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Guan Chao Holdings Limited
冠轈控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1872)

(1) SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2025; (2) ADVANCES MADE TO ENTITIES; AND (3) DISCLOSEABLE TRANSACTION IN RELATION TO THE ENTERING INTO OF THE CALL OPTION AGREEMENT

THE SUPPLEMENTAL INFORMATION REGARDING THE 2025 ANNUAL REPORT

The Board would like to provide additional information in relation to the qualified opinion issued by the Auditors on the consolidated financial statements for the year ended 31 December 2025, including, among other things, (i) detailed reasons and purposes for entering into the Agreements; (ii) implications of Listing Rules related to entering into the Agreements; (iii) information and documents requested by the Auditors during the audit process; (iv) view of the Audit Committee regarding the audit issues associated with the Qualified Opinion; (v) action plan and implementation timeline to address unresolved audit issues; and (vi) the Board's assessment on whether the reasons causing the Qualified Opinion indicate any internal control deficiencies.

ADVANCE MADE TO ENTITIES

The Board announces the following:

(i) on 16 January 2025, SEV New Energy entered into the First Atoll SPA with Atoll Discovery, pursuant to which Atoll Discovery agreed to sell, and SEV New Energy agreed to purchase, 500 units of the Sokon EC35 for a total consideration of US$9,000,750.75 (approximately S$11,558,000);

(ii) on 16 May 2025, SEV New Energy entered into the Second Atoll SPA with Atoll Discovery, pursuant to which Atoll Discovery agreed to sell, and SEV New Energy agreed to purchase, 360 units of the Sokon EC35 for a total consideration of US$6,480,540.54 (approximately S$8,322,000);

(iii) on 18 December 2025, SEV New Energy entered into the Second Fortunate SPA with Fortunate W, pursuant to which Fortunate W agreed to sell, and SEV New Energy agreed to purchase, 500 units of the Sokon EC35 for a total consideration of HK$80,000,000 (approximately S$13,200,000); and

(iv) on 13 February 2026, SEV New Energy entered into the Third Fortunate SPA with Fortunate W, pursuant to which Fortunate W agreed to sell, and SEV New Energy agreed to purchase, 375 units of the Sokon EC35 for a total consideration of HK$60,000,000 (approximately S$9,900,000).

Implications under the Listing Rules

The Board reassessed the Prepayments under the Atoll SPAs and the Fortunate SPAs and determined that the relevant Prepayments constituted advances to the relevant counterparties. Accordingly, the relevant Prepayments fell within the scope of Rules 13.13 to 13.15 of the Listing Rules.

Based on the assets ratio calculated in accordance with Rule 14.07 of the Listing Rules, each of the Prepayments made under the First Atoll SPA, the Second Atoll SPA, the Second Fortunate SPA and the Third Fortunate SPA, when considered individually, resulted in an assets ratio of less than 8%. Accordingly, each relevant transaction, considered on a standalone basis, was exempt from the announcement requirements under Chapter 13 of the Listing Rules.

Nevertheless, the First Atoll SPA and the Second Atoll SPA were entered into with the same counterparty. Likewise, the Second Fortunate SPA and the Third Fortunate SPA were entered into with the same counterparty. The transactions contemplated under each respective set of agreements were therefore aggregated for the purpose of calculating the applicable percentage ratios. Upon aggregation, the asset ratios for each set of transactions exceeded 8%.

Accordingly, the transactions contemplated under (i) the First Atoll SPA and the Second Atoll SPA and (ii) the Second Fortunate SPA and the Third Fortunate SPA were subject to the announcement requirements under Chapter 13 of the Listing Rules.

The breach arose from an inadvertent failure to apply the relevant aggregation requirements under Chapter 13 of the Listing Rules at the material time. There was no intention on the part of the Company to circumvent the Listing Rules or withhold information from the market. Rather, the non-compliance resulted from deficiencies in the Company's internal procedures and controls, which were insufficient to identify transactions involving the same counterparty and assess their aggregate value before approval and execution.

THE CALL OPTION AGREEMENT

The Board announces that, on 10 December 2025, the Company entered into the Call Option Agreement with Ryde, pursuant to which the Company granted Ryde the Call Option, exercisable at Ryde's sole and absolute discretion during the Call Option Period and subject to payment of the Deposit. The Call Option entitled Ryde to require the Company to sell any or all of the units comprising up to 280 electric vehicles, specifically the GAC Aion and Hyptec models, in accordance with the terms of the Call Option Agreement.

Implications under the Listing Rules

Rule 14.73 of the Listing Rules provides that the grant, acquisition, transfer or exercise of an option by a listed issuer will be treated as a transaction and classified by reference to the applicable percentage ratios. Rule 14.74 further provides that, where the exercise of an option is not at the listed issuer's discretion, the transaction will be classified as if the option had been exercised.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Call Option exceeded 5% but all were below 25%, the grant of the Call Option constituted a discloseable transaction for the Company under the Listing Rules and was therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board confirms that, due to an oversight by the finance department and the Board in failing to recognise that the grant of an option by the Company constitutes a transaction for the purposes of Chapter 14 of the Listing Rules, the Company did not apply the relevant requirements under Chapter 14 of the Listing Rules to the Call Option Agreement and, accordingly, did not comply with the applicable announcement and/or disclosure requirements.

The non-compliance arose because the manager of the finance department and the relevant Director lacked sufficient knowledge and understanding of the Listing Rules to recognise that the grant of the Call Option contemplated under the Call Option Agreement fell within the scope of Rule 14.73 of the Listing Rules. As a result, they failed to identify and assess the applicable requirements of Chapter 14 of the Listing Rules before the Board approved and entered into the Call Option Agreement, resulting in the non-compliance.

The oversight was inadvertent. The Company did not intend to circumvent the Listing Rules or withhold information from the market. The Board regrets the non-compliance and has taken prompt remedial action to address it and strengthen the Company's compliance procedures.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Reference is made to the 2025 Annual Report. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the 2025 Annual Report.

THE QUALIFIED OPINION

As disclosed on page 132 of the 2025 Annual Report, the Auditors issued the Qualified Opinion. The Auditors stated that the basis for their qualified opinion was due to the Group's recognition of prepayments for purchases of motor vehicles totaling approximately S$55.1 million and contract liabilities of approximately S$12.6 million related to a deposit received under a call option agreement for the sale of motor vehicles.

The Auditors did not obtain sufficient appropriate audit evidence to satisfy themselves regarding the nature of these prepayments and contract liabilities. Notably, no motor vehicles were delivered to the Group under the relevant procurement agreements either during the year or up to the date of the 2025 Annual Results. Additionally, the Auditors could not obtain sufficient appropriate audit evidence to evaluate the recoverability of the prepayments amounting to approximately S$8.3 million, which relates to one of the procurement agreements that has not been terminated or novated, nor could they determine whether an impairment provision is needed for this amount.

BACKGROUND INFORMATION ABOUT THE AUDIT ISSUES

The Company wishes to recap that, during the year 2025, SEV New Energy, a wholly-owned subsidiary of the Company, entered into six sale and purchase agreements ("**SPAs**", each an "**SPA**") with four suppliers (the "**Suppliers**") for the procurement of a total of 2,550 units of a specified electric motor vehicle model, with an aggregate contract value of approximately S$63,291,000.

In connection with the SPAs, SEV New Energy obtained the Guarantee Contracts from the Guarantor, an indirect associate of the Group, and Mr. Steven Kwek Poh Song, a chief executive officer of Singapore Electric Vehicles Pte. Ltd. (the "**Mr. Kwek**"). Pursuant to the Guarantee Contracts, the Guarantor and Mr. Kwek jointly and severally guaranteed the Suppliers' performance obligations and undertook the obligation to sell any vehicles delivered by the Suppliers that remained unsold by SEV New Energy.

During 2025, SEV New Energy novated one of the SPAs to a third party pursuant to the 2025 Novation Agreement for approximately S$8,286,000. The transfer price was fully settled as at 31 December 2025. As at 31 December 2025, outstanding prepayments for motor vehicle purchases under the remaining five SPAs amounted to approximately S$55,090,000.

On 10 December 2025, the Company entered into the Call Option Agreement with an Independent Third Party, pursuant to which such Independent Third Party was granted an option, exercisable during a six-month option period, to purchase up to 280 units of electric vehicles at a discount to their published retail prices. In consideration for granting the Call Option, the Company received a deposit of approximately S$12,630,000, which was recognised as contract liabilities as at 31 December 2025.

Subsequent to the reporting period (i.e., 31 December 2025), three of the five remaining SPAs were terminated between 13 March 2026 and 20 March 2026 (the "**Terminations**"). As at the date of approval of the 2025 Annual Results, the Group received refunds totaling approximately S$35,122,000 in respect of the terminated SPAs.

On 12 March 2026, the Group novated one further SPA to a third party pursuant to the 2026 Novation Agreement at a transfer price of approximately S$12,168,000. The transfer price was fully settled as at the date of approval of the 2025 Annual Results. Accordingly, as at the date of approval of the 2025 Annual Results, approximately S$8,322,000 remained outstanding under the one SPA that had neither been terminated nor novated.

THE SUPPLEMENTAL INFORMATION

The Board wishes to provide the following supplemental information to Shareholders and potential investors of the Company regarding the Qualified Opinion.

1. Detailed reasons and purposes for entering into the Agreement(s)

Background of the Cooperation Agreement

In the latter half of 2024, the Company began planning to expand its motor vehicle business by introducing electric vehicles, following a strategic collaboration among the Guarantor, Planet EV (in which the Guarantor holds a 10% interest), and a reputable ride-hailing platform in Thailand (the "**Platform**").

In June 2024, Planet EV entered into a cooperation agreement with the Platform (the "**Cooperation Agreement**") under which Planet EV agreed to assist the Platform in transitioning traditional taxi drivers in Thailand from gasoline-powered vehicles to electric vehicles, including leasing vehicles for taxi services and promoting use of the Platform's launched service.

