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Chuan Holdings Limited

川 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1420)

(1) CHANGE IN COMPOSITION OF NOMINATION COMMITTEE (2) PROPOSED CHANGE OF AUDITOR

The Board announces that:

1. Mr. Lim Kui Teng will retire as the chairman of the Nomination Committee with effect from 19 April 2021, and will continue to be an executive Director and a member of the Remuneration Committee, following which, Mr. Phang Yew Kiat, a non-executive Director and the chairman of the Board, has been appointed as the chairman of the Nomination Committee with effect from 19 April 2021; and
2. Considering that it is a good corporate governance practice to review the audit arrangement after an appropriate period of time, since BDO been acting as the Company's auditor continuously for five years, with the recommendation of the Audit Committee, the Board has resolved to change the auditor. BDO will retire as the auditor of the Company upon expiration of its current term of office and will not seek for re-appointment as auditor of the Company at the forthcoming AGM. The Board, with the recommendation of the Audit Committee, proposes to appoint Ernst & Young LLP as the new auditor of the Company for the financial year ending 31 December 2021 following the retirement of BDO and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the forthcoming AGM.

* For identification purposes only

This announcement is made by Chuan Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.51(2) and 13.51(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company announces that:

(1) CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE OF THE BOARD

Mr. Lim Kui Teng (“**Mr. Lim**”) will retire as the chairman of the nomination committee of the Board (the “**Nomination Committee**”) with effect from 19 April 2021, in order to focus on the Group’s overall management, strategic planning and business development. Mr. Lim will continue to be an executive Director and a member of the remuneration committee of the Board (the “**Remuneration Committee**”) after his retirement as the chairman of the Nomination Committee.

Mr. Lim has confirmed that he has no disagreement with the Board and there is no matter that needs to be brought to the attention of the shareholders of the Company (the “**Shareholders**”) in connection with his retirement as the chairman of the Nomination Committee.

The Board, with the recommendation of the Nomination Committee, has resolved to appoint Mr. Phang Yew Kiat (“**Mr. Phang**”), a non-executive Director and the chairman of the Board, to be the chairman of the Nomination Committee with effect from 19 April 2021.

Biographical details of Mr. Phang are set out as follows:

Mr. Phang Yew Kiat, aged 52, was re-designated as a non-executive Director and was appointed as the chairman of the Board on 16 October 2020. Prior to his re-designation, he was an independent non-executive Director, the chairman of the Remuneration Committee, a member of the audit committee of the Board (the “**Audit Committee**”) and a member of the Nomination Committee from 10 May 2016 to 16 October 2020. On 19 April 2021, Mr. Phang was appointed as the chairman of the Nomination Committee. Mr. Phang is responsible for overseeing the functioning of the Board, establishing goals for management and reviewing their performance, and ensuring that good corporate governance practices and procedures are established.

Mr. Phang has over 20 years of experience in banking managerial roles. He began his career with Standard Chartered Bank (“**SCB**”) in 1994 and over his 20 years career in banking and managerial roles, he held various management roles across SCB’s corporate and consumer banking businesses, and the appointment as chief financial officer and general manager for small medium enterprises in Indonesia, Singapore and Malaysia. In 2005, Mr. Phang was seconded to China to build a brand new national joint-stock bank in Tianjin, China Bohai Bank, and he served as an executive director and the deputy chief executive officer with full responsibilities for the consumer banking business. Since July 2016, Mr. Phang has been a co-founder, the chairman and a non-executive director of Acore Capital Investments, a Monetary Authority of Singapore Capital Market Services licensed company. Mr. Phang is a member to United Nation – Economic and Social Commission for Asia and the Pacific (ESCAP) Business Advisory Council.

From July 2014 to April 2020, Mr. Phang was an executive director, the vice chairman and the chief executive officer of Chong Sing Holdings FinTech Group Limited (“**Chong Sing**”) (Stock Code: 8207), a company previously listed on GEM of The Stock Exchange of Hong Kong Limited before 30 November 2020. Chong Sing is currently in official liquidation. Chong Sing is a company incorporated in the Cayman Islands and its principal businesses before liquidation were the provision of traditional financing services and related financing consultancy services including entrusted loan service, real estate-backed loan services, pawn loan services, other loan services and microfinance loan services, and internet financing services including third party payment services, online investment and technology-enabled lending services and related activities on loan portfolio management, as well as the provision of social gaming services, IT solution services, and exhibition services. On 19 June 2020, a winding-up petition was filed against Chong Sing for its failure to settle an indebted sum of HK\$500,000,000 plus accrued default interest up to 2 June 2020 of HK\$74,716,574.78. Chong Sing was insolvent and unable to pay its debts and was ordered to be wound up by the Grand Court of the Cayman Islands on 14 September 2020. Mr. Phang confirmed that (i) he has resigned as an executive director, the vice chairman and the chief executive officer of Chong Sing before the filing of the winding-up petition; (ii) he is not a party of such winding up proceedings; (iii) there is no wrongful act on his part leading to the liquidation of Chong Sing; and (iv) he is not aware of any actual or potential claim that has been or will be made against him as a result of the liquidation of Chong Sing. To the best of the Directors’ knowledge, information and belief having made reasonable enquiries, there was no judgment or findings of fraud, dishonesty, any misconduct or wrongful act on the part of Mr. Phang involved in the liquidation of Chong Sing.

