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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)

**(1) RE-DESIGNATION OF NON-EXECUTIVE DIRECTOR TO
EXECUTIVE DIRECTOR;
AND
(2) CONNECTED TRANSACTION
IN RELATION TO
ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE**

**RE-DESIGNATION OF NON-EXECUTIVE DIRECTOR TO
EXECUTIVE DIRECTOR**

The Board is pleased to announce that Mr. Phang will be re-designated from a non-executive Director to an executive Director with effect from 1 January 2024. Mr. Phang will be the executive chairman of the Board and continue to act as the chairman of the Nomination Committee.

ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 17 November 2023 (after trading hours), the Company and Mr. Phang entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Phang has conditionally agreed to subscribe for, 207,291,200 new Shares at the Subscription Price of HK\$0.074 per Subscription Share for a total consideration of HK\$15,339,548.80 in cash.

* *For identification purposes only*

As at the date of this announcement, the total number of issued Shares is 1,036,456,000 Share. The Subscription Shares represent (i) 20% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no other changes in the share capital of the Company from the date of this announcement and up to the Completion Date).

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to be granted to the Directors by the Independent Shareholders at the EGM.

Application for Listing

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Listing Rules Implications

As at the date of this announcement, Mr. Phang is a non-executive Director and therefore, a connected person of the Company under the Listing Rules. As such, the Subscription constitutes a connected transaction of the Company and is therefore subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Independent Board Committee and Independent Financial Adviser

The Company has established the Independent Board Committee, comprising all three independent non-executive Directors who do not have a material interest in the Subscription, to consider and to advise the Independent Shareholders whether the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how to vote on the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, at the EGM, after taking into account the advice of the Independent Financial Adviser.

Grande Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

General

The EGM will be convened for the purpose of considering and, if thought fit, approving, among others, the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate.

A circular containing, among others, (i) details of the Subscription Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate; (vi) other information as required under the Listing Rules; and (v) a notice of the EGM together with the proxy form for use at the EGM, will be despatched to the Shareholders on or before 8 December 2023.

As the Completion is subject to fulfilment or waiver (if applicable) of the conditions precedent set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

RE-DESIGNATION OF NON-EXECUTIVE DIRECTOR TO EXECUTIVE DIRECTOR

The Board is pleased to announce that Mr. Phang will be re-designated from a non-executive Director to an executive Director with effect from 1 January 2024. Mr. Phang will be the executive chairman of the Board and continue to act as the chairman of the Nomination Committee.

The biographical details of Mr. Phang are set out below:

Mr. Phang Yew Kiat, aged 55, joined the Company as an independent non-executive Director on 10 May 2016 and was re-designated as a non-executive Director and appointed as the chairman of the Board on 16 October 2020. Mr. Phang was also appointed as the chairman of the Nomination Committee on 19 April 2021 and will be re-designated as an executive Director with effect from 1 January 2024. Mr. Phang has over 28 years of experience in banking and managerial roles. He began his career with Standard Chartered Bank in 1994. Over his 28 years career in banking and managerial roles, Mr. Phang held various management roles across Standard Chartered Bank's corporate and consumer banking businesses, and was appointed as the chief financial officer and the general manager for small medium enterprises in Indonesia, Singapore and Malaysia. In 2005, Mr. Phang was seconded to China to build a brand-new national joint-stock commercial bank with its headquarter set up in Tianjin – China Bohai Bank, where he served as an executive director and the deputy chief executive officer with full responsibilities for the consumer banking business. Since July 2016, Mr. Phang has been a co-founder, the chairman and a non-executive director of Acore Capital Investments, a Monetary Authority of Singapore Capital Market Services licensed company. Mr. Phang graduated from the Faculty of Technology of the University of Manchester Institute of Science and Technology in July 1993 with a Bachelor's Degree in Engineering in Microelectronic Systems Engineering. He also obtained a Master's Degree in Business and Administration in International Business from the University of Bristol in June 1995. Mr. Phang was a member to United Nation – Economic and Social Commission for Asia and the Pacific (ESCAP) Business Advisory Council till May 2023.