Given the Guarantor's relationship with the Manufacturer, which is capable of reliably supplying the specified electric vehicles, Planet EV appointed the Guarantor as the principal partner to support the Cooperation Agreement. Planet EV and the Platform, however, did not place orders directly with the Guarantor; procurement was effected through the Suppliers, who are the Guarantor's authorised agents and have entered into qualified distribution agreements with the Manufacturer to ensure the supply of the specified electric vehicles, and thereafter through the distributors (including SEV New Energy). This structure was adopted because (i) the Guarantor chose to concentrate on its core Singapore operations and sales and marketing role rather than assume the procurement, funding and inventory risks necessary to meet the Manufacturer's Minimum Quantity; (ii) allocating volume among multiple Suppliers reduced single-counterparty concentration and increased the likelihood of achieving the Minimum Quantity; and (iii) engaging the Suppliers enabled aggregation of discrete commitments across channels, thereby producing a stronger, market-credible demand profile for manufacturers and investors.

Trial orders placed by the Group in connection with the Cooperation Agreement

The Company would like to clarify that, in 2024, Planet EV placed trial orders directly with the Group for 750 Sokon electric vehicles in connection with the proposed collaboration under the Cooperation Agreement. Of these 750 vehicles, only 260 vehicles were delivered and sold to associate companies of the Guarantor in 2024 in support of the proposed collaboration, and the relevant purchasers fully settled the consideration for those vehicles. Planet EV cancelled the orders for the remaining 490 vehicles; accordingly, the Group neither sold nor delivered those vehicles.

The Group procured the aforesaid 260 vehicles directly from the Manufacturer, as the Manufacturer had no distribution agents at that time.

The Group did not provide any advances, loans, prepayments, or other forms of financing to any entity in connection with the orders or the subsequent sales. The trial orders were placed to assess the Manufacturer's products and supply capabilities and to explore potential future manufacturing and supply arrangements.

Subsequently, the Manufacturer appointed the Suppliers as its authorised distributors under the relevant qualified distribution agreements. Accordingly, the Group dealt with the Suppliers, rather than directly with the Manufacturer, for subsequent vehicle purchases.

Minimum Quantity requirement

The Manufacturer subsequently advised that additional capital expenditure and equipment would be required to support mass production and meet the anticipated demand from the Platform. Accordingly, the Manufacturer required the Minimum Quantity before commissioning and installing a customised production line and commencing mass production. The Manufacturer would contract for and procure the necessary production-line equipment and commence mass production only after meeting the Minimum Quantity.

Following commencement of mass production, the Manufacturer would supply the vehicles to the Suppliers in accordance with the SPAs. The Manufacturer can perform all necessary country-specific modifications, including conversion to right-hand drive, and obtain Thai homologation or type-approval and any required safety and emissions certifications prior to local registration and commencement of mass production.

Because the Manufacturer would not commence the conversion and production until the Minimum Quantity was reached, the Suppliers could not provide definitive delivery timelines when the SPAs were entered into. The Guarantor explained that the 3,000-unit threshold reflected the additional capital and equipment costs the Manufacturer needed to carry out the conversion and undertook to provide the Group with periodic updates on progress towards the Minimum Quantity and on revised estimated delivery timetables.

Reasons for entering the SPAs and the Guarantee Contracts

SEV New Energy and the Suppliers entered into the SPAs to secure the Company's entitlement to receive specified electric vehicles once produced and delivered, lock in pricing and commercial terms with the Suppliers, and demonstrate the Company's procurement commitments needed to show aggregated demand to the Manufacturer and potential investors. The Group's management (the "**Management**") considered signing the SPAs commercially appropriate because they formalised the Company's procurement commitments within the Cooperation Agreement ecosystem, clarified allocation, delivery and payment terms, and contributed to the overall volume commitments required to make the Manufacturer's conversion to right-hand drive production economically viable.

The Guarantee Contracts were executed to provide the Company with additional commercial protection by imposing enforceable obligations on the Guarantor and Mr. Kwek in respect of specified performance and payment liabilities under the SPAs. After reviewing the Guarantor's financial statements, Management assessed its financial position and concluded that it had sufficient financial capacity to meet its obligations under the Guarantee Contracts.

Management considered the guarantees necessary and prudent because they mitigated counterparty risk associated with reliance on multiple Suppliers and lengthy lead times, strengthened investor and Manufacturer confidence in the aggregated commitments, and provided the Group with contractual remedies and recourse if relevant transactions were not completed as agreed, subject to the agreed one-year completion period and the applicable enforceability terms.

After assessing the finalised SPAs, the Guarantee Contracts and the available market demand information, the Group concluded that the relevant terms were fair and reasonable and provided adequate protection for the Group's interests. Accordingly, the Group entered into the SPAs and the Guarantee Contracts.

Events leading to the signing of the Agreements following the signing of the First Atoll SPA and the Second Atoll SPA

Set out below are the events leading to the signing of each of the respective SPAs following the signing of the Atoll SPAs:

i) Approximately six months after the First Atoll SPA was entered into, the Suppliers updated Management on the progress towards achieving the Minimum Quantity and indicated that the earliest estimated date for achieving the Minimum Quantity was on or before 31 December 2025. Accordingly, the Management understood that delivery of the ordered electric vehicles would likely be delayed.

ii) Following completion of the placement of new Shares on 18 July 2025, the Company had sufficient funds to continue participating in the project. After assessing the potential risks and returns, including the possibility of securing future vehicle deliveries and the commercial benefits of assisting the Suppliers in achieving the Minimum Quantity, the Group considered that entering into two additional SPAs on 18 July 2025 and 25 July 2025 remained commercially justifiable.

   The additional SPAs were intended to increase the Group's participation in the project, improve the prospects of achieving the Minimum Quantity and preserve the Group's opportunity to benefit from the anticipated vehicle supply, notwithstanding the revised delivery timeline.

iii) Following the signing of the two additional SPAs, the Company continued discussions with the Guarantor regarding progress towards achieving the Minimum Quantity. In view of the increasing uncertainty surrounding the timing of vehicle deliveries and the Group's ability to commit further financial resources to the project, the Guarantor introduced a prospective investor who was willing to participate in the project and assume the related commercial risks and financial exposure.

   Instead of entering into a separate agreement with the relevant Supplier, the prospective investor agreed to assume, by way of novation, the Group's rights and obligations under one of the existing SPAs entered into between SEV New Energy and the relevant Supplier. This arrangement was considered appropriate as it enabled the prospective investor to assume the Group's existing contractual position, including the corresponding obligations relating to the Minimum Quantity, without requiring the Supplier to negotiate and enter into a new agreement or otherwise amend the existing contractual arrangements.

   In consideration of the novation, the prospective investor agreed to pay SEV New Energy a cash amount representing the amounts previously committed by the Group under the relevant SPA, together with a small premium. The arrangement enabled the Group to recover the amounts previously committed under the relevant SPA, reduce its financial exposure and obtain additional time to manage its treasury position and assess whether to continue participating in the project.

   Accordingly, on 25 August 2025, the Group agreed to novate its rights and obligations under the First Fortunate SPA to the prospective investor pursuant to the 2025 Novation Agreement.

Following completion of the 2025 Novation Agreement, the aggregate commitment required to achieve the Minimum Quantity remained unchanged. The novation transferred only the Group's existing contractual obligations, together with the corresponding financial commitments under the First Fortunate SPA, to the new investor. The Group recovered the amounts previously committed under the relevant SPA and obtained greater flexibility and additional time to assess its future involvement in the project.

iv) Following the publication of the Company's interim results announcement on 29 August 2025, the Management reviewed the Group's cash flow position and considered that the Group had sufficient liquidity and financial flexibility to continue participating in the project. Although the 2025 Novation Agreement transferred the Group's obligations under the First Fortunate SPA to the new investor, the Group remained committed to contributing towards achieving the Minimum Quantity under the overall project arrangements.

The Management therefore held further discussions with the Suppliers regarding the Group's continued participation and the feasibility of achieving the Minimum Quantity. During those discussions, the Suppliers represented that: (a) they were actively engaging with other potential customers who had expressed firm interest, and that the aggregate orders were therefore expected to reach the 3,000-unit Minimum Quantity within one year; and (b) the Guarantor would continue to provide contractual guarantees to SEV New Energy, including its obligations to sell or repurchase delivered inventory.

Based on the above representations and having regard to the Group's liquidity and financial flexibility, the Management considered that entering into further SPAs would enable the Group to continue contributing towards achieving the Minimum Quantity while retaining the benefit of the contractual guarantees provided by the Guarantor. Accordingly, notwithstanding the Suppliers' expressed concerns about achieving the Minimum Quantity, the Company entered into additional SPAs on 10 September 2025 and 18 December 2025.

v) Separately, the Guarantor performed its role under the Cooperation Agreement by introducing potential customers to the Group and assisting in demonstrating the feasibility of proposed collaboration. Following the Guarantor's introduction, Ryde expressed its intention to expand its vehicle-leasing business into Thailand.

After considering the Company's ability to supply electric vehicles and the Group's bundled value-added services, including packaging, marketing, vehicle customisation and local warranty coverage, Ryde decided to engage directly with the Company. Accordingly, on 10 December 2025, the Company entered into the Call Option Agreement with Ryde to facilitate Ryde's potential acquisition of electric vehicles from the Company for its planned expansion into the Thai market.

vi) In early January 2026, the Guarantor provided a further update on the progress towards achieving the Minimum Quantity, informing the Company that there had been no material improvement and that delivery of the ordered electric vehicles would be further delayed. The Guarantor estimated that the Minimum Quantity would be achieved on or before 30 September 2026.

vii) Based on the information available at the relevant time, including the Suppliers' indication that they were approaching other investors to participate in the project, the Company believed that the Minimum Quantity was likely to be achieved in the near term. Accordingly, on 13 February 2026, the Company entered into an additional SPA with Fortunate W, one of the Suppliers (the "**Third Fortunate SPA**"), in furtherance of the Company's contribution towards achieving the Minimum Quantity.

viii) In early March 2026, the Guarantor notified the Company that certain investors had unexpectedly cancelled their orders with the Suppliers. As a result, progress towards achieving the Minimum Quantity was adversely affected, and the previously estimated delivery date of 30 September 2026 became uncertain.

