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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)

RESULTS OF THE RIGHTS ISSUE AND ADJUSTMENTS TO THE SHARE OPTIONS

Reference is made to the prospectus of C&N Holdings Limited (the “**Company**”) dated 17 January 2023 (the “**Prospectus**”), 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 (the “**Announcements**”) in relation to the Rights Issue. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcements, a total of twelve valid applications and acceptances under the PAL in respect of a total of 55,193,873 Rights Shares had been received, representing approximately 44.1% of the total number of the Rights Shares available for subscription under the Rights Issue. There will be no fractional entitlements to the Rights Shares arising under the Rights Issue. Based on the subscription results, the Rights Issue was undersubscribed by 69,932,527 Rights Shares, representing approximately 55.9% of the total number of the Rights Shares available for subscription under the Rights Issue.

As at the Record Date, there was no Excluded Shareholders. As such, the number of the ES Unsold Rights Shares is nil.

PLACING ARRANGEMENT OF THE UNSUBSCRIBED RIGHTS SHARES AND ES UNSOLD RIGHTS SHARES AND COMPENSATORY ARRANGEMENTS

As disclosed in the Announcements, the 69,932,527 Unsubscribed Rights Shares (the “**Placing Shares**”), representing approximately 55.9% of the total number of the Rights Shares available for subscription under the Rights Issue, were subject to the Placing Arrangement.

The Board is pleased to announce that all the Placing Shares, representing 41.92% of the Company’s issued Shares immediately upon completion of the Rights Issue, had been successfully placed to not less than six Places at the placing price of HK\$0.26 per Placing Share, representing nil premium over the Subscription Price. Accordingly, the amount of the

Net Gain per Unsubscribed Rights Share and the ES Unsold Rights Share under the Compensatory Arrangements is nil and no Net Gain were realised and to be received by any No Action Shareholder and Excluded Shareholder on Friday, 17 March 2023.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owners, is independent of and not connected with the Company and its connected persons and not a connected person of the Company; and (ii) none of the Placees has become a Substantial Shareholder upon completion of the Placing Arrangement.

THE PLACING BECOMING UNCONDITIONAL

All conditions with respect to the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares set out in the Prospectus have been fulfilled and the placing of the Unsubscribed Rights Shares and ES Unsold Rights Shares became unconditional at 6:00 p.m. on Thursday, 16 February 2023. The gross proceeds raised from the Rights Issue (including the Placing Arrangement) are approximately HK\$32.5 million before expenses.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDINGS IN THE COMPANY

Set out below is the shareholding structure of the Company immediately before and after completion of the Rights Issue.

Shareholders	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approx. %</i>	<i>Number of Shares</i>	<i>Approx. %</i>
Mr. Chua Kang Lim (<i>note ii</i>)	3,230,250	7.74%	3,230,250	1.94%
Wang Hufei	10,471,750	25.11%	10,471,750	6.28%
Public Shareholders	28,006,800	67.15%	83,200,673	49.86%
Independent Placees	—	0.00%	69,932,527	41.92%
	<u>41,708,800</u>	<u>100.00%</u>	<u>166,835,200</u>	<u>100.00%</u>

Notes:

- (i) 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.
- (ii) 2,910,250 shares are held by Ventris Global Limited. The entire issued share capital of Ventris Global Limited is legally and beneficially owned by Mr. Chua Kang Lim.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates in respect of valid acceptance of the Rights Shares under the PAL and the Placing Shares are expected to be despatched to those entitled thereto by ordinary post to their respective registered address at their own risks on Thursday, 23 February 2023.

COMMENCEMENT OF DEALINGS OF THE RIGHTS SHARES IN FULLY-PAID FORM

Dealings in the Rights Shares, in their fully-paid form, and the Placing Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Friday, 24 February 2023.

ADJUSTMENTS TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

Pursuant to the terms of the Share Option Scheme, adjustments may be required to be made to the exercise prices of and/or the number of the Shares falling to be issued upon exercise of the outstanding Share Options granted by the Company under the Share Option Scheme respectively as a result of the Rights Issue.

Date of grant	Immediately prior to the adjustments as a result of completion of the Rights Issue		Immediately after the adjustments as a result of completion of the Rights Issue	
	<i>Number of Shares falling to be issued upon exercise of the Outstanding Share Options</i>	<i>Exercise price per Share (HK\$)</i>	<i>Adjusted number of Shares falling to be issued upon exercise of the Outstanding Share Options</i>	<i>Exercise price per Share (HK\$)</i>
21 May 2021	2,560,000	5.700	2,669,194	5.467
20 January 2022	<u>1,171,200</u>	<u>2.112</u>	<u>1,221,156</u>	<u>2.026</u>

Save for the above adjustments, all other terms and conditions of the outstanding Share Options remain unchanged.

McMillan Woods (Hong Kong) CPA Limited, the auditor of the Company, has confirmed to the Directors in writing that the calculations with respect to the above adjustments are in compliance with (i) the terms of the Share Option Scheme; (ii) the requirements set out in Rule 23.03(13) of the GEM Listing Rules; and (iii) the supplementary guideline regarding the adjustments to share options issued by the Stock Exchange on 5 September 2005.

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

Hong Kong, 22 February 2023

As at the date of this announcement, the Board comprises Mr. Chua Kang Lim and Ms. Fung Mee Kuen as executive Directors; and Mr. Cheung Wai Kin, Ms. Lo Suet Lai, and Ms. Wong Shuk Yee Camilla as 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 HKEX website at www.hkexnews.hk 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.

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