Foong as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 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 <http://www.hkgem.com> on the “Latest Listed Company Information” page for at least seven days from the day of its publication and posting and will be published and remains on the website of the Company at <http://www.cnlimited.com>.

** for identification purposes only*