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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)

**(I) DISCLOSEABLE TRANSACTION IN RELATION TO
A SUBSCRIPTION OF NEW SHARES IN THE TARGET COMPANY
AND
(II) CHANGE IN USE OF PROCEEDS FROM THE PLACING**

THE SUBSCRIPTION

The Board is pleased to announce that on 10 March 2026, Shenzhen Tianqiming, a wholly-owned subsidiary of the Company, entered into the Subscription Agreement (as supplemented by the Supplemental Agreement) with the Target Company and Mr. Chen Zhenming (陳振明), pursuant to which Shenzhen Tianqiming has agreed to subscribe to RMB5,413,652.00 of the newly increased registered capital of the Target Company (equivalent to 5,413,652 new ordinary shares of the Target Company), with the Subscription Price of RMB139,997,040.70.

As of the date of this announcement, the registered share capital of the Target Company is RMB96,672,388, comprising 96,672,388 ordinary shares of the Target Company. Assuming there are no changes to the total registered share capital of the Target Company between the date of this announcement and the Completion Date, the 5,413,652 Subscription Shares will represent approximately 5.30% of the total issued share capital of the Target Company as enlarged by the allotment and issuance of the Subscription Shares immediately after the Completion.

Upon Completion, the Target Company will be accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group, in accordance with Hong Kong Financial Reporting Standard 9 Financial Instruments.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed 5% but are below 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

CHANGE IN USE OF PROCEEDS FROM THE PLACING

The Board hereby announces that it has resolved to reallocate the unutilised Placing Proceeds, amounting to approximately HK\$70 million, representing approximately 19% of the total Placing Proceeds, which were originally intended for the possible investment in the Anion Exchange Membrane (AEM) business, to finance the Subscription Price.

THE SUBSCRIPTION

On 10 March 2026, Shenzhen Tianqiming, a wholly owned subsidiary of the Company, entered into the Subscription Agreement (as supplemented by the Supplemental Agreement) with the Target Company and Mr. Chen Zhenming.

THE SUBSCRIPTION AGREEMENT

The principal terms of the Subscription Agreement are summarized below

- Date : 10 March 2026
- Parties : (i) Shenzhen Tianqiming;
- (ii) the Target Company; and
- (iii) Mr. Chen Zhenming (陳振明)

As of the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Company and its ultimate beneficial owners are Independent Third Parties.

The Subscription

Pursuant to the terms of the Subscription Agreement, Shenzhen Tianqiming agreed to subscribe to RMB5,413,652.00 of the newly increased registered capital of the Target Company (equivalent to 5,413,652 Subscription Shares).

The Subscription Price

The subscription price for each Subscription Share is RMB25.86, totaling RMB139,997,040.70. Out of this total, RMB5,413,652.00 will be recorded as new registered capital, while the remaining RMB134,583,388.70 will be classified as capital gains in the financial statements of the Target Company.

The Subscription Price is payable in cash within 10 Business Days of receiving notice of payment from the Target Company.

As of the date of this announcement, the registered share capital of the Target Company is RMB 96,672,388, comprising 96,672,388 ordinary shares of the Target Company. Assuming there are no changes to the total registered share capital of the Target Company between the date of this announcement and the Completion Date, the 5,413,652 Subscription Shares will represent approximately 5.30% of the total issued share capital of the Target Company as enlarged by the allotment and issuance of the Subscription Shares immediately after the Completion.

The Subscription Shares, when issued and fully paid up, shall rank *pari passu* in all respects, *inter se*, and with all other shares of the Target Company then in issue.

The Subscription Price will be financed by the unutilized Placing Proceeds and the Group's internal resources.

Basis of determination of the Subscription Price

The Subscription Price was determined after arm's-length negotiations between the parties to the Subscription Agreement based on a valuation conducted by Roma Appraisals Limited, an independent professional valuer, who assessed the Target Company's pre-money equity value using the market approach at approximately RMB2,837,256,000.

Based on this pre-money valuation, the fair value of each share in the Target Company is approximately RMB29.35. This figure is calculated by dividing the total valuation (RMB2,837,256,000) by the total number of ordinary shares outstanding, which is 96,672,388. As a result, the subscription price for each Subscription Share, set at RMB25.86, represents a discount of approximately 11.89% compared to the pre-money fair value per share.

Given these evaluations, the Directors have concluded that the Subscription Price is both fair and reasonable.

Completion

The Completion will take place on the date when the Subscription Price is settled. On the Completion Date, Shenzhen Tianqiming will officially become a shareholder of the Target Company, thereby enjoying the rights and assuming the obligations of a shareholder.

Upon Completion, the Target Company will be accounted for as financial assets at fair value through profit or loss in the consolidated financial statements of the Group, in accordance with Hong Kong Financial Reporting Standard 9 Financial Instruments.

Repurchase of Subscription Shares

In accordance with the terms of the Supplemental Agreement, Shenzhen Tianqiming and Mr. Chen Zhenming have agreed that if (i) the Target Company fails to achieve a qualified listing within three years from the date Shenzhen Tianqiming pays the Subscription Price, or (ii) Mr. Chen Zhenming or the Target Company breach any terms of the Subscription Agreement (as supplemented from time to time), then Shenzhen Tianqiming will retain the right to determine whether to exercise the share repurchase option. If Shenzhen Tianqiming decides to exercise this right, Mr. Chen Zhenming or a designated third party (collectively referred to as the “**Repurchaser**”) shall be obligated to unconditionally repurchase the shares held by Shenzhen Tianqiming in the Target Company, as per the request of Shenzhen Tianqiming.

