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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



THE PLACING AGREEMENT

After trading hours on 4 June 2021, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Company has appointed the Placing Agent to procure, on a best efforts basis, Placeses to subscribe for up to 128,000,000 Placing Shares at a price of HK\$0.118 per Placing Share.

The maximum number of 128,000,000 Placing Shares represent (i) 20% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$1,280,000.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$15.1 million and the net proceeds will be approximately HK\$14.6 million. It is intended that the net proceeds from the Placing will be utilised as general working capital of the Group.

* For identification purposes only

The Placing Price of HK\$0.118 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent and represents (i) a discount of approximately 18.6% to the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on 4 June 2021, being the date of the Placing Agreement; and (ii) a discount of approximately 8.1% to the average closing price of HK\$0.1284 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Placing Agreement.

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM held on 29 June 2020. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING AGREEMENTS

Date : 4 June 2021 (after trading hours)

Issuer : the Company

Placing Agent : Sorrento Securities Limited

The Placing Agent has conditionally agreed to procure, on a best efforts basis, Places to subscribe for up to 128,000,000 Placing Shares. The Placing Agent may carry out the Placing itself and/or through the agency of such other agents as the Placing Agent may agree with the Company. The Placing Agent will receive a placing commission of 3.0% of the aggregate Placing Price for the Placing Shares placed by the Placing Agent pursuant to its obligations under the Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

Placees

The Placing Shares are to be placed on a best efforts basis to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties. The Placing Agent will use its reasonable endeavours to ensure that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the GEM Listing Rules) of the Company.

Placing Price

The Placing Price of HK\$0.118 per Placing Share represents:

- (a) a discount of approximately 18.6% to the closing price of HK\$0.145 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (b) a discount of approximately 8.1% to the average of the closing prices of approximately HK\$0.1284 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiation between the Company and the Placing Agent with reference to the prevailing market prices of the Shares. The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Shares

The maximum number of 128,000,000 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The maximum aggregate nominal value of the Placing Shares under the Placing will be HK\$1,280,000.

Ranking

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Condition of the Placing

Completion of the Placing is conditional upon the GEM Listing Committee of the Stock Exchange agreeing to grant a listing of, and permission to deal in, the Placing Shares.

If the above condition is not satisfied on or before the Long Stop Date, all rights, obligations and liabilities of the Placing Agent and the Company under the Placing Agreement in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach and/or any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

Completion

Completion of the Placing shall take place on the third Business Day following the day on which the above condition is satisfied (or such later date as may be agreed between the Company and the Placing Agent).

Termination

The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if:

- (i) any Specified Event comes to the notice of the Placing Agent; or
- (ii) there develops, occurs or comes into force:
 - (a) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the reasonable opinion of the Placing Agent and in its reasonable discretion may materially and adversely affect the business or financial condition or prospects of the Company as a whole; or
 - (b) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date hereof) of a political, military, economic or other nature (whether or not ejusdem generis with the foregoing) which, in the reasonable opinion of the Placing Agent and in its reasonable discretion will, or may be expected to, have a material adverse effect on the Placing; or
 - (c) any significant change (whether or not permanent) in local, regional, national or international market conditions (or in conditions affecting a sector of the market) which in the reasonable opinion of the Placing Agent and in its reasonable discretion has or may have a material adverse effect on the Placing; or
- (iii) there is any adverse change in the business or in the financial or trading position of the Company taken as a whole which being unaware of by the Placing Agent and in its reasonable discretion is a material adverse effect on the Placing.

Upon termination of the Placing Agreement as described above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

Since completion of the Placing is subject to the fulfilment of the condition as set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the AGM. Under the General Mandate, the Company is authorised to allot and issue up to 128,000,000 Shares until the revocation, variation or expiration of the General Mandate. The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate as at the date of this announcement. The allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Application will be made to the GEM Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company is a company principally engaged in the providing transport and storage services to the logistics industry. The Company offers trucking and distribution services to customers. Trucking services refer to the delivery of cargo, primarily containers, from customers' designated pick up point to their designated delivery points. Distribution service refer to the handling and storage of laden and empty containers at company's logistics yard or any other locations designated by customers. The Company's customers are mainly logistics service providers along the supply chain in Singapore.

The gross proceeds and net proceeds from the Placing will be approximately HK\$15.1 million and HK\$14.6 million respectively, which will be used for general working capital of the Group.

The Directors consider that the Placing will also provide an opportunity to raise further capital for the Company whilst broadening the shareholder base and the capital base of the Company.

The Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any fund raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the shareholding structure of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing) are set out below:

	As at the date of this announcement		Immediately after completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company before the completion of the Placing)	
	<i>Number of Shares</i>	<i>Approx.% (note 2)</i>	<i>Number of Shares</i>	<i>Approx.% (note 2)</i>
Dai Wangfei	79,000,000	12.34%	79,000,000	10.29%
Ventris Global Limited (<i>note 1</i>)	58,205,000	9.09%	58,205,000	7.58%
Places	—	—	128,000,000	16.67%
Other Public Shareholders	502,795,000	78.56%	502,795,000	65.47%
Total	<u>640,000,000</u>	<u>100%</u>	<u>768,000,000</u>	<u>100%</u>

Notes:

- As at the date of this announcement, Ventris Global Limited is wholly owned by Chua Kang Lim.
- The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“AGM”	the annual general meeting of the Company held on 29 June 2020 at which, among other things, the General Mandate was granted to the Directors
“associates”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
“Company”	C&N Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (stock code: 8430)
“Completion Date”	the third Business Day following the day on which the condition set out in the Placing Agreement is satisfied (or such later date as maybe agreed between the Company and the Placing Agent)
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or grant additional 128,000,000 new Shares, representing 20% of the number of issued Shares as at the date of the AGM

“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons or their respective associates
“Long Stop Date”	25 June 2021 or such later date as the Company and the Placing Agent may agree in writing
“Placees”	any person or entity procured by the Placing Agent or its agent(s) to subscribe for any Placing Share
“Placing”	the proposed offer by way of private placing of the Placing Shares by or through the Placing Agent to the Placee(s), on a best endeavour basis, on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Sorrento Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 4 June 2021 in relation to the Placing under the General Mandate
“Placing Price”	HK\$0.118 per Placing Share
“Placing Shares”	a maximum of 128,000,000 new Shares to be placed pursuant to the Placing Agreement and each a “Placing Share”
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Specified Event”	an event occurring or matter arising on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the undertakings, warranties and representations contained in the Placing Agreement untrue or incorrect and such would have an adverse impact or effect on the Placing
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 4 June 2021

As at the date hereof, 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 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 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.