Chuan Holdings Limited
川控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1420)

INSIDE INFORMATION
PROFIT WARNING

This announcement is made by Chuan Holdings Limited (the "**Company**", and 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 (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on preliminary assessment of the unaudited consolidated management accounts of the Group, the Group is expected to record a significant decrease in its consolidated profit attributable to owners of the Company for the year ended 31 December 2018 as compared to the consolidated net profit for the year ended 31 December 2017 of approximately S$5.6 million. Based on the information currently available to the Board, such significant decrease in the consolidated profit was mainly attributable to:

(i) the intense competition in Singapore construction market resulted in the Group's strategy to lower the bid price to secure new projects;

(ii) the increase in diesel cost in 2018 as compared to 2017; and

(iii) the increase in tax expense due to the expiry of Productivity and Innovation Credit Scheme in 2017 as the machineries purchased by the Group could no longer entitle enhanced tax reduction.

* *For identification purposes only*

Notwithstanding the above, the Group's financial position remains healthy with cash and cash equivalents of approximately S$36.7 million as at 31 December 2018. The Group is also pleased to inform that two particularly sizable projects with total contract values of approximately S$37.8 million have been successfully secured in late 2018.

The Company is in the process of finalising the Group's audited financial results for the financial year ended 31 December 2018. The information contained in this announcement is only based on a preliminary assessment made by the Board on the unaudited consolidated management accounts of the Group, and such information has not been audited by the Company's independent auditor. Shareholders of the Company and potential investors are advised to refer to the details of the Group's financial results for the financial year ended 31 December 2018 which is expected to be released on 28 March 2019.

Shareholders of the Company 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, 26 March 2019

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.