

**CHUAN HOLDINGS LTD:  
IT IS GOING PUBLIC BECAUSE IT NEEDS YOUR MONEY**

One has to hand it to the Management of Chuan Holdings Ltd () (Code: 1420, Main Board, The Stock Exchange of Hongkong Ltd): It is not afraid to let the world know of its problems, those of the not-too-distant past and those that it perceives in the near future.

Chuan Holdings Ltd fired off its Global Offering Prospectus on May 25, 2016, Offering 250 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 59 cents to a high of 88 cents.

Of the total number of Shares on Offer, 170 million Shares are New Shares and 80 million are ‘Sale Shares’.

The Sales Shares are those, belonging to Brewster Global Holdings Ltd, a company, domiciled in the **British Virgin Islands (BVI)**.

This BVI company is wholly owned by Mr Alan Lim Kui Teng (), a Singaporean citizen who is the Executive Chairman of Chuan Holdings Ltd, as well as being the Controlling Shareholder, beneficially owning 69.75 percent of the Issued and Fully Paid-Up Share Capital, following the successful completion of the Global Offering.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People’s Republic of China (PRC) are being Offered 25 million Shares and the remaining 225 million Shares are being Offered to International Investors.

Chuan Holdings Ltd is in the business of providing earthworks to the construction industry of Singapore, only, the Placing Prospectus states.

And, yet, it chose to pitch a Global Offering of Shares in the HKSAR rather than on the Singapore Exchange Ltd.

The Global Offering Prospectus explains Management’s rationale for selecting The Stock Exchange of Hongkong Ltd over the Singapore Exchange Ltd as the place on which to list its shares:

***‘Background information for listing in Hong Kong***

*‘Our Group has been contemplating the diversification, growth and expansion of our business and accordingly, a listing has been considered. We had met with investment bankers in Singapore to ascertain the local financial market conditions but believed that a Singapore listing was not conducive to the needs of our Group in terms of long term growth and financing needs. Our Group explored other platforms and concluded that the Hong Kong Stock Exchange is a suitable platform given its level of internationalism, maturity in the global financial world and sufficient institutional capital and funds following listed companies in Hong Kong.*

*‘Our Directors believe that the Listing on the Stock Exchange will provide an indirect complimentary advertising to raise our Group’s brand awareness and publicity on an international level, making our Company’s range of services known to new potential local*

*and international customers for their projects in Singapore, in the hope of leading to an increase in market share. In addition, our Directors also believe that customers may prefer contractors who are listed given their reputation, listing status, public financial disclosures and general regulatory supervision by relevant regulatory bodies. Given the continuing expansion plans of our Group, the Listing would give us an additional fund raising option by issuance of Shares. Therefore, although our Group has a strong financial position during the Track Record Period (the 36 months, ended December 31, 2015), the publicity from the Listing would be beneficial to our Group. Our Directors have confirmed that to the best of their knowledge and belief, there would have been no impediments to our Company if we were to list on the Singapore Exchange Securities Trading Limited.'*

Prior to Chuan Holdings Ltd, determining to make its Global Offering of Shares on the premier equity market of the HKSAR, it was, clearly, having more than a little financial problem and required additional capital – in somewhat of a hurry, it appears.

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