The Company wishes to emphasise that the delays in achieving the Minimum Quantity during the periods from July to August 2025 and from January to March 2026 were principally attributable to the aggregate number of electric vehicles ordered under the SPAs remaining below the required threshold of 3,000 units.

As at early March 2026, only 2,605 vehicles had been ordered, which was insufficient for the Manufacturer to commence production of the converted vehicles.

The delays were further exacerbated by the Manufacturer's limited production capacity and scheduled factory closures in the PRC during the Lunar New Year and other public holidays, which further delayed the production and delivery of the converted vehicles.

ix) In order to safeguard the Company's interests and following discussions with the Guarantor and the relevant Suppliers, the parties agreed to terminate the SPAs entered into with the Suppliers on 18 July 2025, 10 September 2025 and 18 December 2025. The relevant termination agreements were entered into on 13 March 2026, 16 March 2026 and 20 March 2026.

x) With a view to assisting the Group in exiting the project, the Guarantor fulfilled its obligation to introduce another investor to the Company. The investor agreed to assume the Group's rights and obligations under the First Atoll Agreement pursuant to the 2026 Novation Agreement, in consideration of full recovery of the Group's costs.

The Management entered into the 2026 Novation Agreement for reasons consistent with those underlying the 2025 Novation Agreement, namely, to preserve the Group's capital, facilitate full recovery of the Group's costs, eliminate the Group's exposure to delivery and inventory risks, and transfer the execution risk to an investor-backed party which was considered to be better positioned to pursue the relevant production targets.

xi) The Second Atoll SPA and the Third Fortune SPA were initially retained to facilitate the potential delivery of vehicles required to fulfil the Company's obligations under the Call Option Agreement. However, given the continued failure to achieve the Minimum Quantity and the ongoing uncertainty regarding the timing of vehicle deliveries, Management considered that the Terminations and the said novation would reduce the Group's commercial exposure and mitigate further operational and financial risks.

Overall, the Agreements were entered into and structured with a view to balancing the Group's commercial expansion objectives with prudent risk management. In particular, the Agreements secured the Group's contractual rights to the relevant vehicles and fixed the applicable commercial terms with Suppliers, while aggregating the Group's commitments to satisfy the Minimum Quantity. The Agreements also provided enforceable protections through the relevant guarantees and helped protect the Group's financial position. Accordingly, the Board considers that the terms of the Agreements and the transactions contemplated thereunder were fair and reasonable and in the interests of the Company and its shareholders as a whole.

For details of the terms of SPAs, the Third Fortunate SPA, the 2025 Novation Agreement and the 2026 Novation Agreement, please refer to Appendix 1 and Appendix 2 to this announcement.

2. Further information on the Call Option Agreement

The Company would like to clarify that the Company entered into the Call Option Agreement with Ryde on 10 December 2025. A summary of the terms of the Call Option Agreement is set out below.

Date	:	10 December 2025
Parties	:	(i) The Company; and (ii) Ryde
The Call Option	:	The Company granted Ryde a call option, exercisable at its sole and absolute discretion during the Call Option Period and subject to payment of the Deposit, to require the Company to sell to Ryde any or all of the units comprising up to 280 electric vehicles, specifically the GAC Aion and Hyptec models, in accordance with the terms of the Call Option Agreement. The Call Option may be exercised multiple times during the Call Option Period in respect of any number of sale units, at Ryde's sole and absolute discretion, until all of the units have been purchased by Ryde.
Payment of Deposit	:	Ryde was required to pay US$9,660,000 into the bank account designated by the Company within five (5) Business Days of the date of the Call Option Agreement. (the "**Deposit**")
Exercise of the Call Option	:	The Call Option may only be exercised by Ryde during the Call Option Period.
Purchase price	:	The aggregate purchase price for each electric vehicle ordered shall be 15% less than the published price of the relevant vehicle on the website at https://www.vincar.com.sg/new-cars as of the date of the Call Option notice. Such purchase price shall be paid as follows: (i) 30% shall be offset against the Deposit; and (ii) the remaining 70% shall be paid on the closing date using the hire-purchase financing obtained.
Refund of the Deposit	:	Upon expiry of the Call Option Period, the Company shall refund Ryde in full any unutilised portion of the Deposit.

On 31 December 2025, Ryde requested that the vehicle models contemplated under the Call Option Agreement be changed from the GAC Aion and Hyptec models to the Sokon EC35 model, and that the number of vehicles ordered be increased from 280 units to 900 units, while the Deposit remained unchanged.

The Company agreed to the foregoing changes primarily because it did not have sufficient inventory of the GAC Aion and Hyptec models to meet Ryde's requirements. Because Ryde may exercise the Call Option and request progressive delivery of vehicles at such times and in such quantities as its vehicle-leasing business in Thailand requires, subject to vehicle availability, Ryde requested an alternative model that could be supplied within the required timeframe.

The Company selected Sokon EC35 because it was available and suitable for Ryde's intended leasing operations and the anticipated market requirements in Thailand. The selection took into account among other factors, the vehicle's availability, the Minimum Quantity assessment, Ryde's operational requirements, and anticipated market demand in Thailand.

The arrangement was entered into to address Ryde's requirements for the Company's vehicle sourcing, supply, and related services. When it was initially contemplated, the arrangement was not directly related to the SPAs.

Determination of the purchase price

The Deposit will be credited against the deposit payable upon the exercise of the Call Option. The final purchase price under the Call Option Agreement was determined by reference to the Group's published market prices for the relevant electric vehicle models, which reflect prevailing industry market prices. The significant premium in the unit price under the SPAs over the purchaser price under the Call Option Agreement principally reflects additional commercial, regulatory, and cost components beyond the retail price. These include, among other things (a) international freight, insurance and logistics costs; (b) distributor and dealer mark-ups to cover operating costs, inventory financing, working capital and profit margins; (c) costs associated with warranty, after-sales service, parts provisioning and dealer network support; and (d) bundled value-added services including packaging, marketing, vehicle customization and local warranty coverage. Taken together, these factors explain the substantial premium reflected in the unit price under the SPAs.

Implications under the Listing Rules

Rule 14.73 of the Listing Rules provides that the grant, acquisition, transfer or exercise of an option by a listed issuer will be treated as a transaction and classified by reference to the applicable percentage ratios. Rule 14.74 further provides that, where the exercise of an option is not at the listed issuer's discretion, the transaction will be classified as if the option had been exercised.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Call Option exceeded 5% but all were below 25%, the grant of the Call Option constituted a discloseable transaction for the Company under the Listing Rules and was therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Board confirms that, due to an oversight by the finance department and the Board in failing to recognise that the grant of an option by the Company constitutes a transaction for the purposes of Chapter 14 of the Listing Rules, the Company did not apply the relevant requirements under Chapter 14 of the Listing Rules to the Call Option Agreement and, accordingly, did not comply with the applicable announcement and/or disclosure requirements.

The non-compliance arose because the manager of the finance department and the relevant Director lacked sufficient knowledge and understanding of the Listing Rules to recognise that the grant of the Call Option contemplated under the Call Option Agreement fell within the scope of Rule 14.73 of the Listing Rules. As a result, they failed to identify and assess the applicable requirements of Chapter 14 of the Listing Rules before the Board approved and entered into the Call Option Agreement, resulting in the non-compliance.

The oversight was inadvertent. The Company did not intend to circumvent the Listing Rules or withhold information from the market. The Board regrets the non-compliance and has taken prompt remedial action to address it and strengthen the Company's compliance procedures.

For details of the remedial measures adopted by the Company to address the non-compliance with the Listing Rules, including (a) an independent review of the Company's controls and reporting procedures, (b) the strengthening of its approval and oversight framework, (c) training, (d) the engagement of external advisers, (e) ongoing monitoring; and (f) enhanced internal control procedures, please refer to the subsection headed "***Remedial measures for addressing the non-compliance with the Listing Rules***" on page 26 of this announcement.

Information about Ryde

Ryde is an exempted company limited by shares incorporated under the laws of the Cayman Islands and is currently listed on the NYSE American under the ticker symbol "RYDE". Based on the publicly available information reviewed by the Board, Ryde has two classes of ordinary shares. No single shareholder holds more than 10% of the Class A ordinary shares, while Mr. Zou Junming Terence holds all the Class B ordinary shares. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ryde Group Limited and its ultimate beneficial owners are Independent Third Parties.

Based on the publicly available information reviewed by the Board, Ryde is a Singapore-based technology company operating a mobility and quick-commerce platform. Established in 2014 as an on-demand carpooling application, Ryde seeks to transform how people and goods move by connecting riders, driver-partners and delivery users through an integrated platform.

Reasons for entering into the Call Option Agreement

Following an introduction by the Guarantor, Ryde expressed its intention to expand its vehicle-leasing business into Thailand. Given the Company's ability to supply electric vehicles and the Group's bundled value-added services, including packaging, marketing, vehicle customisation, and local warranty coverage, Ryde decided to transact directly with the Company. Accordingly, the Company agreed to enter into the Call Option Agreement to facilitate Ryde's potential acquisition of electric vehicles from the Company for use in connection with its planned expansion into the Thai market. The Call Option Agreement gives Ryde the flexibility to acquire vehicles progressively, depending on its business requirements and subject to its terms and conditions.

As stated above, the Board considered the Call Option Agreement as advantageous because (a) it provided a means of monetising inventory without requiring an immediate sale at potentially distressed prices, (b) preserved potential upside for the Group if market demand or vehicle prices improved; (c) enabled the Group to attract investor interest without immediately transferring operational control; and (d) provided a commercially acceptable alternative to full novation and outright termination by preserving flexibility and optionality for both the Group and Ryde.

