# Chuan Holdings Limited
# 川控股有限公司*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1420)**

# PROFIT WARNING FOR THE SIX MONTHS ENDED 30 JUNE 2017

The announcement is made by Chuan Holdings Limited (the "**Company**", together with its subsidiaries, collectively the "**Group**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "**SFO**").

The board of directors of the Company (the "**Board**") wishes to inform potential investors and shareholders of the Company (the "**Shareholders**") that, based on a preliminary review on the unaudited management accounts of the Group and information currently available to the Board, the Group is expected to record significant decreases in gross profit and net profit for the six months ended 30 June 2017 (the "**Interim Period**") as compared to that of the six months ended 30 June 2016.

The decreases were mainly attributable to:

1. impact of year 2016 downturn of Singapore economy carrying forward to first half of year 2017 that the Company had to adopt a more aggressive pricing strategy in securing new contracts;

2. following the completion of a major private industrial building general construction project in year 2016, there was no general construction project with high contract value awarded to the Company, resulting in a substantial decrease in the revenue and gross profit in this segment; and

3. a higher than proportionate increase in direct cost attributable to earthworks and related services segment.

Nevertheless, the Board is of the view that the financial position of the Group remains sound.

As the Company is still in the process of finalising the unaudited interim results of the Group for the Interim Period, the information contained in this announcement is only based on the preliminary assessment by the management of the Company with reference to the unaudited management accounts of the Group, which have not been confirmed, reviewed or audited by the Company's auditors or audit committee of the Company and may be subject to adjustment. Detailed financial information of the Group will be disclosed in the interim results announcement of the Group for the six months ended 30 June 2017 which is expected to be published on 30 August 2017.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board
**Chuan Holdings Limited**
**Lim Kui Teng**
*Chairman and Executive Director*

Hong Kong, 28 August 2017

*As at the date of this announcement, the Board comprises Mr. Lim Kui Teng, Mr. Quek Sze Whye, Mr. Bijay Joseph, Mr. Lau Yan Hong and Mr. Wong Kee Chung as executive Directors; and Mr. Chow Wing Tung, Mr. Phang Yew Kiat and Mr. Lee Teck Leng as independent non-executive Directors.*