From July 2014 to April 2020, Mr. Phang was an executive director, the vice chairman and the chief executive officer of Chong Sing. The principal businesses of Chong Sing were the provision of traditional financing services and related financing consultancy services including entrusted loan services, real estate-backed loan services, pawn loan services, other loan services and microfinance loan services, and internet financing services including third party payment services, online investment and technology-enabled lending services and related activities on loan portfolio management, as well as the provision of social gaming services, IT solution services, and exhibition services. On 19 June 2020, after Mr. Phang left Chong Sing, a winding-up petition was filed against Chong Sing for its failure to settle an indebted sum of HK\$500,000,000.00 plus accrued default interest up to 2 June 2020 of HK\$74,716,574.78. Chong Sing was insolvent and unable to pay its debts and was ordered to be wound up by the Grand Court of the Cayman Islands on 14 September 2020. On 13 November 2020, the GEM Listing Committee of the Stock Exchange decided to cancel the listing of the shares of Chong Sing and the shares of Chong Sing were delisted on 30 November 2020. Mr. Phang has confirmed that (i) he had resigned as an executive director, the vice chairman and the chief executive officer of Chong Sing before the filing of the said winding-up petition; (ii) he was not a party of such winding-up proceeding; (iii) there was no wrongful act on his part leading to the liquidation of Chong Sing; and (iv) he is not aware of any actual or potential claim that has been or will be made against him as a result of the liquidation of Chong Sing. To the best of the Directors' knowledge, information and belief having made reasonable enquiries, there is no judgment or finding of fraud, dishonesty or any misconduct or wrongful act on the part of Mr. Phang involved in the liquidation of Chong Sing.

As at the date of this announcement, Mr. Phang has interest in 31,092,000 underlying Shares, representing approximately 3.00% in the issued share capital of the Company, in respect of 31,092,000 Share Options granted to him as beneficial owner.

A new service agreement has been entered into between the Company and Mr. Phang for a term of three years commencing from 1 January 2024, which may be terminated by either party by giving not less than three months' notice in writing and shall be subject to retirement by rotation and re-election at the annual general meeting of the Company at least once every three years in accordance with the Listing Rules and the articles of association of the Company. He is entitled to a basic salary of S\$120,000.00 per annum. The remuneration of Mr. Phang was determined by the Board based on the recommendation of the Remuneration Committee with reference to, among others, Mr. Phang's qualifications and competence, his job responsibilities and involvement with the Group's affairs and the prevailing market conditions.

As at the date of this announcement, save as disclosed above, Mr. Phang has confirmed that he (i) does not hold any other positions with the Company or any member of the Group and does not have any relationship with any Director, senior management of the Company or substantial or controlling Shareholder; (ii) has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this announcement; and (iii) does not have, and is not deemed to have, any other interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

Save as disclosed above, there is no other information in respect of Mr. Phang that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules nor is there any other matters that need to be brought to the attention of the Shareholders in relation to Mr. Phang's re-designation.

The Board would like to extend its warm welcome to Mr. Phang for his new position in the Company.

ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

The Board is pleased to announce that on 17 November 2023 (after trading hours), the Company and Mr. Phang, entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to allot and issue, and Mr. Phang has conditionally agreed to subscribe for, 207,291,200 new Shares at the Subscription Price of HK\$0.074 per Subscription Share for a total consideration of HK\$15,339,548.80 in cash.

The Subscription Agreement

Date

17 November 2023

Parties

- (1) the Company (as issuer); and
- (2) Mr. Phang (as subscriber).

The Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and Mr. Phang has conditionally agreed to subscribe for, 207,291,200 new Shares at the Subscription Price of HK\$0.074 per Subscription Share.

The Subscription Shares

As at the date of this announcement, the total number of issued Shares is 1,036,456,000 Share. The Subscription Shares represent (i) 20% of the existing issued share capital of the Company; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no other changes in the share capital of the Company from the date of this announcement and up to the Completion Date).

The aggregate nominal value of the Subscription Shares will be HK\$2,072,912.00.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the Shares in issue as at the date of the allotment and issue of the Subscription Shares, including the voting rights and the right to receive all dividends and/or distributions made or declared on or after the date of such allotment and issue.

The Subscription Price

The Subscription Price of HK\$0.074 per Subscription Share represents:

- (a) the closing price of HK\$0.074 per Share as quoted on the Stock Exchange on 17 November 2023, being the date of the Subscription Agreement;
- (b) a premium of approximately 0.54% to the average closing price of HK\$0.0736 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the Subscription Agreement;
- (c) a premium of approximately 0.95% to the average closing price of HK\$0.0733 per Share as quoted on the Stock Exchange for the ten trading days immediately preceding the date of the Subscription Agreement;
- (d) a discount of approximately 85.05% to the audited consolidated net asset value per Share as at 31 December 2022 of approximately HK\$0.495 per Share, which is calculated based on the audited consolidated net assets of the Group of approximately S\$88,783,000.00 as at 31 December 2022 as extracted from the annual report of the Group for the financial year ended 31 December 2022 and 1,036,456,000 Shares in issue as at 31 December 2022 (based on the exchange rate of S\$1.00 to HK\$5.78 as at 31 December 2022 for illustration purpose only); and
- (e) a discount of 85.35% to the unaudited consolidated net asset value per Share as at 30 June 2023 of approximately HK\$0.505 per Share, which is calculated based on the unaudited consolidated net assets of the Group of approximately S\$90,549,000.00 as at 30 June 2023 as extracted from the interim report of the Group for the financial period ended 30 June 2023 and 1,036,456,000 Shares in issue as at 30 June 2023 (based on the exchange rate of S\$1.00 to HK\$5.78 as at 30 June 2023 for illustration purpose only).