Latest status of the Call Option Agreement

The Company would like to clarify that it received the Deposit of US$9,660,000 (equivalent to approximately S$12,405,000) on 11 December 2025. When the parties entered into the Call Option Agreement, they expected production and delivery under the SPAs to proceed in a timely manner, enabling Ryde to exercise the Call Option. However, after the Guarantor notified the Company of ongoing delivery delays, the Company formally informed Ryde that these delays might affect Ryde's ability to exercise the Call Option before it expires on 9 June 2026.

Following subsequent discussions, the Company agreed to refund at least over 50% of the Deposit to Ryde. To date, the Company has refunded US$5,430,000 (equivalent to approximately S$6,973,000), representing approximately 50% of the Deposit. Accordingly, the Deposit payable under the Call Option Agreement was reduced from US$9,660,000 (equivalent to approximately S$12,405,000) to US$4,230,000 (equivalent to approximately S$5,432,000).

As at the date of this announcement, Ryde has confirmed that it will not exercise the Call Option. Nevertheless, Ryde has agreed to extend the term of the Call Option Agreement to 30 September 2026, giving the Company an interest-free period until that date to refund the remaining Deposit. Ryde has subsequently agreed to extend the interest-free period to 31 December 2026. However, as at the date of this announcement, the Company and Ryde have not entered into a further extension agreement to formalize this extension beyond 30 September 2026.

The Company is currently in discussions with the relevant parties regarding the refund of prepayments made under the Second Atoll SPA and the Third Fortunate SPA. As of the date of this announcement, approximately HK$27,006,000 (equivalent to approximately S$4,455,990) has been received from Fortunate W under the Third Fortunate SPA. The Company expects to receive the remaining prepayments under the Second Atoll SPA and the Third Fortunate SPA by the end of 2026.

Subject to the completion of the proposed termination of those agreements, SEV New Energy will refund the remaining balance of the Deposit to Ryde after receiving the corresponding refunds from Atoll Discovery and Fortunate W under the Second Atoll SPA and the Third Fortunate SPA, respectively. Accordingly, the Company and Ryde currently expect the Deposit to be refunded by the end of 2026.

3. Latest status of the Second Atoll Agreement and the Third Fortunate SPA

As at the date of this announcement, the term of the Second Atoll Agreement has expired. In light of Ryde's indication that it does not intend to exercise the Call Option and its request for a refund of the Deposit, the Company has decided not to further extend the term of the Second Atoll Agreement and is currently seeking a refund of the relevant prepayment from Atoll Discovery.

For the same reasons, SEV New Energy terminated the Third Fortunate SPA on 11 June 2026 and is currently seeking a refund of the relevant prepayment from Fortunate W. Upon receipt of the relevant refunds from Atoll Discovery and Fortunate W, SEV New Energy will refund the remaining balance of the Deposit to Ryde.

As at the date of this announcement, approximately HK$27,006,000 (equivalent to approximately S$4,455,990) has been received from Fortunate W under the Third Fortunate SPA. The Company expects to receive the remaining prepayments under the Second Atoll SPA and the Third Fortunate SPA by the end of 2026.

4. Implications of Listing Rules related to entering into the Agreements

The Board reassessed the Prepayments under the SPAs in accordance with Rules 13.13 to 13.15 of the Listing Rules. Based on factual findings and accounting analysis, the Board concluded that the Prepayments constituted advances to counterparties and therefore fell within the scope of Rules 13.13 to 13.15 of the Listing Rules.

Based on the assets ratio calculated in accordance with Rule 14.07 of the Listing Rules, each of the Prepayments made under the SPAs and the Third Fortunate SPA, when considered individually, resulted in an assets ratio of less than 8%. Accordingly, each relevant transaction, considered on a standalone basis, was exempt from the announcement requirements under Chapter 13 of the Listing Rules.

Nevertheless, the First Atoll SPA and the Second Atoll SPA were entered into with the same counterparty. Likewise, the Second Fortunate SPA and the Third Fortunate SPA were entered into with the same counterparty. The transactions contemplated under each respective set of agreements were therefore aggregated for the purpose of calculating the applicable percentage rations. Upon aggregation, the asset ratios for each set of transactions exceeded 8%.

Accordingly, the transactions contemplated under (i) the First Atoll SPA and the Second Atoll SPA and (ii) the Second Fortunate SPA and the Third Fortunate SPA were subject to the announcement requirements under Chapter 13 of the Listing Rules.

5. Information and documents requested by the Auditors during the audit process

During the annual audit, the Auditors requested the following information and documents in respect of the transactions under review:

(i) executed copies of each Agreement;

(ii) all bank transaction records evidencing settlement of consideration or refunds specified in the Agreements;

(iii) statutory records for each counterparty to the Agreements to enable assessment of related-party status under applicable accounting standards;

(iv) historical records relating to production, inventory and delivery of the electric vehicles ordered from the Manufacturer and the Suppliers;

(v) arrange interview meetings with representatives of the Manufacturer and the Suppliers for direct verification; and

(vi) arrange an interview meeting with representatives of the Guarantor concerning the transactions under the SPAs.

The Company provided the Auditors with the documents and information requested in items (i) to (iii) and facilitated the interview described in item (vi). However, it could not provide the historical production, inventory, and delivery records requested in item (iv) or arrange the interview requested in item (v). The Guarantor declined to provide the records, stating that they were not relevant. The Company has limited contractual or legal authority to require the Manufacturer and the Suppliers to disclose their internal records or participate in the interviews.

Further, the proposed interviews were intended to corroborate the Management's explanations of the overall arrangement and identify any additional supporting records that might be available from the Manufacturer and the Suppliers. The inability to arrange these interviews limited the Auditors' ability to obtain further evidence addressing the Audit Issues. Accordingly, despite reasonable efforts to obtain the requested information, the Company could not comply with the Auditors' request for items (iv) and (v).

6. Management's position and basis on major judgmental areas

The Management remains of the view that it provided the Auditors with sufficient and appropriate supporting documentation to enable them to understand the nature, commercial substance and accounting treatment of the transactions contemplated under the Agreements, including the recognition of the Prepayments and contract liabilities associated with the Call Option Agreement. Such documentation included the relevant agreements, payment records, correspondence with the counterparties and other transaction-related documents.

In assessing whether the Prepayments were impaired as at 31 December 2025, Management considered the recoverability of each prepayment, taking into account subsequent settlements and the financial evidence available up to the date of the 2025 Annual Results regarding the Guarantor's financial strength and ability to meet its guarantee obligations.

As at 31 December 2025, the Group had made aggregate prepayments of S$55,089,402 under the SPAs (equivalent to approximately US$15,481,292 or HK$218,000,000). These Prepayments comprised:

(i) three SPAs that were subsequently terminated, for which the relevant prepayments were fully refunded by the relevant distributors before the date of the 2025 Annual Report;

(ii) two SPAs that were subsequently novated to new investors, for which all consideration was fully settled before the date of the 2025 Annual Report; and

(iii) one outstanding Prepayment of S$8,322,000 (equivalent to approximately US$6,480,540.54), which Management assessed as recoverable through either (a) a refund from the relevant Supplier or Guarantor; or delivery of the relevant electric vehicles upon satisfaction of the applicable Minimum Quantity requirement.

The full refunds and settlements subsequently received in respect of the five completed SPAs provide corroborative evidence that the related Prepayments were recoverable as at 31 December 2025 and that no impairment loss was required.

Regarding the remaining outstanding Prepayment, the Management assessed whether an impairment provision was required, taking into account, among other things, the Group's contractual rights of recovery, the relevant Supplier's obligations under the SPAs, and the financial strength and guarantee obligations of the Guarantor and Mr. Kwek. Based on such assessment, the Management considered that there was no indication of any material shortfall in the recoverability of the remaining outstanding Prepayment as at 31 December 2025. Accordingly, no impairment provision was recognised in respect thereof.

Following subsequent full refunds and settlements and considering the contractual recovery mechanisms applicable to the remaining outstanding Prepayment, the Management assessed the risk of non-recovery as minimal. On that basis, the Management determined that the Prepayments were not subject to a material expected credit loss and no separate quantitative valuation of expected credit losses was performed in respect of the Prepayments.

However, the Auditors encountered difficulties in obtaining from the Manufacturer and the Suppliers the historical information necessary to assess their ability and capacity to supply the electric vehicles. The Auditors considered such information necessary to obtain a comprehensive understanding of the Prepayments and the related contract liabilities. In the absence of sufficient audit evidence, the Auditors could not reach a definitive conclusion regarding the appropriate accounting treatment of the relevant Prepayments and contract liabilities.

In particular, the Auditors were unable to obtain sufficient appropriate audit evidence regarding the nature of the transactions to determine whether their classification as prepayments for purchases of motor vehicles and contract liabilities arising from vehicle sales was appropriate. In addition, the Auditors were unable to assess the recoverability of the outstanding prepayment under the procurement agreement that had neither been terminated nor novated as at the date of the auditor's report, and whether any impairment provision was required in respect thereof.

Consequently, differences arose between Management and the Auditors regarding the appropriate accounting treatment of the relevant transactions, ultimately resulting in the Auditors issuing the Qualified Opinion.

7. The view of the Audit Committee regarding the Audit Issues

The Audit Committee reviewed Management's assessment of the Prepayments and the contract liabilities associated with the Call Option Agreement, together with the supporting documentation, including the Agreements, payment records and correspondence. In respect of the five completed SPAs, the Audit Committee noted that the subsequent refunds and settlements supported the Management's assessment that the relevant Prepayments were recoverable as at 31 December 2025. In respect of the remaining Prepayment, the Audit Committee considered, among other things, the Group's contractual rights of recovery, the obligations of the relevant Supplier, and the financial standing and guarantee commitments of the Guarantor and Mr. Kwek.

Based on the information available, the Audit Committee concurred with the Management's assessment that there was no evidence of any material loss or shortfall in the recoverability of the Prepayments as at 31 December 2025. Accordingly, the Audit Committee considered that no impairment provision was required and that the risk of non-recovery was minimal. The Audit Committee therefore concurred with the Management's conclusion that the Prepayments were not subject to a material expected credit loss and that no separate quantitative assessment of expected credit losses was required.

