Chuan Holdings Limited
川控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1420)

POSITIVE PROFIT ALERT FOR THE SIX MONTHS ENDED 30 JUNE 2021

This announcement is made by Chuan Holdings Limited (the "**Company**", together with its subsidiaries, 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 board of directors of the Company (the "**Board**") wishes to inform the shareholders and potential investors of the Group that, based on its preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2021 (the "**Interim Period**"), the Group is expected to record a net profit of approximately S$422,000 for the Interim Period, representing a substantial improvement of 105.9% increase as compared to the net loss of approximately S$7.2 million for the corresponding period last year. Based on the information currently available to the Board, the turnaround from loss to profit was mainly attributable to the following combining factors:

(i) the increase in revenue of the Group by approximately S$8.9 million or 27.2% due to the phased resumption of construction activities following the lift of circuit breaker measures imposed by the Singapore government;

* *For identification purposes only*

(ii) the Singapore government grant of S$810,000 to alleviate the financial burden during the COVID-19 pandemic; and

(iii) the reversal of impairment losses on receivables and contract assets recognised as at 31 December 2020 due to bad debts recovered by the Group during the Interim Period.

As the Group's unaudited interim results for the Interim Period has not yet been finalised, the information contained in this announcement is based on information that is currently available and the preliminary unaudited consolidated management accounts of the Group which have not yet been confirmed, reviewed or audited by the auditor or audit committee of the Company and may be subject to adjustment.

The unaudited interim results of the Group for the Interim Period are expected to be published on 30 August 2021.

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

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

Hong Kong, 20 August 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.