The Subscription Price was arrived at arm's length negotiations between the Company and Mr. Phang with reference to (i) the recent and historical market prices of the Shares; (ii) the trading volume of the Shares; (iii) the financial position of the Group; and (iv) the prevailing market conditions. The market price of the Share has been trading at significant discount to the net asset value per Share since or about April 2019 and therefore the discount of the Subscription Price to the net asset value per Share is in line with the trend of discount between the market price of the Share and its net asset value.

The Directors (excluding the independent non-executive Directors representing the Independent Board Committee who shall express their view after taking into account the advice of the Independent Financial Adviser and Mr. Phang who has abstained from voting due to his material interests in the Subscription) consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Completion is conditional upon fulfilment of all the following conditions:

- (a) the representations, warranties and undertakings made and given by the Company under the Subscription Agreement being true and accurate in all material aspects and not materially misleading as if the Company had given them on the Completion Date by reference to the facts and circumstances then existing as at the Completion Date;
- (b) the representations, warranties and undertakings made and given by Mr. Phang under the Subscription Agreement being true and accurate in all material aspects and not materially misleading as if Mr. Phang had given them on the Completion Date by reference to the facts and circumstances then existing as at the Completion Date;
- (c) the granting of the approval for the listing of, and permission to deal in, the Subscription Shares by the Listing Committee;
- (d) the passing of the ordinary resolution approving the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, by the Independent Shareholders at the EGM; and

- (e) all other authorisations, approvals, consents, waivers and permits (if any) which are necessary or relevant to give effect to the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, having been granted, received or obtained and not revoked or withdrawn on the Completion Date.

The Company may, at its sole discretion, waive the condition set out in paragraph (b) and Mr. Phang may, at his sole discretion, waive the condition set out in paragraph (a). The conditions set out in paragraphs (c) to (e) cannot be waived.

If any of the conditions set out in paragraphs (a) to (e) is not fulfilled or waived (as the case may be) on or before the Long Stop Date, either the Company or Mr. Phang may by giving written notice to the other party terminate the Subscription Agreement, upon which all the rights and obligations of the Company and Mr. Phang shall cease immediately, save for the then accrued rights and obligations.

Completion

The Completion shall take place on the Completion Date when the Company shall allot and issue the Subscription Shares to Mr. Phang and Mr. Phang shall pay to the Company the total consideration for the Subscription Shares in cash.

Specific Mandate

The Subscription Shares will be allotted and issued under the Specific Mandate to be granted to the Directors by the Independent Shareholders at the EGM.

Application for Listing

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Information of the Group and Mr. Phang

The Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The principal business activity of the Company is investment holding.

The principal activities of the Group are (i) the provision of earthworks and ancillary services, including land clearing, demolition, rock breaking, mass excavation, deep basement excavation, foundation excavation, earth disposal, earth filling and shore protection. Certain earthworks projects may require civil engineering works such as road diversions, road reinstatements, overhead bridge, sewerage, drainage, pipe laying and cable trench works; and (ii) the provision of general construction works, including alteration and addition works, which can be classified into interior works or works affecting building systems, or components such as structural works, additions of lifts and reinforcement works, and the construction of new buildings.

Mr. Phang

Mr. Phang is the chairman of the Board and a non-executive Director. As disclosed in the section headed “RE-DESIGNATION OF NON-EXECUTIVE DIRECTOR TO EXECUTIVE DIRECTOR”, Mr. Phang will be re-designated as an executive Director with effect from 1 January 2024.

As at the date of this announcement, Mr. Phang has interest in 31,092,000 underlying Shares, representing approximately 3.00% in the issued share capital of the Company, in respect of 31,092,000 Share Options granted to him as beneficial owner.

Reasons for and Benefits of the Subscription and Use of Proceeds

The principal activities of the Group comprise the provision of earthworks and ancillary services as well as general construction works, operations of which are mainly carried out by the Company’s subsidiaries in Singapore.