The Audit Committee also noted that the Auditors could not obtain certain historical information from the Manufacturer and the Suppliers. Consequently, the Auditors were unable to obtain sufficient appropriate audit evidence to determine: (i) whether the transactions were conducted in the ordinary course of business;(ii) whether the relevant financial assets met the derecognition requirements; and (iii) whether any impairment loss was required.

The Audit Committee considered that these matters represented limitations on the audit evidence available to the Auditors, rather than evidence that the Prepayments were impaired or that the relevant transactions lacked commercial substance. The resulting unresolved scope limitations contributed to the Qualified Opinion.

The Audit Committee further considered that the Management had prepared the financial statements in good faith and had used its best endeavours, based on the information and circumstances available at the relevant time. In the view of the Audit Committee, the accounting treatment adopted by the Management appropriately reflected the underlying facts, the contractual rights and obligations of the relevant parties, and the commercial substance of the Agreements.

Having considered the supporting documentation, the explanations provided by the Management and the views of the Auditors, the Audit Committee concurred with the Management's assessment and accounting treatment in respect of the Prepayments and the contract liabilities arising from the Call Option Agreement.

8. Action plan and implementation timeline to address unresolved audit issues in the next financial year

Following extensive consideration by the Board, the Company provides an update on the status of, and the action plan for resolving, the outstanding Audit Issues.

(i) as at 31 December 2025, aggregate Prepayments under the SPAs amounted to approximately S$55,089,402. Three of the SPAs were subsequently terminated, and the corresponding Prepayments were fully refunded before the date of the 2025 Annual Report. Two other SPAs were subsequently novated to new assignees, and all consideration under the relevant novation arrangements was received before the date of the 2025 Annual Results; and

(ii) the only remaining unresolved Prepayment relates to the SPA entered into between Atoll Discovery and SEV New Energy on 16 May 2025, amounting to approximately S$8,322,000. The Prepayment remains outstanding.

To address the Audit Issues relating to the Prepayments, the Company identified a potential course of action involving the termination of the relevant agreement and the refund of the corresponding amounts. Pursuant to this course of action, the Company would not extend the terms of the Second Atoll SPA, and would terminate the Third Fortunate SPA and the Call Option Agreement in accordance with their respective terms. The relevant Suppliers would then refund the applicable amounts to the Group, and the Group would, in turn, refund the corresponding amounts to Ryde in accordance with the terms of the Call Option Agreement.

As at the date of this announcement, approximately HK$27,006,000 (equivalent to approximately S$4,455,990) has been received from Fortunate W under the Third Fortunate SPA. Management has maintained close communication with Atoll Discovery and Fortunate W and understands that both suppliers are undertaking their respective internal approval processes for the release of the refunds. Based on the discussions to date and ongoing follow-up, the Board expects the outstanding Prepayment to be resolved in accordance with the proposed plan, with the related audit issues addressed promptly thereafter. The Board expects to complete the overall process by 31 December 2026.

To strengthen governance and reduce the risk of recurrence, the Board will engage a qualified external expert to review the effectiveness of the Group's risk assessment framework and internal controls relating to these transactions. The Company will also provide the Auditors with regular updates on the progress of the review and the implementation of any resulting recommendations.

As at the date of this announcement, the Company is in the process of selecting a qualified and independent expert. The Company expects to finalize the appointment by early November 2026, with the review expected to commence in the same month and be completed in January 2027. Upon completion of this process, the Company will announce relevant findings and any material updates to the Shareholders and potential investors of the Company. The Board believes that these actions and governance measures are appropriate to address the outstanding Audit Issues, safeguard the Group's interests and enhance the effectiveness and robustness of the Group's internal controls.

The Board has continued to discuss and update the above plan with the Auditors, including the transactions contemplated under the Third Fortunate SPA, their implications, and related follow-up actions. The Auditors have indicated that the identified Audit Issues may be effectively resolved if the plan is implemented as designed. As of the date of this announcement, the Auditors have not notified the Company of any adverse impact.

The Auditors have also agreed in principle that, subject to the action plan being fully implemented and no Prepayment or contract liability balances relating to the Audit Issues remaining outstanding as at 31 December 2026, the matters giving rise to the Qualified Opinion would no longer affect the closing balances for the year ending 31 December 2026. Accordingly, the Company does not expect a qualified opinion on the closing balances for that year.

However, because the relevant balances as at 31 December 2025 will continue to be presented as the corresponding figures and will form part of the opening balances in the financial statements for the year ending 31 December 2026, the Qualified Opinion is expected to remain in respect of those corresponding figures. The final form of the Auditors' report for the year ending 31 December 2026 will be determined only upon completion of the audit for that year.

9. The Board's assessment on whether the reasons causing the Qualified Opinion indicate any internal control deficiencies

The Board has conducted a comprehensive assessment and concludes that the matters giving rise to the Qualified Opinion primarily reflect deficiencies in documentary evidence and governance.

The Board identified two principal causes. First, insufficient documentary evidence, including complete historical records relating to the production, inventory, and delivery of electric vehicles ordered from the Suppliers and the Manufacturer, prevented the Board from demonstrating that certain transactions were executed in the ordinary course of business. Second, processes for the timely assessment and documentation of the recoverability and impairment of significant prepayment balances were inadequate.

The Board also identified governance and control weaknesses that contributed to these issues. Responsibility for certain transactions was concentrated in a single executive director without sufficient segregation of duties. The Board provided limited prior review and challenge, and communication with the Auditors was insufficient and untimely.

To remediate these deficiencies, the Board has approved and conducted the following measures with the stated implementation timelines.

(i) The Company will engage a qualified independent internal control expert to review the Group's financial reporting procedures, internal controls, corporate governance arrangements and transaction workflows, and to prepare a written report setting out prioritized recommendations.

As at the date of this announcement, the Company is in the process of selecting a qualified independent expert. The appointment is expected to be finalized by November 2026, with the review expected to commence in the same month and be completed in January 2027.

After receiving the internal control expert's recommendations, the Board expects to implement the primary remedial measures promptly. The Company will provide regular progress updates to the Audit Committee and the Auditors until the Board is satisfied that it has remediated the identified deficiencies.

Upon completion of the internal control review, including the review of the remedial actions taken in response to the recommendations, the Company will announce the results of the review, together with any other relevant information, as and when appropriate.

(ii) The Group has established and enhanced its internal control measures, supported by a clear review and approval process and documented delegated authority limits, to ensure the accuracy of size test calculations on both a standalone and aggregated basis for potential notifiable transactions, connected transactions and advances to an entity, and compliance with Chapters 13, 14 and 14A of the Listing Rules. The controls and approval process are as follows:

a) The originating business department shall conduct factual and commercial due diligence on the counterparty and the transaction terms, and ensure the completeness and accuracy of all key commercial information, including the quantity, price, scope, payment terms and other material provisions;

b) The managers of the relevant business and finance departments of the Company shall jointly conduct a formal assessment of the transaction. Such assessment should include:

I. The business department evaluating the terms and conditions of the transaction;

II. the finance department manager shall:

(A) calculate the applicable size tests for each type of transaction on a standalone basis; and

(B) determine whether aggregation is required by reviewing the central register of all transactions and having regard to the factors set out in Rule 14.23 of the Listing Rules. The finance department manager shall also review the outstanding receivables and the relevant factors under Rules 13.13 to 13.15 of the Listing Rules; and

III. the chief financial officer of the Company reviewing all size test calculations, inputs and supporting documentation, and the central register of all transactions, on both a standalone and aggregated basis, to determine whether the transaction constitutes a notifiable transaction under Chapter 14 of the Listing Rules or an advance to an entity under Chapter 13 of the Listing Rules, and to ensure compliance with the applicable requirements of Chapters 13, 14 and 14A of the Listing Rules. Where any interpretation of the Listing Rules or complex legal or financial issue arises, external advice shall be sought from professional advisers, such as legal advisers and/or qualified financial advisers;

IV. Following completion of the formal assessment, the company secretary of the Company shall ensure that all requisite prior approval procedures have been duly complied with. Before the transaction is executed, the chief financial officer of the Company shall conduct a comprehensive review of the compiled analyses, size test results and comments from the relevant departments to verify their accuracy and confirm the robustness of the commercial rationale;

V. The Company's delegated authority limits are designed to facilitate prompt approval of routine transactions while ensuring that significant or high-risk matters receive appropriate senior management oversight or collective decision-making. Subject to the applicable requirements of the Listing Rules, the approval thresholds are as follows:

– transactions of up to HK$3 million, being the threshold for fully exempt connected transactions under Chapter 14A of the Listing Rules or such amount as may constitute a transaction under Chapter 14 of the Listing Rules, shall be approved by the Company's chief financial officer;

– transactions exceeding HK$3 million but not exceeding HK$50 million shall be approved by both the Company's chief financial officer and an executive Director; and

– any transaction exceeding HK$50 million, or representing more than 5% of the Company's annual revenue, total assets, profits or market capitalisation, or any transaction involving a related party that constitutes a notifiable transaction or connected transaction or representing more than 8% of the relevant assets and potentially constituting an advance to an entity, shall require Board approval.

VI. If a transaction is identified as, or may potentially become, a notifiable transaction under Chapter 14, a connected transaction under Chapter 14A, or an advance to an entity under Chapter 13 of the Listing Rules, the matter shall be escalated to the Board or a designated Board committee for final review and formal approval. The Company shall prepare and publish any announcements and/or circulars required under the Listing Rules.

(iii) To prevent non-compliance with the aggregation requirements under Chapter 14, starting from 2026, the Group's finance department shall maintain a centralised register of all transactions. The register shall record and aggregate similar transactions and transactions involving the same counterparty, as appropriate. The Company's chief financial officer shall regularly review the register of all types of transactions and shall update or review it whenever a transaction arises.

If the aggregate value of the relevant transactions reaches or exceeds any of the applicable percentage ratios prescribed under Chapter 14 of the Listing Rules, the transaction shall be promptly escalated to the Board for review. The Board shall then determine whether any applicable notification, announcement or shareholders' approval requirements have been triggered.

