Guan Chao Holdings Limited
冠轈控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1872)

PROFIT WARNING

This announcement is made by Guan Chao Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that the Group is expected to record a decrease in profit attributable to the equity holders of the Company by not less than 60% for the six months ended 30 June 2019 (the "**Current Period**") as compared with that of the six months ended 30 June 2018.

The Company expects that there is a decrease in the profit attributable to the equity holders of the Company for the Current Period, primarily due to the (i) increase in the Group's general and administrative expenses (excluding listing expenses) for the Current Period of approximately S$1.4 million; and (ii) decrease in gross profit by approximately 8% as a result of the decrease in sales of motor vehicles which was mainly attributable to the drop of the average selling price of motor vehicles of the Current Period; and (iii) increase in the recognition of non-recurring listing expenses amounting to approximately S$0.8 million for the Current Period in relation to the listing of the shares of the Company, as compared with that of the six months ended 30 June 2018.

As the Company is still in the process of preparing its unaudited consolidated interim results for the Current Period, the information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the Current Period and information currently available to the Company, which financial figures or information have neither been audited or reviewed by the auditors of the Company, nor been approved by the audit committee of the Company. The results announcement of the Group for the Current Period is expected to be published by the Company within the timeframe as stipulated under the Listing Rules.

Shareholders and potential investors should exercise extreme caution when dealing in the shares of the Company.

By order of the Board
Guan Chao Holdings Limited
Mr. Tan Shuay Tarng Vincent
Chairman and executive Director

Hong Kong, 6 August 2019

As at the date of this announcement, the board of Directors comprises Mr. Tan Shuay Tarng Vincent, Ms. Ng Hui Bin Audrey and Mr. Khung Poh Sun as executive Directors; Mr. Raymond Wong as non-executive Director; and Mr. Chow Wing Tung, Mr. Hui Yan Kit and Mr. Tam Yat Kin Ken as independent non-executive Directors.