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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)

COMPLETION OF CONNECTED TRANSACTION IN RELATION TO ISSUE OF NEW SHARES UNDER SPECIFIC MANDATE

References are made to (i) the announcement of Chuan Holdings Limited (the “**Company**”) dated 17 November 2023 and the circular of the Company dated 15 December 2023 (the “**Circular**”) in relation to, among others, the Subscription; and (ii) the announcement of the Company dated 4 January 2024 in relation to the poll results of the EGM. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Circular.

COMPLETION

The Board is pleased to announce that all conditions precedent set out in the Subscription Agreement were fulfilled and the Completion took place on 23 January 2024 in accordance with the terms and conditions of the Subscription Agreement. Upon the Completion, 207,291,200 new Shares were allotted and issued by the Company to Mr. Phang at the Subscription Price of HK\$0.074 per Subscription Share under the Specific Mandate granted to the Directors by the Independent Shareholders at the EGM.

The Subscription Shares represent (i) 20% of the issued share capital of the Company immediately before the Completion; and (ii) approximately 16.67% of the issued share capital of the Company immediately after the Completion.

* *For identification purpose only*

The net proceeds of the Subscription, after the deduction of the related fees and expenses, amounted to approximately HK\$15,000,000.00. The Company intends to utilise the aforesaid net proceeds for business expansion purpose in the following manner:

- (a) HK\$7,500,000.00 (i.e. 50% of the net proceeds) for strengthening the Group's working capital for tender for additional sizable projects;
- (b) HK\$3,600,000.00 (i.e. 24% of the net proceeds) for purchase of excavation machines and tipper trucks; and
- (c) HK\$3,900,000.00 (i.e. 26% of the net proceeds) for leasing or acquisition of industrial property for the Group's use.

Depending on actual business needs, it is estimated that the net proceeds of the Subscription will be fully utilised in accordance with its intended purposes within the next two years from the Completion.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) immediately before the Completion; and (ii) immediately after the Completion:

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

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 Shares to be issued under any Share Option.

By order of the Board
Chuan Holdings Limited
Lim Kui Teng

Executive Director and Chief Executive Officer

Hong Kong, 23 January 2024

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