(iv) To monitor compliance with the requirements relating to advances to an entity under Chapter 13 of the Listing Rules, the Group's finance department shall maintain a centralised register of all receivables, loans, advances and other similar arrangements involving any entity. The register shall record both individual transactions and transactions involving the same entity, so that the relevant amounts can be monitored on an aggregate basis. The Company's chief financial officer shall regularly review the register of all types of transactions and shall update or review it whenever a transaction arises.

Where the aggregate amount of advances to an entity reaches, or is approaching, the applicable disclosure threshold under Rule 13.13 of the Listing Rules, the matter shall be promptly referred to the legal and finance teams for review. The Company shall then determine whether any announcement, disclosure, additional approval or other action is required, and whether the relevant transaction should be subject to any restrictions or conditions.

(v) The Board and Audit Committee oversight has been enhanced by mandating timely reporting of material transactional negotiations, requiring pre-transaction Board or committee review for transactions above the thresholds defined above, and documenting Board and committee deliberations and decisions.

A "material transaction" means any individual transaction or series of related transactions that, quantitatively, (i) exceed HK$50 million, or (ii) represent more than 5% of the Company's most recently reported annual revenue, total assets or net profit, or more than 5% of the Company's market capitalisation (each calculated on a consistent accounting basis and, where appropriate, averaged over the prior financial year to smooth timing effects).

(vi) The Directors, senior management and all finance– and operations-related staff will receive targeted training on applicable accounting standards, internal control requirements and relevant provisions of Chapter 13, 14 and 14A of the Listing Rules, in particular Rules 13.13 to 13.15, Rules 14.73 and 14.74 and the applicable requirements under each of the relevant Listing Rules. The Company will also arrange periodic follow-up reviews, carried out by internal or external advisers as appropriate, to assess the effectiveness of the measure implemented.

As at the date of this announcement, the Company has completed internal training sessions covering the above matters, conducted by its ongoing legal adviser.

(vii) The Company has updated its internal control manual to expressly require that any transaction of the same or similar nature as those contemplated under the SPAs be identified and assessed in accordance with Rules 13.13 to 13.15 of Chapter 13 of the Listing Rules. The manual also requires any call option granted by the Company to be assessed for compliance with Rules 14.73 and 14.74 of Chapter 14 of the Listing Rules.

The information contained in this supplemental announcement does not affect other information contained in the 2025 Annual Report, and save as disclosed above, all other information in the 2025 Annual Report remains unchanged.

ADVANCES MADE TO AN ENTITIES

The Board wishes to announce that SEV New Energy entered into (a) the First Atoll SPA with Atoll Discovery on 16 January 2025; (b) the Second Atoll SPA with Atoll Discovery on 16 May 2025; (c) the Second Fortunate SPA with Fortunate W on 18 December 2025; and (d) the Third Fortunate SPA with Fortunate W on 13 February 2026.

A summary of the principal terms of (i) the First Atoll SPA, (ii) the Second Atoll SPAs, (iii) the Second Fortunate SPA and (iv) the Third Fortunate SPA is set out below:

	The First Atoll SPA	**The Second Atoll SPA**	**The Second Fortunate SPA**	**The Third Fortunate SPA**
Date:	16 January 2025	16 May 2025	18 December 2025	13 February 2026
Parties:	(i) SEV New Energy; and (ii) Atoll Discovery.	(i) SEV New Energy; and (ii) Atoll Discovery.	(i) SEV New Energy; and (ii) Fortunate W.	(i) SEV New Energy; and (ii) Fortunate W.
Subject:	Atoll Discovery agreed to sell, and SEV New Energy agreed to purchase 500 units of the Sokon EC35.	Atoll Discovery agreed to sell, and SEV New Energy agreed to purchase 360 units of the Sokon EC35.	Fortunate W agreed to sell, and SEV New Energy agreed to purchase 500 units of the Sokon EC35.	Fortunate W agreed to sell, and SEV New Energy agreed to purchase 375 units of the Sokon EC35.

	The First Atoll SPA	The Second Atoll SPA	The Second Fortunate SPA	The Third Fortunate SPA
Consideration:	The total consideration is US$9,000,750.75 (equivalent to approximately S$11,558,000), based on a unit price of approximately US$18,000 per vehicle.	The total consideration is US$6,480,540.54 (equivalent to approximately S$8,322,000), based on a unit price of approximately US$18,001 per vehicle.	The total consideration is HK$80,000,000 (approximately S$13,200,000), based on a unit price of approximately HK$160,000 per vehicle.	The total consideration is HK$60,000,000 (equivalent to approximately S$9,900,000), based on a unit price of approximately HK$160,000 per vehicle.
Payment manner:	i) SEV New Energy will remit a refundable deposit to Atoll Discovery within sixty (60) days after execution of the relevant SPA; ii) the deposit will either (a) be applied toward the total contract value payable at completion of the sale; or (b) if the relevant SPA is terminated, be refunded in full and without interest to SEV New Energy within ten (10) days of termination; and iii) after the deposit is settled, SEV New Energy must pay the remaining balance of the total contract value to Atoll Discovery.		i) SEV New Energy will remit a refundable deposit to Fortunate W within thirty (30) days after execution of the relevant SPA; ii) the deposit will either (a) be applied toward the total contract value payable at completion of the sale; or (b) if the relevant SPA is terminated, be refunded in full and without interest to SEV New Energy within ten (10) days of termination; and iii) after the deposit is settled, SEV New Energy must pay the remaining balance of the total contract value to Fortunate W within sixty (60) days after execution of the relevant SPA.	
Interest:	No interest is charged on the consideration payable by SEV New Energy to Atoll Discovery/Fortunate W.			
Collateral:	No collateral is required to be provided in respect of the consideration paid by SEV New Energy to Atoll Discovery/Fortunate W.			
Term:	The First Atoll SPA commences on 16 January 2025 and remains valid for 1 year.	The Second Atoll SPA commences on 16 May 2025 and remains valid for 1 year.	The Second Fortunate SPA commences on 18 December 2025 and remains valid for 1 year.	The Third Fortunate SPA commences on 13 February 2026 and remains valid for 1 year.
Terms of delivery:	(i) The vehicles shall be delivered to locations within Thailand as designated by SEV New Energy. (ii) Title of the vehicles shall pass to SEV New Energy (or SEV New Energy's nominee) only upon full payment of the total consideration. (iii) Notwithstanding title, the exact delivery schedule will be mutually confirmed in writing by both parties because Atoll Discovery requires a specified production volume to commence mass production for the ordered vehicles. Risk in the vehicles shall pass to SEV New Energy only upon delivery of the vehicles and SEV New Energy's acceptance of them.			
Termination:	If the sale has not been completed or Atoll Discovery/Fortunate W is unable to effect delivery of all the Vehicles prior to the end of the term of the agreement, the First Atoll SPA/the Second Atoll SPA/the Second Fortunate SPA/the Third Fortunate SPA shall automatically terminate (unless otherwise further extended with the mutual agreement between the parties). The amount payable by SEV New Energy to Atoll Discovery/Fortunate W shall be refunded interest-free in full to SEV New Energy within ten days upon the termination of the agreement.			

The Board would like to clarify that (1) the consideration under the Atoll SPAs and the Fortunate SPAs, including both the Deposit and the remaining balance, was paid in full shortly after the respective agreements were executed; and (2) the parties agreed that, as Atoll Discovery and Fortunate W were required to achieve specified production volumes before commencing mass production, the exact delivery dates would be confirmed in writing later during the term of the relevant agreement.

Accordingly, the Company initially recorded the payments as prepayments in its consolidated financial statements.

Basis of determination of the consideration

The consideration payable under each of the First Atoll SPA, the Second Atoll SPA, the Second Fortunate SPA and the Third Fortunate SPA was determined by the parties with reference to the export prices of the "Sokon EC35" vehicle model from the PRC to overseas markets. Such export prices ranged from approximately US$17,000 (equivalent to HK$132,600) to US$20,000 (equivalent to HK$156,000) per vehicle, and the unit prices under the Atoll SPAs and the Fortunate SPAs fell within or close to this export price range.

Accordingly, the Board considered that the consideration terms under the Atoll SPAs and the Fortunate SPAs were fair and reasoable, and in the interests of the Company and its shareholders as a whole.

Information on Atoll Discovery

Based on the information available to the Board, Atoll Discovery is a company incorporated in Singapore with limited liability and is principally engaged in renting and leasing of private cars. As of the date of signing the First Atoll SPA and the Second Atoll SPA, Atoll Discovery was 40% held by RCSR Pte. Ltd., 20% held by Mr. Nicholas Ng Yick Hing, and 40% held by Mr. Steven Kwek Poh Song.

According to statutory documents reviewed by the Board, RCSR Pte. Ltd. is wholly owned by Ryde Group Ltd. Ryde Group Ltd has two classes of ordinary shares:

(i) Class A ordinary shares: no single shareholder holds more than 10% of the Class A ordinary shares; and

(ii) Class B ordinary shares: 100% held by Mr. Zou Junming Terence.

To the best of the Directors' knowledge, information, and belief, and after making all reasonable inquiries, the ultimate beneficial owners of Atoll Discovery are Independent Third Parties.

Information on Fortunate W

Based on the information available to the Board, Fortunate W is a company incorporated in Hong Kong with limited liability and an authorised agent of the Manufacturer, having a direct relationship with the Manufacturer in connection with the supply of specified electric vehicles.

As of the date of signing the Second Fortunate SPA and the Third Fortunate SPA, Fortunate W was 1% held by Mr. Zhang Yixin and 99% held by Mr. Li Wei.

Reasons for entering into the Atoll SPAs and the Fortunate SPAs

The Company clarifies that the Atoll SPAs and the Fortunate SPAs were entered into with Atoll Discovery and Fortunate W, respectively, for the purpose of securing the Company's entitlement to specified electric vehicles upon production and delivery, fixing the relevant pricing and other commercial terms, and documenting the Company's procurement commitments. These commitments were intended to demonstrate aggregated demand to the Manufacturer and potential investors.

