Guan Chao Holdings Limited

冠轈控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1872)

SUPPLEMENTAL ANNOUNCEMENT
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).

Reference is made to the Company's profit warning announcement dated 17 March 2020 (the "**Announcement**"). Capitalised terms used herein shall have the same meanings as defined in the Announcement unless the context requires otherwise.

The board of directors of the Company (the "**Board**") wishes to inform shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2019 (the "**Current Year**") and the information currently available to the Company, the Group expects to record a decrease in profit attributable to the equity holders of the Company by approximately 58% for the Current Year as compared to profit attributable to the equity holders of the Company of approximately S$7.4 million for the year ended 31 December 2018, primarily due to the (i) increase in the Group's general and administrative expenses (excluding listing expenses) for the Current Year of approximately S$1.7 million; (ii) increase in the Group's selling and distribution costs for the Current Year of approximately S$1.1 million; and (iii) decrease in gross profit by approximately 5% as a result of the increase in costs of motor vehicles (and related costs) sold for the Current Year.

As the Company is still in the process of preparing its consolidated annual results for the Current Year, 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 Year 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 Year 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, 23 March 2020

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.