As disclosed in the interim report of the Group for the financial period ended 30 June 2023, Singapore's construction industry is expected to regain its momentum in the medium to long term amid a further pick-up in construction activity propelled by the government's strong pipeline of public housing projects and mega-construction projects. Having been actively capturing business opportunities arising from the resumption of construction activity, the Group secured projects with a combined contract worth exceeding S\$102.4 million for the first half year of 2023, including several mega-projects spanning public infrastructure, residential development and industrial construction. As at the date of this announcement, the Group manages to secure 9 more projects with an estimated contract sum of approximately S\$118 million. In order to support the Group's operations and enable the Group to undertake more projects, the Group has been progressively expanding its production capacity and workforce, including acquisition of construction equipment and machineries (e.g. excavation machines and tipper truckers) and recruitment of more foreign workers. As at the date of this announcement, the Group has a total of 435 foreign workers.

In view of (i) the Group's business scale, strategic development and ongoing projects; (ii) the master lease agreement entered into by the Group for the leasing of, among others, ancillary office, warehouse, workers dormitory and parking spaces for heavy vehicles, shall soon expire on 31 December 2023; (iii) the number of foreign workers who stay at the Group's leased workers dormitory and the dormitories operated by third parties; (iv) supply shortage of foreign workers dormitories which result in surging dormitory costs; (v) the more stringent requirements imposed by the Singapore government on the employers' responsibility to ensure its migrant workers are provided with proper housing; and (vi) the future business opportunities of construction works in Singapore, the Group will continue to strengthen its market presence and competitiveness in the construction industry by increasing its working capital, production capacity and workforce, and to provide sufficient and suitable operation space and housing for its foreign workers, including leasing or acquisition of property.

As disclosed in the section headed "RE-DESIGNATION OF NON-EXECUTIVE DIRECTOR TO EXECUTIVE DIRECTOR", Mr. Phang will be re-designated as an executive Director with effect from 1 January 2024. Taking into account the succession planning of the Board and the Group's commitment to fostering sustainable and enduring future development, the Company accords talent retention the highest priority, and values Mr. Phang's contribution and services to the Group. The Group's management is greatly benefited from Mr. Phang's expertise in corporate governance and strategic management, which ensures the Group can navigate uncertain economic landscape.

The Subscription demonstrates Mr. Phang's confidence and commitment for the Group's long-term development and growth prospect, and further strengthens the capital base of the Company by raising additional funds for the Group's business operations. In light of the prevailing market conditions that the interest rate for debt financing has raised significantly, the Company considers that the Subscription represents a suitable financial option to support the Group's continuous development and business growth, as compared to other means of financing as it enables the Group to raise capital in an efficient manner without increasing interest burden on the Group.

The gross proceeds of the Subscription will be HK\$15,339,548.80. The net proceeds of the Subscription, after the deduction of the related fees and expenses, are estimated to be of approximately HK\$15,000,000.00, representing a net Subscription Price of approximately HK\$0.0724 per Subscription Share. The Company intends to utilise the aforesaid net proceeds for business expansion purpose, including strengthening the Group's working capital for tender for additional sizable projects, purchase of excavation machines and tipper trucks and/or leasing or acquisition of industrial property for the Group's use.

Taking into account of the abovementioned, the Directors (excluding the independent non-executive Directors representing the Independent Board Committee who shall express their view after taking into account the advice of the Independent Financial Adviser and Mr. Phang who has abstained from voting due to his material interests in the Subscription) are of the view that the Subscription (including the terms of the Subscription Agreement) is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Effect on the Shareholding Structure of the Company

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion (assuming there is no other changes in the share capital of the Company from the date of this announcement and up to the Completion Date):

Name of the Shareholder	As at the date of this announcement		Immediately after the Completion	
	<i>Number of Shares</i>	<i>Approximate percentage of the issued Shares</i>	<i>Number of Shares</i>	<i>Approximate percentage of the issued Shares</i>
Mr. Lim Kui Teng (“ Mr. Lim ”) and his associates				
– Mr. Lim	21,380,000	2.06%	21,380,000	1.72%
– Brewster Global Holdings Limited (“ Brewster Global ”) (<i>Note 1</i>)	<u>529,125,000</u>	<u>51.05%</u>	<u>529,125,000</u>	<u>42.54%</u>
Sub-total	<u>550,505,000</u>	<u>53.11%</u>	<u>550,505,000</u>	<u>44.26%</u>
Mr. Phang (<i>Note 2</i>)	–	–	207,291,200	16.67%
Public Shareholders	<u>485,951,000</u>	<u>46.89%</u>	<u>485,951,000</u>	<u>39.07%</u>
Total	<u>1,036,456,000</u>	<u>100.00%</u>	<u>1,243,747,200</u>	<u>100.00%</u>

Notes:

1. The entire issued share capital of Brewster Global is directly held by Mr. Lim, a controlling Shareholder and an executive Director. Accordingly, Mr. Lim is deemed to be interested in the Shares held by Brewster Global under the SFO.
2. Mr. Phang has interest in 31,092,000 underlying Shares in respect of 31,092,000 Share Options granted to him as beneficial owner. For the purpose of this announcement, the above table does not include any underlying Share to be issued under any Share Option.