The Board considered entering into the Atoll SPAs and the Fortunate SPAs was commercially appropriate as the agreements formalised the Company's procurement commitments within the framework of the Cooperation Agreement, clarified the relevant allocation, delivery and payment arrangements, and contributed to the overall commitments required to support the economic viability of the Manufacturer's conversion to right-hand drive production.

The Guarantee Contracts were entered into to provide additional commercial protection by creating enforceable obligations on the part of the Guarantor in respect of specified performance and payment liabilities under the Atoll SPAs and the Fortunate SPAs.

Management considered the Guarantee Contracts necessary and prudent, as they helped mitigate counterparty risk arising from the Group's reliance on the Suppliers and the lengthy lead times involved. They also enhanced investors' and the Manufacturer's confidence in the aggregated procurement commitments and provided the Group with contractual remedies and recourse if the relevant transactions were not completed in accordance with their terms, subject to the agreed one-year completion period and applicable enforceability provisions.

After assessing the terms of the Atoll SPAs and the Fortunate SPAs, the Guarantee Contracts and available market demand information, the Board concluded that entering into the Atoll SPAs and the Fortunate SPAs was fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Implications under the Listing Rules

The Board reassessed the Prepayments under the Atoll SPAs and the Fortunate SPAs and determined that the relevant Prepayments constituted advances to the relevant counterparties. Accordingly, the relevant Prepayments fell within the scope of Rules 13.13 to 13.15 of the Listing Rules.

Based on the assets ratio calculated in accordance with Rule 14.07 of the Listing Rules, each of the Prepayments made under the First Atoll SPA, the Second Atoll SPA, the Second Fortunate SPA and the Third Fortunate SPA, when considered individually, resulted in an assets ratio of less than 8%. Accordingly, each relevant transaction, considered on a standalone basis, was exempt from the announcement requirements under Chapter 13 of the Listing Rules.

Nevertheless, the First Atoll SPA and the Second Atoll SPA were entered into with the same counterparty. Likewise, the Second Fortunate SPA and the Third Fortunate SPA were entered into with the same counterparty. The transactions contemplated under each set of agreements were therefore aggregated to calculate the applicable percentage ratios. Upon aggregation, the asset ratios for each set of transactions exceeded 8%.

Accordingly, the transactions contemplated under (i) the First Atoll SPA and the Second Atoll SPA and (ii) the Second Fortunate SPA and the Third Fortunate SPA were subject to the announcement requirements under Chapter 13 of the Listing Rules.

The Board confirms that Mr. Jin Zhehi ("**Mr. Jin**"), an executive Director, was responsible for evaluating, approving and executing the Atoll SPAs and the Fortunate SPAs. In discharging his responsibilities, Mr. Jin reviewed the commercial terms of each agreement and assessed each relevant transactions individually, having regard to their respective terms and timing.

At the relevant time, however, the Group's internal control procedures did not require the finance department to maintain a centralised register of transactions. The finance department primarily relied on the payment vouchers to review the counterparties and the nature of the transactions. As a result, it did not identify that the transactions contemplated under the Atoll SPAs and the Fortunate SPAs were sufficiently similar in nature and were entered into within the relevant period such that their aggregation should have been considered.

In the absence of a centralised transaction register with an effective alert and escalation mechanism for identifying transactions involving the same or related counterparties within the relevant period, no independent legal or finance review was triggered before the relevant agreements were approved and executed.

Consequently, Mr. Jin was not alerted that the relevant transactions were required to be considered on an aggregated basis when calculating the applicable percentage ratios under the Listing Rules. The Company therefore assessed the relevant asset test by reference to the individual agreements rather than on an aggregated basis.

As a result, the Company did not aggregate the relevant transaction values and failed to identify that the aggregate transaction value triggered the applicable announcement and/or disclosure requirements under the Listing Rules. Accordingly, the Company did not comply with the applicable requirements under Chapter 13 of the Listing Rules in respect of the Atoll SPAs and the Fortunate SPAs.

The breach arose from an inadvertent failure to apply the relevant aggregation requirements under Chapter 13 of the Listing Rules at the material time. There was no intention on the part of the Company to circumvent the Listing Rules or withhold information from the market. Rather, the non-compliance resulted from deficiencies in the Company's internal procedures and controls, which were insufficient to identify transactions involving the same counterparty and assess their aggregate value before approval and execution.

The Board regrets this oversight and has taken prompt remedial actions to address the non-compliance.

Remedial measures for addressing the non-compliance with the Listing Rules

To remediate the non-compliance and to reduce the risk of recurrence, the Board has approved and commenced the following measures with the stated implementation timelines:

(i) **Independent review of controls and reporting:** the Board will commission a comprehensive review of the Group's financial reporting procedures, internal controls and governance relating to advances, financial assistance and notifiable transactions under Chapters 13, 14 and 14A of the Listing Rules. The review will include specific recommendations and corrective actions.

As mentioned above, the Company is in the process of selecting a qualified independent expert. The appointment is expected to be finalized by November 2026, with the review expected to commence that month and be completed in January 2027.

After receiving the internal control expert's recommendations, the Board expects to implement the primary remedial measures promptly. The Company will provide regular progress updates to the Audit Committee and the Auditors until the Board is satisfied that it has remediated the identified deficiencies.

Upon completion of the internal control review, including the review of the remedial actions taken in response to the recommendations, the Company will announce the results of the review, together with any other relevant information, as and when appropriate.

(ii) **Strengthening of approval and oversight frameworks:** The Company has established formal delegated authority limits, dual sign-off requirements for material payments and advances, mandatory pre-transaction notification thresholds for the Board and the Audit Committee and a framework to monitor and prevent potential violations of Chapter 13 (Advances to an Entity) and Chapter 14 (Notifiable Transactions) of the Listing Rules. For details of the strengthening controls, please refer to the paragraphs under the sub-section headed "9. The Board's assessment on whether the reasons causing the Qualified Opinion to indicate any internal control deficiencies" in this announcement.

(iii) **Training and awareness:** The Directors, senior management and all finance- and operations-related staff will receive targeted training on applicable accounting standards, internal control requirements and relevant provisions of Chapter 13, 14 and 14A of the Listing Rules, in particular Rules 13.13 to 13.15, Rules 14.73 and 14.74, transaction classification, aggregation rules and disclosure obligations, and the applicable requirements under each of the relevant Listing Rules. The Company will also arrange periodic follow-up reviews, carried out by internal or external advisers as appropriate, to assess the effectiveness of the measure implemented.

As at the date of this announcement, the Company has completed internal training sessions covering the above matters, conducted by its ongoing legal adviser.

(iv) **External advisory and auditor engagement (immediate and ongoing):** The Company has engaged external legal and financial advisers as required for material or novel transactions and adopts structured, periodic engagement with its auditors at key transaction milestones to ensure timely exchange of supporting evidence.

(v) **Monitoring and follow-up (quarterly thereafter):** the Audit Committee will receive quarterly reports on implementation progress and on any material transactions to ensure continuing compliance.

(vi) **Enhanced internal control procedures:** The Company has strengthened its internal control procedures in relation to transactions of a similar nature to those contemplated under the SPA and the Call Option Agreement. Before entering into or signing any agreement in respect of such a transaction, the Company will conduct a thorough assessment of the applicable requirements under Chapters 13, 14 and 14A of the Listing Rules, including whether any announcement, reporting or shareholders' approval requirements apply. The Company will ensure that the relevant assessments are completed and, where appropriate, obtain advice from its professional advisers before proceeding with the transaction.

(vii) **Update to the internal control manual:** The Company has updated its internal control manual to expressly require that any transaction of the same or similar nature as those contemplated under the SPAs be identified and assessed in accordance with Rules 13.13 to 13.15 of Chapter 13 of the Listing Rules. The manual also requires any call option granted by the Company to be assessed for compliance with Rules 14.73 and 14.74 of Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

"2025 Annual Report"	the annual report of the Company for the year ended 31 December 2025, which was published on 28 April 2026
"2025 Annual Results"	the annual results announcement of the Company for the year ended 31 December 2025
"2025 Novation Agreement"	the novation agreement entered into between SEV New Energy and an Independent Third Party on 25 August 2025 pursuant to which SEV New Energy agreed to transfer by novation all of its rights and obligations under the First Fortunate SPA to such Independent Third Party
"2026 Novation Agreement"	the novation agreement entered into between SEV New Energy and an Independent Third Party on 12 March 2026 pursuant to which SEV New Energy agreed to transfer by novation all of its rights and obligations under the First Atoll SPA to such Independent Third Party
"Agreements"	collectively, the SPAs, the 2025 Novation, the 2026 Novation, the Guarantee Contracts and the Call Option Agreement
"Atoll Discovery"	Atoll Discovery Pte. Ltd., a company incorporated in Singapore with limited liability
"Atoll SPAs"	Collectively, the First Atoll SPA and the Second Atoll SPA
"Auditors"	ZHONGHUI ANDA CPA Limited, the certified public accountants appointed as the auditors of the Company for the financial year ended 31 December 2025
"Audit Committee"	Audit Committee of the Board
"Board"	the board of Directors
"Business Day(s)"	any day (other than a Saturday, Sunday and public holiday) on which banks in Hong Kong are open for business throughout their normal business hours
"Call Option"	a call option granted by the Company to Ryde Group Ltd to purchase up to 280 electric vehicles, specifically comprising the GAC Aion and Hyptec models, on the terms and conditions set out in the Call Option Agreement
"Call Option Agreement"	the call option agreement entered into between the Company and an Independent Third Party on 10 December 2025 pursuant to which such Independent Third Party agreed to pay a deposit to the Company, and the Company agreed to grant to such Independent Third Party the option to purchase up to 280 electric vehicles, on the terms and conditions set out in the Call Option Agreement

