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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)

UPDATE ON DISCLOSEABLE TRANSACTION RELATING TO THE PURCHASE OF THE EQUIPMENT

The Board is pleased to announce that, the Subsidiary was notified by DBS that DBS had approved the hire purchase line for the purpose of funding the balance of the purchase price of S\$423,000 for the purchase of the Equipment by the Subsidiary.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Hire Purchase Agreement exceeds 5% but is less than 25%, the hire purchase arrangement including the entering into of the Hire Purchase Agreement 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.

Reference is made to the announcement (the “**Announcement**”) of C&N Holdings Limited (the “**Company**”) dated 21 May 2020 in relation to the purchase of a new Sany brand five layer reach stacker (the “**Equipment**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, the purchase price for the purchase of the Equipment is intended to be funded by the existing bank facility which provides a non-revolving hire purchase line. The Subsidiary was notified by DBS Bank Ltd. (“**DBS**”) that DBS had approved the hire purchase line for funding the balance of the purchase price of S\$423,000 for the purchase of the Equipment by the Subsidiary. DBS will let and the Subsidiary will take on hire the Equipment subject to the terms and conditions of the hire purchase agreement dated 14 July 2020 (the “**Hire Purchase Agreement**”).

THE HIRE PURCHASE AGREEMENT

- Parties: (a) DBS as the owner; and
- (b) the Subsidiary, an indirect wholly-owned subsidiary of the Company, as the hirer.

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

Major terms of the Hire Purchase Agreement

- Goods: The Equipment
- Balance of the purchase price payable: S\$423,000 (equivalent to approximately HK\$2,356,110)
- Term Charges: S\$21,573 (equivalent to approximately HK\$120,162) at a flat rate of 1.70% per annum (equivalent to an effective interest rate of 3.45% per annum)
- Balance of the hire purchase price payable: S\$444,573 (equivalent to approximately HK\$2,476,272), which shall be payable by 36 monthly instalments, commencing from 14 July 2020 and payable on the same day of each succeeding months, of the following amounts:
- (a) S\$12,350 (equivalent to approximately HK\$68,790) each in respect of the first 35 instalments; and
 - (b) S\$12,323 (equivalent to approximately HK\$68,639) in respect of the final instalment.
- Late payment interest: 5% per annum above the average prime rate of DBS, the Overseas-Chinese Banking Corporation Ltd and the United Overseas Bank Ltd or such other rate as DBS may determine from time to time

The payment of the hire purchase price payable will be funded by the internal financial resources and revenue of the Company.

INFORMATION OF DBS

DBS is principally engaged in the provision of banking and related financial service headquartered in Singapore. Its holding company is listed on the Singapore Stock Exchange.

REASONS FOR AND BENEFITS OF THE HIRE PURCHASE ARRANGEMENT

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 Board considers that the hire purchase arrangement would enable the Group to finance the purchase of the Equipment at a reasonable interest rate for handling containers of the Group's hubbing business and improve the operation sufficiency of the Group. The Directors consider that the hire purchase arrangement including the entering into of the Hire Purchase Agreement and the terms thereof is (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 Hire Purchase Agreement exceeds 5% but is less than 25%, the hire purchase arrangement including the entering into of the Hire Purchase Agreement 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.

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

Hong Kong, 15 July 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\$5.57. 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*