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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 DISPOSAL OF THE TARGET COMPANY

THE DISPOSAL

The Board is pleased to announce that on 13 July 2022 (after trading hours), New Pine, as the Vendor, and the Purchaser entered into the Agreement, pursuant to which New Pine agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, to the Purchaser for the Consideration of S\$750,000, which will be satisfied by way of cash.

Upon the Completion, the Group will no longer hold any interest in the Target Company and will cease to be accounted as subsidiary of the Group.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but is less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

INTRODUCTION

On 13 July 2022 (after trading hours), New Pine as the Vendor, and the Purchaser entered into the Agreement, pursuant to which New Pine agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company, to the Purchaser for the Consideration of S\$750,000, which will be satisfied by way of cash. A summary of the main terms of the Agreement are set out below.

THE AGREEMENT

Date: 13 July 2022 (after trading hours)

Parties: New Pine as the Vendor; and
the Purchaser

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

Assets to be Disposed of

Pursuant to the Agreement, New Pine as the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sales Shares, representing the entire issued share capital of the Target Company.

Consideration and Payment Manner

Pursuant to the Agreement, the Consideration for the Disposal is S\$750,000, comprises the entire issued share capital of the Target Company in the sum of S\$200,000. The Consideration shall be paid by cash.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the book value of the net assets of the Target Company as at 30 June 2022.

Conditions precedent

Completion of the Disposal is conditional upon the satisfaction of, among others, the following conditions:

- (a) the Purchaser having completed its due diligence on the Target Company;
- (b) there does not exist any material adverse changes to the Target Company, or events or circumstances that would prevent the transactions contemplated under the Agreement from being continued or proceed;
- (c) compliance with all other applicable laws, rules and regulations including but not limiting to the GEM Listing Rules for the transactions contemplated under the Agreement; and
- (d) the Consideration has been fully settled by the Purchaser.

Completion

Subject to the fulfilment of the condition precedents, the Completion shall take place on or before 31 July 2022 or such other date as the Vendor and the Purchaser may agree in writing.

Upon the Completion, the Group will no longer hold any equity interest in the Target Company. The Target Company will cease to be accounted as a subsidiary of the Group and the financial results of the Target Company will cease to be consolidated into the financial results of the Group.

INFORMATION ON THE TARGET COMPANY

The Target Company is a limited exempt private company incorporated in Singapore on 30 April 2003 and an indirect wholly-owned subsidiary of the Company. It is principally engaged in provision of transport and storage services.

Financial information of the Target Company

Set out below are the financial information of the Target Company, as extracted from its unaudited financial statements for the period from 1 January 2022 to 30 June 2022, and audited financial statements for the years ended 31 December 2021 and 2020:

	For the year ended		For the
	31 December		period from
	2020	2021	1 January
	S\$'000	S\$'000	2022 to
	(Audited)	(Audited)	30 June
			2022
			S\$'000
			(Unaudited)
Net assets	1,433	892	739
Loss before tax	285	679	154
Loss after tax	219	476	154

Subject to final audit, the Group is expected to record a gain of approximately S\$11,000 on the Disposal, which is calculated by reference to the unaudited carrying value of the Target Company as at 30 June 2022.

INFORMATION ON THE GROUP, THE COMPANY AS THE VENDOR AND THE PURCHASER

The Group and the Company as the Vendor

The Company is an investment holding company. The Group is principally engaged in offering various transport management services to the logistics industry in Singapore, primarily trucking and hubbing.

The Purchaser

The Purchaser is a merchant. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, the Purchaser is an Independent Third Party.

REASONS FOR THE DISPOSAL AND INTENDED USE OF PROCEEDS

Taking into account of the current financial position and business operation of the Group, the Directors believe that the Disposal represents a good opportunity for the Company to realise the value of the net assets of the Target Company at a reasonable price and the proceeds from the Disposal will enable the Group to re-allocate more financial resources on future potential investment opportunities and/or working capital of the Group.

Having considered the above, the Directors are of the view that the terms of the Agreement are on normal commercial terms that are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

The Company intends to use the net proceeds from the Disposal for general working capital of the Group.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated pursuant to Chapter 19 of the GEM Listing Rules in respect of the transactions contemplated under the Agreement exceeds 5% but is less than 25%, the Disposal therefore constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirement under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agreement”	the sale and purchase agreement dated 13 July 2022 entered into between the Vendor and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“Company”	C&N Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM
“Completion”	the completion of the Disposal under the Agreement
“connected person(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Consideration”	S\$750,000, being the total consideration for the Disposal

“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Sale Shares by the Vendor to the Purchaser
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Independent Third Party”	independent third party who is not connected person of the Company and is independent of and not connected with the Company and Directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Purchaser”	Koh Teck Chuan, a Singapore resident
“Sale Shares”	entire issued share capital of the Target Company
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Nexis Logistics Services Pte Ltd., a limited exempt private company incorporated in Singapore on 30 April 2003 and an indirect wholly-owned subsidiary of the Company as at the date of the Agreement
“S\$”	Singapore dollar(s), the lawful currency of Singapore
“Vendor”/“New Pine”	New Pine Global Limited, a company incorporated in the British Virgin Island with limited liability and a direct wholly-owned subsidiary of the Company as at the date of the Agreement
“%”	per cent

By Order of the Board
C&N Holdings Limited
Chua Kang Lim
Chairman

Hong Kong, 13 July 2022

As at the date of this announcement, the Board comprises Mr. Chua Kang Lim, Ms. Chua Sui Feng and Ms. Fung Mee Kuen as executive Directors and Mr. Cheung Wai Kin, Ms. Lo Suet Lai and Ms. Wong Shuk Yee Camilla as the independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (“GEM”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Company Announcements” page for at least 7 days from the date of its publication and on the website of the Company at www.cnlimited.com.

** For identification purposes only*