"Call Option Period"	the period of six (6) months commencing on the date of the Call Option Agreement, during which the Purchaser may exercise the Call Option
"Cooperation Agreement"	the cooperation agreement entered into between Planet EV and the Platform in June 2024 under which Planet EV agreed to assist the Platform in transitioning traditional taxi drivers in Thailand from gasoline-powered vehicles to electric vehicles, including leasing vehicles for taxi services and promoting use of the Platform's launched service
"Company"	Guan Chao Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 1872)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"First Atoll SPA"	the sales and purchase agreement entered into between SEV New Energy and Atoll Discovery on 16 January 2025 pursuant to which Atoll Discovery agreed to sell, and SEV New Energy agreed to purchase, 500 units of the Sokon EC35 for a total consideration of US$9,000,750.75 (equivalent to approximately S$11,558,000)
"First Fortunate SPA"	the sales and purchase agreement entered into between SEV New Energy and Fortunate W on 25 July 2025, pursuant to which Fortunate W agreed to sell, and SEV New Energy agreed to purchase, 320 units of the Sokon EC35 for a total consideration of HK$50,000,000 (approximately S$8,250,000)
"Fortunate SPAs"	collectively, the Second Fortunate SPA and the Third Fortunate SPA
"Fortunate W"	Fortunate W Investment Limited, a company incorporated in Hong Kong with limited liability
"Group"	the Company and its subsidiaries
"Guarantee Contracts"	the guarantee contracts established among SEV New Energy, the Guarantor and Mr. Steven Kwek Poh Song, pursuant to which the Guarantor and Mr. Steven Kwek Poh Song jointly and severally guarantee the due and punctual performance of the Suppliers' obligations
"Guarantor"	Singapore Electric Vehicles Pte Ltd, an indirect associate of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Independent Third Party(ies)"	person(s) or entity(ies) who is/are third party(ies) independent of, and not connected with, the Company and any of their respective connected persons

"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Manufacturer"	Chongqing Sokon Motor (Group) Imp. & Exp. Co., Ltd., a wholly owned subsidiary of Seres Group Co., Ltd., a company established in the PRC with limited liability, and the shares of which are listed on the main board of the Stock Exchange under stock code 9927
"Minimum Quantity"	the minimum order quantity of 3,000 units electric vehicles required by the Manufacturer before it will commission and install the customised production line and commence mass production
"Planet EV"	Planet EV Co., Limited, a company incorporated in Thailand with limited liability, where SEV Holding Pte. Ltd.(an associate company of the Company) holds a 10% stake
"Platform"	a reputable ride-hailing platform in Thailand and a technology company that connects individuals in need of transportation, delivery, and other services through its software application in Thailand
"PRC"	the People's Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
"Prepayment(s)"	the prepayments recognised in the Company's consolidated financial statements as at 31 December 2025 in respect of amounts paid by SEV New Energy to the Suppliers pursuant to the terms and conditions of the SPAs, each a "Prepayment"
"Qualified Opinion"	the qualified opinion issued by the Auditors regarding the Company's consolidated financial statements for the financial year ended 31 December 2025
"Ryde"	Ryde Group Limited, an exempted company limited by shares incorporated under the laws of the Cayman Islands and is currently listed on the NYSE American under the ticker symbol "RYDE"
"Second Atoll SPA"	the sales and purchase agreement entered into between SEV New Energy and Atoll Discovery on 16 May 2025 pursuant to which Atoll Discovery agreed to sell, and SEV New Energy agreed to purchase, 360 units of the Sokon EC35 for a total consideration of US$6,480,540.54 (approximately S$8,322,000)
"Second Fortunate SPA"	the sales and purchase agreement entered into between SEV New Energy and Fortunate W on 18 December 2025, pursuant to which Fortunate W agreed to sell, and SEV New Energy agreed to purchase, 500 units of the Sokon EC35 for a total consideration of HK$80,000,000 (approximately S$13,200,000)
"SEV New Energy"	SEV New Energy Company Limited, a wholly owned subsidiary of the Company

"Shares"	ordinary shares of the Company
"Shareholders"	holder(s) of the Share(s)
"SPA(s)"	the six sales and purchase agreements entered into by SEV New Energy with four suppliers, each an Independent Third Party, during the year 2025 for the procurement of a total of 2,550 units of a specified electric motor vehicle model, with an aggregate contract value of approximately S$63,291,000
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"S$"	Singapore dollars, the lawful currency of Singapore
"Third Fortunate SPA"	the sales and purchase agreement entered into between SEV New Energy and Fortunate W on 13 February 2026, pursuant to which Fortunate W agreed to sell, and SEV New Energy agreed to purchase, 375 units of the Sokon EC35 for a total consideration of HK$60,000,000 (equivalent to approximately S$9,900,000)
"USD"	United States dollars, the lawful currency of the United States of America
"%"	per cent.

By Order of the Board
Guan Chao Holdings Limited
Tan Shuay Tarng Vincent
Co-chairman and executive Director

Hong Kong, 17 November 2026

As at the date of this announcement, the Board comprises Mr. Tan Shuay Tarng Vincent, Mr. Zhang Xiaoyang, Ms. Beng Lee Ser Marisa and Mr. Jin Zhehui as executive Directors; Ms. Dong Wenying as non-executive Director; and Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Wu Qing as independent non-executive Directors.

For the purpose of this announcement, amounts denominated in US$ have been translated into S$ at the rate of US$1 = S$1.28415, and amounts denominated in HK$ have been translated into S$ at the rate of HK$1 = S$0.165. Such translations are for illustrative purposes only and do not constitute a representation that any amount in US$ or HK$ has been, or could be, converted into S$ at such rates or at all.

For the purpose of this announcement, amounts denominated in US$ have been translated into HK$ at the rate of US$1 = HK$7.8. Such translations are for illustrative purposes only and do not constitute a representation that any amount in US$ has been, or could be, converted into HK$ at such rates or at all.

APPENDIX 1 – SUMMARY OF THE TERMS OF THE SPAS AND THE THIRD FORTUNATE SPA

No.	Date of the relevant SPA	Suppliers	Buyer	Term of the relevant SPA	Subject matter	Total consideration
1.	16 January 2025	Atoll Discovery Pte. Ltd.	SEV New Energy	Commences on 16 January 2025 and remains valid for 1 year.	The Supplier agreed to sell, and SEV New Energy agreed to purchase 500 units of the Sokon EC35.	USD 9,000,750.75
2.	16 May 2025	Atoll Discovery Pte. Ltd.	SEV New Energy	Commences on 16 May 2025 and remains valid for 1 year.	The Supplier agreed to sell, and SEV New Energy agreed to purchase 360 units of the Sokon EC35.	USD 6,480,540.54
3.	18 July 2025	Star Banner Development Company Limited	SEV New Energy	Commences on 18 July 2025 and remains valid for 1 year.	The Supplier agreed to sell, and SEV New Energy agreed to purchase 500 units of the Sokon EC35.	HK$80,000,000
4.	25 July 2025	Fortunate W Investment Limited	SEV New Energy	Commences on 25 July 2025 and remains valid for 1 year.	The Supplier agreed to sell, and SEV New Energy agreed to purchase 320 units of the Sokon EC35.	HK$50,000,000
5.	10 September 2025	Good Access Global Limited	SEV New Energy	Commences on 10 September 2025 and remains valid for 1 year.	The Supplier agreed to sell, and SEV New Energy agreed to purchase 370 units of the Sokon EC35.	HK$58,000,000
6.	18 December 2025	Fortunate W Investment Limited	SEV New Energy	Commences on 18 December 2025 and remains valid for 1 year.	The Supplier agreed to sell, and SEV New Energy agreed to purchase 500 units of the Sokon EC35.	HK$80,000,000
7.	13 February 2026	Fortunate W Investment Limited	SEV New Energy	Commences on 13 February 2026 and remains valid for 1 year.	The Supplier agreed to sell, and SEV New Energy agreed to purchase 375 units of the Sokon EC35.	HK$60,000,000

Notes:

1. The payment terms of the above SPAs are the same and are listed below:

   (i) SEV New Energy will remit a refundable deposit to Atoll Discovery Pte. Ltd. within sixty (60) days after execution of the relevant SPA and to the other relevant Supplier within thirty (30) days after execution of the relevant SPA;

(ii) the deposit will either (a) be applied toward the total contract value payable at completion of the sale; or (b) if the relevant SPA is terminated, be refunded in full and without interest to SEV New Energy within ten (10) days of termination; and

(iii) after the deposit is settled, SEV New Energy must pay the remaining balance of the total contract value to Atoll Discovery Pte. Ltd. and to the other relevant Supplier within sixty (60) days after execution of the relevant SPA.

2. The delivery terms of the above SPAs are the same and are listed below:

(i) The vehicles shall be delivered to locations within Thailand as designated by SEV New Energy.

(ii) Title of the vehicles shall pass to SEV New Energy (or SEV New Energy's nominee) only upon full payment of the total consideration.

(iii) Notwithstanding title, the exact delivery schedule will be mutually confirmed in writing by both parties because the relevant Supplier requires a specified production volume to commence mass production for the ordered vehicles.

(iv) Risk in the vehicles shall pass to SEV New Energy only upon delivery of the vehicles and SEV New Energy's acceptance of them.

APPENDIX 2 – SUMMARY OF THE TERMS OF THE 2025 NOVATION AGREEMENT AND THE 2026 NOVATION AGREEMENT

No.	Date of the relevant agreement	Supplier	Buyer	Subject matters	Total consideration
1.	25 August 2025	SEV New Energy	Samgo International Trade Limited	SEV New Energy agreed to transfer by novation all of its rights and obligations under the SPA entered into between Fortunate W Investment Limited and SEV New Energy on 25 July 2025 to Samgo International Trade Limited	HK$50,200,000 (equivalent to approximately S$8,286,000)
2.	12 March 2026	SEV New Energy	Greentech Investment Alliance Ltd.	SEV New Energy agreed to transfer by novation all of its rights and obligations under the SPA entered into between Atoll Discovery Pte. Ltd. and SEV New Energy on 16 January 2025 to Greentech Investment Alliance Ltd.	HK$73,720,000 (equivalent to approximately S$12,168,000)