

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Chuan Holdings Limited

川 控 股 有 限 公 司 *

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1420)

**DISCLOSEABLE TRANSACTION IN RELATION TO
PROVISION OF FURTHER SHAREHOLDER'S LOAN TO
THE JV COMPANY
AND
DISCLOSURE PURSUANT TO
RULES 13.13 AND 13.16 OF THE LISTING RULES**

PROVISION OF SECOND FURTHER SHAREHOLDER'S LOAN

The Board hereby announces that on 12 March 2024 (after trading hours), Longlands, a wholly-owned subsidiary of the Company, and the JV Company entered into the Second Further Shareholder's Loan Agreement, pursuant to which Longlands (as lender) has agreed to provide to the JV Company (as borrower) the Second Further Shareholder's Loan in the amount of S\$2,500,000, which is unsecured, interest-free and repayable on demand.

LISTING RULES IMPLICATIONS

As the provisions of the First Further Shareholder's Loan, which did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and the Second Further Shareholder's Loan are related and shall be completed within a 12 month period, the Directors consider that the same should be aggregated pursuant to Rule 14.22 of the Listing Rules.

* *For identification purposes only*

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the provision of the Second Further Shareholder's Loan, on a standalone basis and when aggregated with the provision of the First Further Shareholder's Loan, exceed 5% but are all less than 25%, the provision of the Second Further Shareholder's Loan, on a standalone basis and when aggregated with the provision of the First Further Shareholder's Loan, constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement but are exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the amount of advances by the Group to an entity and the financial assistance to affiliated companies of the Group, as the case may be, exceeds 8% under the assets ratio (as defined under Rule 14.07 of the Listing Rules). As the aggregate amount of the Group's advances to the JV Company, and the Group's financial assistance to, and guarantees given for facilities granted to, its affiliated companies (being the JV Company) exceeds 8% of the assets ratio (as defined under Rule 14.07 of the Listing Rules), the Company is subject to the general disclosure obligation under Rules 13.13 and 13.16 of the Listing Rules.

INTRODUCTION

The Board hereby announces that on 12 March 2024 (after trading hours), Longlands, a wholly-owned subsidiary of the Company, and the JV Company entered into the Second Further Shareholder's Loan Agreement, pursuant to which Longlands (as lender) has agreed to provide to the JV Company (as borrower) the Second Further Shareholder's Loan in the amount of S\$2,500,000, which is unsecured, interest-free and repayable on demand.

THE SECOND FURTHER SHAREHOLDER'S LOAN AGREEMENT

Date : 12 March 2024

Lender : Longlands

Borrower : the JV Company

Amount : S\$2,500,000

Drawdown date : on or about 29 March 2024

Purpose : financing the Redevelopment Project, in particular, to be utilised for payment of construction cost, interest on bank loan and property tax and as general working capital

The Second Further Shareholder's Loan shall be unsecured, interest-free and repayable on demand.

The terms of the Second Further Shareholder's Loan Agreement (including the Second Further Shareholder's Loan) were determined after arm's length negotiations between Longlands and the JV Company with reference to, among others, (i) the terms of the Shareholder's Loan Agreement and the First Further Shareholder's Loan Agreement; (ii) the terms of the second further shareholder's loan agreements to be entered into between each of the other shareholders of the JV Company, being Mr. Tng and Mr. Yang, and the JV Company; and (iii) the purpose of the Second Further Shareholder's Loan and the estimated capital needs for the Redevelopment Project.

The Second Further Shareholder's Loan will be financed by the Group's internal resources.

On 12 March 2024, each of Mr. Tng and Mr. Yang entered into a second further shareholder's loan agreement with terms identical to those of the Second Further Shareholder's Loan Agreement with the JV Company, pursuant to which each of them has agreed to provide to the JV Company a second further shareholder's loan in the amount of S\$2,500,000.

SHAREHOLDER'S LOAN AND FIRST FURTHER SHAREHOLDER'S LOAN

References are made to the Announcement and the Circular.

On 7 May 2021, each of Longlands, Mr. Tng and Mr. Yang entered into a shareholder's loan agreement with the JV Company, pursuant to which the balance of the capital contribution to the JV Company payable by each of Longlands, Mr. Tng and Mr. Yang shall be made by way of unsecured interest-free shareholder's loans in the amount of not more than S\$16,900,000 for the purpose of financing the Redevelopment Project. The amount of the contribution was determined based on the JV Company's portion (being 30%) of the cash contribution or commitment towards the then capital needs for the Redevelopment Project (being an amount in the range of 20% to 27% of the then total estimated capital needs for the Redevelopment Project). The Shareholder's Loan is unsecured, interest free and repayable on demand. For further details, please refer to the Announcement and the Circular.

As at 31 December 2023, the Shareholder's Loan and the shareholder's loans provided by Mr. Tng and Mr. Yang to the JV Company as aforesaid, had been fully utilised for the Redevelopment Project.

