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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)

DISCLOSEABLE TRANSACTION TERMINATION OF INVESTMENT AGREEMENT

Reference is made to the announcement of Chuan Holdings Limited (the “**Company**”) dated 14 May 2021 (the “**Announcement**”) in relation to, among others, an investment agreement (the “**JVA East Coast Investment Agreement**”) entered into between Chuan Lim Construction Pte. Ltd. (“**Chuan Lim**”), an indirect wholly-owned subsidiary of the Company, and JVA East Coast Pte. Ltd. (“**JVA East Coast**”) relating to a project to redevelop and construct a piece of land at 10 Grove Crescent, Singapore 279152 (the “**Property**”) into four units of terrace landed house and their subsequent sale (the “**JVA East Coast Project**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Pursuant to the JVA East Coast Investment Agreement, Chuan Lim invested a sum of S\$800,000 (the “**Investment Sum**”) in the JVA East Coast Project, representing 10% of the total investment budget thereof, and JVA East Coast shall be solely responsible for, among others, the management of the Investment Sum and the management, re-development, construction and subsequent sale of the Property. The investment return of Chuan Lim shall be the higher of (i) 10% of the total profit before tax of the JVA East Coast Project; or (ii) a minimum annual investment return of 3% of Chuan Lim’s actual cash contribution under the JVA East Coast Investment Agreement during the investment period from 1 June 2021 to 31 May 2024.

* *For identification purposes only*

Given that JVA East Coast could not obtain the necessary governmental approval to carry out the JVA East Coast Project, on 19 July 2022, after arm's length negotiations between Chuan Lim and JVA East Coast, both parties entered into an investment settlement letter, whereby Chuan Lim and JVA East Coast agreed that upon JVA East Coast's settlement of a total sum of S\$910,000 (the "**Settlement Sum**"), being the refund of the Investment Sum plus a sum of S\$110,000 (representing 10% of the estimated gross profit before tax on sale of the Property) being the mutually agreed full and final investment return of Chuan Lim in the JVA East Coast Project for the period from 1 June 2021 to 30 June 2022, the JVA East Coast Investment Agreement shall be terminated and the parties thereto shall be released and discharged from any further obligations or liabilities thereunder. Chuan Lim had received a payment cheque of the Settlement Sum.

The Board considers that the termination of the JVA East Coast Investment Agreement has no material adverse impact on the business, operation or financial position of the Group.

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

Hong Kong, 19 July 2022

As at the date of this announcement, the Board comprises Mr. Lim Kui Teng and Mr. Bijay Joseph as executive Directors; Mr. Phang Yew Kiat as non-executive Director; and Mr. Wee Hian Eng Cyrus, Mr. Wong Ka Bo Jimmy and Mr. Xu Fenglei as independent non-executive Directors.