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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 IN RELATION TO THE LICENSE AGREEMENT FOR LEASING OF LAND PARCEL LOT

The Board is pleased to announce that on 16 June 2022, CA Transportation, a wholly-owned subsidiary of the Company, has entered into the license agreement (the “**License Agreement**”) in respect of the lease of the Land Parcel Lot for the period from 10 June 2022 to 9 June 2025 (both days inclusive).

Upon implementation of HKFRS 16 effective from 1 January 2019, if the Group enters into lease transaction as a lessee, it should recognise the right-of-use asset in the consolidated financial statements of the Company.

Accordingly, entering into lease transactions by the Group as lessee will be regarded as acquisition of assets under the definition of transaction set out in Rule 19.04(1)(a) of the Listing Rules, and will constitute notifiable transactions for the Company under the GEM Listing Rules depending on the size of the lease transactions.

As the applicable percentage ratios (as defined under Rule 19.04(9) of the GEM Listing Rules) for the transactions contemplated under the Lease Arrangement in aggregate exceed 5% and below 25%, such transactions constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 16 June 2022, CA Transportation, a wholly-owned subsidiary of the Company, has entered into the License Agreement in respect of the lease of the Land Parcel Lot for the period from 10 June 2022 to 9 June 2025 (both days inclusive) (the “**Lease Arrangement**”).

THE LEASE ARRANGEMENT

Set out below is a summary of the principal terms of the Lease Arrangement:

Date	16 June 2022
Parties	(a) CA Transportation as lessee; and (b) the Landlord, as lessor To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.
Location	JR6221, MK07-4690C, Benoi Sector, Singapore
Use of the Land Parcel Lot	For business purposes which approved by the Landlord and for no other purpose whatsoever.
Term	Three years commencing from 10 June 2022 to 9 June 2025 (both days inclusive).
Rental payment	The total rent payable over the lease term by CA Transportation to the Landlord under the Lease Arrangement shall be approximately S\$1.8 million.
Deposit	The deposit payable by CA Transportation is approximately S\$150,000.

The rent under the Lease Arrangement was determined by the Company after taking in to consideration various factors including the current and future business prospect and the prevailing market price for comparable premises in the vicinity of the Land Parcel Lot.

CONSIDERATION AND RIGHT-OF-USE ASSET OFFER

Pursuant to the HKFRS 16 “Leases”, the total consideration under the letters of offer represents the aggregate amount of rental payments to be made over the term of the letters of offer measured at present value basis. The considerations and right-of-use assets recognised under Lease Arrangement were approximately S\$1.7 million. The amounts of rental payments over the term will be settled by the internal financial resources of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE ARRANGEMENT

The Land Parcel Lot will be occupied by the Group for its container hubbing business, the Directors consider that the Land Parcel Lot would be sufficient for the Group’s operation needs and facilitate the future expansion and growth of the businesses.

Entering into of the Lease Arrangement is necessary and is in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Lease Arrangement are fair and reasonable and entering into the Lease Arrangement is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

CA Transportation is a company established in Singapore with limited liability. It is a wholly-owned subsidiary of the Company and is mainly engaged in trucking and hubbing services.

The Landlord is statutory board of the Government of Singapore under the Ministry of Trade and Industry. To the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, the Landlord and its ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE LISTING RULES

Upon implementation of HKFRS 16 effective from 1 January 2019, if the Group enters into lease transaction as a lessee, it should recognise the right-of-use asset in the consolidated financial statements of the Company.

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DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Company”	C&N Holdings Limited, a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Independent Third Party(ies)”	to the best of the directors’ knowledge, information and belief having made all reasonable enquiry, the Landlord and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landlord”	The Jurong Town Corporation, statutory board of the Government of Singapore under the Ministry of Trade and Industry
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Land Parcel Lot”	JR6221, MK07-4690C, Benoi Sector, Singapore
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“HK\$” Hong Kong dollar(s), the lawful currency of Hong Kong

“S\$” Singapore dollar(s), the lawful currency of Singapore

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

Hong Kong, 17 June 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. Wong Shuk Yee Camilla, and Ms. Lo Suet Lai 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 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.

* *For identification purposes only*