On 3 January 2024, in order to finance the JV Company's portion (being 30%) of the cash contribution or commitment towards further capital needs for the Redevelopment Project, Longlands and the JV Company entered into the First Further Shareholder's Loan Agreement, pursuant to which Longlands provided to the JV Company the First Further Shareholder's Loan in the amount of S\$500,000 on 3 January 2024. The First Further Shareholder's Loan is unsecured, interest-free and repayable on demand. On 3 January 2024, each of Mr. Tng and Mr. Yang entered into a further shareholder's loan agreement with terms identical to those of the First Further Shareholder's Loan Agreement with the JV Company, pursuant to which each of them provided to the JV Company a further shareholder's loan in the amount of S\$500,000 on 3 January 2024. The First Further Shareholder's Loan and the further shareholder's loans provided by Mr. Tng and Mr. Yang to the JV Company on 3 January 2024 as aforesaid are expected to be fully utilised for the Redevelopment Project as at 31 March 2024.

INFORMATION OF THE PARTIES AND THE GROUP

The JV Company

The JV Company is a company incorporated in Singapore with limited liability. The principal activity of the JV Company is investment holding, where the JV Company owns 30% equity interest in the Project Joint Venture as at the date of this announcement.

As at the date of this announcement, the JV Company is owned as to one-third each by Longlands, Mr. Tng and Mr. Yang respectively. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Mr. Tng and Mr. Yang is an Independent Third Party.

Longlands

Longlands is a company incorporated in the British Virgin Islands with limited liability which is a wholly-owned subsidiary of the Company. The principal activity of Longlands is investment holding, where Longlands owns one-third equity interest in the JV Company as at the date of this announcement.

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.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SECOND FURTHER SHAREHOLDER'S LOAN AGREEMENT

As disclosed in the Circular, it is believed that Group's participation in the JV Company will enable it to generate favourable income in the long run from an expected stable, strong and recurring cash flow of rental income and, at disposal stage, sale proceeds from the sale of redeveloped units of Maxwell House. The redevelopment of Maxwell House is currently partially completed, and the Redevelopment Project reaches the stage where the sale of the redeveloped units and the redevelopment works of Maxwell House are conducted concurrently. As at the date of this announcement, 5 redeveloped units of Maxwell House are sold. Depending on the sales of the redeveloped units, the sale proceeds would be used for financing the Redevelopment Project.

In light of the prevailing market conditions that the interest rate of the bank loan obtained for the Redevelopment Project has increased significantly, and the elevated construction costs, including the labour and material costs, the total estimated capital needs for the Redevelopment Project increases. The Second Further Shareholder's Loan shall be used for the purpose of financing the Redevelopment Project, in particular, the same shall be utilised for payment of construction cost, interest on bank loan and property tax and as general working capital. The amount of the Second Further Shareholder's Loan was determined based on the JV Company's portion (being 30%) of the cash contribution or commitment towards the estimated capital needs for the Redevelopment Project for the second quarter of 2024. The Project Joint Venture shall regularly assess the capital needs for the Redevelopment Project and whether further cash contributions would be required with reference to the revenue generated from the sale of Maxwell House's redeveloped units and the prevailing market conditions.

Taking into account that (i) the Company is optimistic about the future prospect of the Redevelopment Project, which is expected to generate attractive investment return; (ii) the Company is indirectly interested in the Redevelopment Project via the JV Company and the provision of the Second Further Shareholder's Loan will strengthen the Redevelopment Project's cash position to support the conduct of the redevelopment works and its operations; and (iii) both Mr. Tng and Mr. Yang have agreed to provide a second further shareholder's loans to the JV Company with terms identical to those of the Second Further Shareholder's Loan Agreement, whereby the Group's contribution in the Second Further Shareholders' Loan to the JV Company remains in proportion to its equity interests in the JV Company, the Directors consider that the provision of the Second Further Shareholder's Loan (including the terms of the Second Further Shareholder's Loan Agreement) is fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES

The Board would like to disclose details of the advances to an entity and the financial assistance to, and guarantees given for facilities granted to, the Group's affiliated companies in accordance with Rules 13.13 and 13.16 of the Listing Rules.

As at the date of this announcement, the aggregate amount of the Group's advances to an entity as well as financial assistance to, and guarantees given for facilities granted to, the Group's affiliated companies (being the JV Company) exceed 8% under the assets ratio (as defined under Rule 14.07 of the Listing Rules). Details are set out below:

	<i>S\$'000</i>
Loans to the JV Company (<i>Note</i>)	19,900
Guarantees given for facilities given to the JV Company	–
Committed capital injection to the JV Company	–
Total	<u>19,900</u>

Note: The shareholder's loans provided to the JV Company, comprising the Shareholder's Loan, the First Further Shareholder's Loan and the Second Further Shareholder's Loan, are unsecured, interest-free and repayable on demand.

The Company will comply with the disclosure requirements under Rules 13.20 to 13.22 of the Listing Rules where the circumstances giving rise to the disclosure under Rules 13.13 and 13.16 of the Listing Rules continue to exist at the Company's interim period end or annual financial year end.