Mr. Phang graduated in July 1993 from the faculty of technology of the University of Manchester with a Bachelor's degree of Engineering in Microelectronic Systems Engineering. He also received a Master's degree in Business and Administration in International Business in June 1995 from the University of Bristol.

As an independent non-executive Director, Mr. Phang has previously entered into a renewed letter of appointment with the Company for a term of three years commencing from 8 June 2019 and may be terminated by either party by giving at least three months' notice in writing. Further to Mr. Phang's re-designation from an independent non-executive Director to a non-executive Director and appointment as a chairman of the Board on 16 October 2020, Mr. Phang entered into a new letter of appointment with the Company for a term of three years commencing from 16 October 2020 which may be terminated by either party by giving no less than three calendar months' notice in writing. Pursuant to the new letter of appointment, Mr. Phang has agreed to take up the role as a non-executive Director and the chairman of the Board with a nominal Director's fee of HK\$1 per annum, and he will be granted 3% of the Company's employee share options during his three years term of appointment pursuant to such terms as shall be determined by the Remuneration Committee with reference to his duties and responsibilities within the Company and the prevailing market conditions, subject to review by the Board and the Remuneration Committee from time to time. Mr. Phang's compensation has been recommended by the Remuneration Committee and approved by the Board. He is also subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company. The previous director's fees of Mr. Phang as an independent non-executive Director was S\$27,600 per annum (equivalent to approximately HK\$157,714.00).

As at the date of this announcement, Mr. Phang held share options under the share option scheme of the Company to subscribe for 10,364,000 ordinary shares in the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (the “SFO”). Save as disclosed above, (i) Mr. Phang does not hold any other position with the Company or its subsidiaries nor have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company; (ii) Mr. Phang has not held any directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three (3) years; and (iii) Mr. Phang does not have any interest or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above, there are no other matters relating to Mr. Phang’s appointment as the chairman of the Nomination Committee that need to be brought to the attention of the Shareholders nor any information to be disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules. The Board would like to take this opportunity to express its welcome to Mr. Phang for taking up the new position within the Board.

(2) PROPOSED CHANGE OF AUDITOR

BDO Limited (“BDO”) will retire as the auditor of the Company upon expiration of its current term of office and will not seek for re-appointment as auditor of the Company at the forthcoming annual general meeting of the Company to be held on Monday, 24 May 2021 (the “AGM”).

BDO has been the auditor of the Company continuously for five years. The Board and the Audit Committee consider that changing the auditor of the Company after an appropriate period of time is a good corporate governance practice to ensure independence of the auditor. In this regard, the Board, with the recommendation of the Audit Committee, has resolved to change the auditor of the Company and proposed to appoint Ernst & Young LLP as the new auditor of the Company for the financial year ending 31 December 2021 following the retirement of BDO and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the forthcoming AGM.

The Board and the Audit Committee confirmed that to the best of their understanding and knowledge, there are no matters regarding the retirement of BDO which need to be brought to the attention of the holders of securities of the Company. BDO has confirmed in writing that there were no matters relating to its retirement as the auditor of the Company that need to be brought to the attention of the holders of securities of the Company.

The Board would like to express its sincere gratitude to BDO for its professional and quality services rendered to the Company in the past years.

The proposed change of auditor is subject to the approval of the Shareholders at the forthcoming AGM. A circular containing, among other things, further details of the proposed change of auditor of the Company, together with a notice of the AGM, will be dispatched to the Shareholders in due course.

By order of the Board
Chuan Holdings Limited
Phang Yew Kiat
Chairman and Non-executive Director

Hong Kong, 19 April 2021

As at the date of this announcement, the Board comprises Mr. Lim Kui Teng, Mr. Quek Sze Whye, Mr. Bijay Joseph and Mr. Lau Yan Hong as executive Directors; Mr. Phang Yew Kiat as non-executive Director; and Mr. Chan Po Siu, Mr. Wee Hian Eng Cyrus and Mr. Xu Fenglei as independent non-executive Directors.