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Guan Chao Holdings Limited

冠轆控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1872)

SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Reference is made to the annual report of Guan Chao Holdings Limited (the “**Company**”) for the year ended 31 December 2020 (the “**2020 Annual Report**”) published on 28 April 2021. Unless otherwise specified, capitalized terms used in this announcement shall have the same meanings as set out in the 2020 Annual Report. The Company would like to clarify that section headed “Share Option Scheme” under the Report of the Directors set out in the 2020 Annual Report should be amended and replaced by the following.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “**Share Option Scheme**”) on 1 February 2019. The purpose of the Share Option Scheme is to enable the Company to grant options to eligible persons as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group. The principal terms of the Share Option Scheme are summarised in the section headed “Share Option Scheme” in Appendix IV to the Prospectus.

Details of the movements of share options granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2020 are as follows:

Grantees	Date of Grant	Exercise price of share options	Closing price of the shares on the date of grant	Outstanding as at 1 January 2020	Granted during the period	Outstanding as at 31 December 2020
Directors						
Mr. Vincent Tan	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Ms. Ng Hui Bin Audrey	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Mrs. Marisa Tan (appointed as executive Director on 6 July 2020)	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Mr. Khung Poh Sun (resigned as executive Director on 6 July 2020)	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Mr. Raymond Wong	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Mr. Chow Wing Tung	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Mr. Hui Yan Kit	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Mr. Tam Yat Kin Ken	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Sub-total					72,000,000	72,000,000
Employee	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Other eligible participant	8 April 2020	HK\$0.146	HK\$0.143	N/A	9,000,000	9,000,000
Total				<u>N/A</u>	<u>90,000,000</u>	<u>90,000,000</u>

(1) Purpose

The purpose of this Share Option Scheme is to enable the Board to grant options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group.

(2) Eligible person

Eligible persons means (i) any employee or proposed employee (whether full time or part time employee, including any director) of any member of the Group or any invested entity; and (ii) any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contribute to the development and growth of the Group or any invested entity.

(3) Total number of shares available for issue

The total number of shares in respect of which options may be granted under this Share Option Scheme and any other share option schemes shall not in aggregate exceed 90,000,000 shares, being 10% of the total number of shares in issue as at the date of this annual report.

(4) Total maximum entitlement of each eligible person

No option shall be granted to any eligible person if any further grant of options would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of shares in issue from time to time.

(5) Option period and payment on acceptance of the option

Options granted must be taken up within 21 days of the date of grant, upon payment of HK\$1 on acceptance of the offer. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and granted.

(6) Minimum Period for which an option must be held before it can be exercised

No minimum period for which an option must be held before it can be exercised unless otherwise determined by the Board at the time of grant.

(7) Ranking of shares

The shares to be allotted and issued upon the exercise of an option shall be subject to the Company's constitutional documents for the time being in force and shall rank pari passu in all respects with the fully-paid shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.

(8) Subscription price of shares

The subscription price shall be such price as determined on the date of grant by the Board, and shall be at least the highest of:

- (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;

- (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and
- (c) the nominal value of a share on the offer date.

(9) Period of the Share Option Scheme

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme, after which period no further option shall be granted. All options granted and accepted and remaining unexercised immediately prior to expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

As at 31 December 2020, there were 90,000,000 share options granted by the Company under the Scheme which were valid and outstanding, representing approximately 10% of the issued share capital of the Company as at the date of this report. The share options are exercisable for a period of ten years from 8 April 2020 (the “**Option Period**”) and expiring at the close of business on the last day of the Option Period or at the expiry of the Scheme, whichever is earlier. The share options have vested on 8 April 2020.

No share options were exercised, cancelled or lapsed under the Scheme during the year ended 31 December 2020.

The above-mentioned supplemental information does not affect any other information contained in the 2020 Annual Report, and save as disclosed above, all other information in the 2020 Annual Report remains unchanged.

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

Hong Kong, 16 September 2021

As at the date of this announcement, the board of Directors comprises Mr. Tan Shuay Tarng Vincent, Ms. Ng Hui Bin Audrey and Ms. Beng Lee Ser Marisa 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.