LISTING RULES IMPLICATIONS

As the provisions of the First Further Shareholder's Loan, which did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, and the Second Further Shareholder's Loan are related and shall be completed within a 12 month period, the Directors consider that the same should be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the provision of the Second Further Shareholder's Loan, on a standalone basis and when aggregated with the provision of the First Further Shareholder's Loan, exceed 5% but are all less than 25%, the provision of the Second Further Shareholder's Loan, on a standalone basis and when aggregated with the provision of the First Further Shareholder's Loan, constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement but are exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Pursuant to Rules 13.13 and 13.16 of the Listing Rules, a general disclosure obligation arises where the amount of advances by the Group to an entity and the financial assistance to affiliated companies of the Group, as the case may be, exceeds 8% under the assets ratio (as defined under Rule 14.07 of the Listing Rules). As the aggregate amount of the Group's advances to the JV Company, and the Group's financial assistance to, and guarantees given for facilities granted to, its affiliated companies (being the JV Company) exceeds 8% of the assets ratio (as defined under Rule 14.07 of the Listing Rules), the Company is subject to the general disclosure obligation under Rules 13.13 and 13.16 of the Listing Rules.

DEFINITIONS

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

“affiliated company(ies)”	has the meaning ascribed thereto in the Listing Rules
“Announcement”	the announcement of the Company dated 7 May 2021 in relation to, among others, the formation of the JV Company and the provision of the Shareholder's Loan

“Board”	the board of the Directors
“CEL”	CEL Development Pte. Ltd., a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of Tang Dynasty Treasure Pte. Ltd., a company incorporated in Singapore with limited liability which is owned as to 70% by Mr. Tang Yigang, an Independent Third Party, and 30% by Ms. Chen Huaidan, an Independent Third Party
“Circular”	the circular of the Company dated 25 June 2021 in relation to, among others, the formation of the JV Company and the provision of the Shareholder’s Loan
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Company”	Chuan Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 1420)
“Director(s)”	the director(s) of the Company
“First Further Shareholder’s Loan”	the further shareholder’s loan in the amount of S\$500,000 provided by Longlands to the JV Company on 3 January 2024 under the terms of the First Further Shareholder’s Loan Agreement
“First Further Shareholder’s Loan Agreement”	the further shareholder’s loan agreement dated 3 January 2024 entered into between Longlands and the JV Company in respect of the provision of the First Further Shareholder’s Loan
“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 Third Party(ies)”	Third party(ies) independent of the Company and its connected persons
“JV Company”	Chuan Investments Pte. Ltd., a company incorporated in Singapore with limited liability which is owned as to one-third each by Longlands, Mr. Tng and Mr. Yang respectively
“Longlands”	Longlands Holdings Limited, a company incorporated in the British Virgin Islands with limited liability which is a wholly-owned subsidiary of the Company and owns one-third equity interest in the JV Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maxwell House”	Maxwell House, a 13-storey residential and commercial mixed-use building comprising 145 strata units located at 20 Maxwell Road, Singapore 069113 with a land area of 3,883.3 square metres
“Mr. Tng”	Mr. Tng Kay Lam, who is the founder and managing director of Kay Lim Holdings Pte. Ltd. and owns one-third equity interest in the JV Company
“Mr. Yang”	Mr. Yang Tse Ping, who is an entrepreneur and owns one-third equity interest in the JV Company
“Project Joint Venture”	two joint venture companies established for the Redevelopment Project, namely Maxwell Commercial Pte. Ltd. and Maxwell Residential Pte. Ltd., each of which is a company incorporated in Singapore with limited liability and is owned as to 30% by the JV Company, 40% by CEL and 40% by SHIPL, respectively

“Redevelopment Project”	the redevelopment project of Maxwell House
“Second Further Shareholder’s Loan”	the second further shareholder’s loan in the amount of S\$2,500,000 to be provided by Longlands to the JV Company under the terms of the Second Further Shareholder’s Loan Agreement
“Second Further Shareholder’s Loan Agreement”	the second further shareholder’s loan agreement dated 12 March 2024 entered into between Longlands and the JV Company in respect of the provision of the Second Further Shareholder’s Loan
“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)
“Shareholder’s Loan”	the shareholder’s loan in the amount of S\$16,900,000 provided by Longlands to the JV Company under the terms of the Shareholder’s Loan Agreement
“Shareholder’s Loan Agreement”	the shareholder’s loan agreement dated 7 May 2021 entered into between Longlands and the JV Company in respect of the provision of the Shareholder’s Loan
“SHIPL”	SingHaiyi Investments Pte. Ltd., a company incorporated in Singapore with limited liability which is an indirect wholly-owned subsidiary of Haiyi Treasure Pte. Ltd., a company incorporated in Singapore with limited liability which is owned as to 70% by Mr. Tang Yigang, an Independent Third Party, and 30% by Ms. Chen Huaidan, an Independent Third Party
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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
Phang Yew Kiat
Chairman and Executive Director

Hong Kong, 12 March 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.