Equity Fund Raising Activities in the Past 12 Months

The Company has not conducted any equity fund raising activity in the 12 months immediately preceding the date of this announcement.

Listing Rules Implications

As at the date of this announcement, Mr. Phang is a non-executive Director and therefore, a connected person of the Company under the Listing Rules. As such, the Subscription constitutes a connected transaction of the Company and is therefore subject to the reporting, announcement, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Phang, who has material interests in the Subscription, has abstained from voting on the Board resolution approving the Subscription Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the other Directors is regarded as having any material interest in the Subscription and is required to abstain from voting on the Board resolution approving the Subscription Agreement and the transactions contemplated thereunder.

Independent Board Committee and Independent Financial Adviser

The Company has established the Independent Board Committee, comprising all three independent non-executive Directors who do not have a material interest in the Subscription, to consider and to advise the Independent Shareholders whether the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how to vote on the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, at the EGM, after taking into account the advice of the Independent Financial Adviser.

Grande Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

General

The EGM will be convened for the purpose of considering and, if thought fit, approving, among others, the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate.

Any Shareholder who has a material interest in the Subscription and all his/her/its close associates are required to abstain from voting on the resolution approving the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, at the EGM under the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Mr. Phang and his close associates (if they have an existing interest in the Shares), none of the Shareholders has any material interest in the Subscription and is required to abstain from voting on the resolution approving the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate.

A circular containing, among others, (i) details of the Subscription Agreement and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate; (vi) other information as required under the Listing Rules; and (v) a notice of the EGM together with the proxy form for use at the EGM, will be despatched to the Shareholders on or before 8 December 2023.

As the Completion is subject to fulfilment or waiver (if applicable) of the conditions precedent set out in the Subscription Agreement, the Subscription may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of the Directors
“Business Day(s)”	day(s) on which banks in Hong Kong are generally open for business (excluding Saturdays and Sundays)
“Chong Sing”	Chong Sing Holdings FinTech Group Limited , a company incorporated in the Cayman Islands with limited liability, whose shares were previously listed on GEM of the Stock Exchange (Stock Code:8207) and which is in official liquidation
“close associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Company”	Chuan Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1420)
“Completion”	the completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Completion Date”	the date on which the Completion takes place which shall be within 15 Business Days (or such other date as agreed between the Company and Mr. Phang in writing) following fulfilment of all conditions precedent to the Completion pursuant to the Subscription Agreement
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
"controlling Shareholder(s)"	has the meaning ascribed thereto in the Listing Rules

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among others, the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent committee of the Board, comprising all three independent non-executive Directors who do not have a material interest in the Subscription, formed for the purpose of advising the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate
“Independent Financial Adviser” or “Grande Capital”	Grande Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, being the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate

“Independent Shareholder(s)”	the Shareholder(s) who is/are not required to abstain from voting on the resolution approving the Subscription Agreement and the transactions contemplated thereunder, including the Subscription and the grant to the Directors of the Specific Mandate, at the EGM due to any material interest in the Subscription
“Listing Committee”	The Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2024 (or such later date as the Company and Mr. Phang may agree in writing)
“Mr. Phang”	Mr. Phang Yew Kiat, the chairman of the Board and a non-executive Director
“Nomination Committee”	the nomination committee of the Board
“Remuneration Committee”	the remuneration committee of the Board
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the registered holder(s) of the Share(s)
“Share Option(s)”	the share option(s) granted by the Company pursuant to the share option scheme adopted by the Company on 10 May 2016

“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM for the allotment and issue of the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the issuing by the Company and the subscription by Mr. Phang of the Subscription Shares under the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 17 November 2023 entered into between the Company and Mr. Phang in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.074 per Subscription Share
“Subscription Shares”	207,291,200 new Shares to be allotted and issued by the Company to Mr. Phang pursuant to the Subscription Agreement
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“S\$”	Singapore Dollar, the lawful currency of Singapore
“%”	per cent

By order of the Board
Chuan Holdings Limited
Lim Kui Teng

Executive Director and Chief Executive Officer

Hong Kong, 17 November 2023

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.