Chuan Holdings Limited

川控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1420)

PROFIT WARNING

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

The board of directors of the Company (the "**Board**") wishes to inform potential investors and shareholders of the Company that, based on the preliminary and assessment of the information, the Group expected to have a decrease in revenue and profit for the year ended 31 December 2017 as compared to the audited result for the year ended 31 December 2016. This was mainly due to (i) reduced revenue in the general construction sector, as the contract amount of the new awarded projects in 2017 were significantly lower than 2016 and most of the revenue of large general construction projects have been recognized in 2016; (ii) under keen market competition, Company needs to lower the gross profit margin to secure new general construction projects; and (iii) increase in direct cost of the earthwork segment due to diesel price hike in 2017 as compared to 2016 has resulted in the slight decrease of profit in this segment.

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

* *For identification purposes only*

Investors and shareholders of the Company are advised to note that the information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available, unaudited consolidated management accounts of the Group and that the actual results for the Group may be different from what is disclosed in this announcement. The final results for the year ended 31 December 2017 have not been finalized as at the date of this announcement. The results announcement of the Company for the year ended 31 December 2017 is expected to be released in 28 March 2018. Shareholders and investors are advised to refer to the results announcement carefully when it is issued.

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

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

Hong Kong, 21 March 2018

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. Lee Cheung Yuet Horace, Mr. Phang Yew Kiat and Mr. Ng Ka Lok as independent non-executive Directors.