Shenzhen Tianqiming has the right to request the Repurchaser to acquire the shares of the Target Company held by Shenzhen Tianqiming at the following repurchase price:

Repurchase Price = $M \times (1 + 8\% \times T \div 365)$ – Dividends received by Shenzhen Tianqiming (if any) – Compensation received by Shenzhen Tianqiming and its affiliates (if any)

Where:

“**M**” is the total amount of Subscription Price paid by Shenzhen Tianqiming;

“**T**” is the number of days from the date Shenzhen Tianqiming pays the Subscription Price until the date the Repurchaser actually pays the full repurchase price.

If Shenzhen Tianqiming decides to exercise the aforementioned share repurchase rights, the Company will issue the necessary announcements and comply with the relevant requirements in Chapters 14 of the Listing Rules as appropriate.

According to the Supplemental Agreement, Shenzhen Tianqiming and Mr. Chen Zhenming agreed that the abovementioned repurchase rights will automatically expire the day before the Target Company submits its listing application to a qualified securities exchange. If the Target Company fails to complete the listing within 18 months of acceptance of the listing application, or if the application is terminated (including non-approval, return of documents, or withdrawal), the repurchase rights will be reinstated, whichever occurs first.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange. Through its subsidiaries, the Group primarily focuses (a) the sale of motor vehicles and the provision of related services and products; (b) the production and trading of lithium niobate crystals and lithium niobate thin films; and (c) the production and sale of hair growth products.

INFORMATION OF SHENZHEN TIANQIMING

Shenzhen Tianqiming is a company established in the PRC with limited liability and is an indirect wholly owned subsidiary of the Company. As of the date of this announcement, Shenzhen Tianqiming operates primarily as an investment holding company.

INFORMATION OF THE TARGET COMPANY AND THE TARGET GROUP

The Target Company is a joint stock company incorporated in the PRC with limited liability. As of the date of this announcement, the registered share capital of the Target Company is RMB96,672,388, comprising 96,672,388 ordinary shares of the Target Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB.

As of the date of this announcement, Mr. Chen Zhenming (陳振明) is beneficially interested in 27,542,716 shares of the Target Company, representing approximately 28.49% of the total issued share capital of the Target Company, and Ms. Li Lingyun (李凌雲) holds a beneficial interest in 11,438,685 shares of the Target Company, representing approximately 11.83% of the total issued share capital of the Target Company as of the date of this announcement. Save for Mr. Chen Zhenming and Ms. Li Lingyun, there are no other shareholders of the Target Company who hold a direct or indirect interest in 10% or more of any class of the Target Company's share capital.

The Target Company, through its subsidiaries, focuses on providing one-stop, customized energy management solutions covering all stages of energy management projects, including consulting services, solution design, equipment selection and procurement, project integration and implementation, and system maintenance. To the best of the Director's knowledge, information and belief, after having made all reasonable enquiries, the Target Company is currently pursuing a listing of its ordinary shares in RMB on the Stock Exchange. This listing aims to support the development and expansion of its business, strengthen its working capital, and enhance its business profile and global presence.

Financial information of the Target Group

Please find below a summary of the unaudited consolidated financial information for Target Group for the financial years ended 31 December 2023 and 31 December 2024, and for the six months ended 30 June 2025, as extracted from the unaudited consolidated financial statements of the Target Group for the respective periods.

	For the six months ended 30 June 2025 RMB'000	For the years ended 31 December 2024 RMB'000	2023 RMB'000
Revenue	753,864	1,018,038	858,237
Profit before taxation	58,011	83,040	77,833
Profit after taxation	50,496	75,869	70,183

Based on the unaudited consolidated financial statements of the Target Group as at 30 June 2025, the unaudited consolidated total assets and net assets of the Target Group as at 30 June 2025 amounted to approximately RMB1,436,379,000 and approximately RMB434,185,000, respectively.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Throughout the year, the Company has been committed to identifying potential targets for mergers, acquisitions, or strategic investments to maximize its return on capital. Leveraging the Directors' extensive network, the Company successfully engaged representatives of the Target Company, enabling a thorough understanding of the Target Group through detailed due diligence.

Based on the available information, the Board recognizes that the Target Company is a prominent provider of energy management solutions in China, specializing in the data center sector. The Target Company offers a comprehensive suite of energy management solutions, including consulting services, solution design, equipment selection and procurement, project integration and implementation, and system maintenance. Its services are widely utilized across various data centers, including artificial intelligence (AI) computing data centers, edge data centers, smart industrial parks, intelligent factories, and multi-commercial complexes, addressing a diverse array of scenarios across multiple sectors.

In 2024, the Target Company was positioned as the fifth-largest carrier-neutral data center energy management solutions provider and the ninth-largest data center energy management solution provider in China by revenue. The Target Company demonstrated robust growth in its business operations, achieving revenue of approximately RMB1,018 million and net profit of approximately RMB75.9 million for the same year.

The Directors conducted thorough research into the data center energy management solutions industry to assess the competitive landscape and the Target Company's positioning within it. This research revealed significant expansion in China's data center energy management solutions market, particularly in the carrier-neutral segment, in recent years. Between 2020 and 2024, the market size for carrier-neutral solutions increased from approximately RMB11.2 billion to approximately RMB25.7 billion, reflecting a compound annual growth rate (CAGR) of approximately 23.1%. Looking ahead, the market is expected to maintain strong growth momentum, potentially reaching approximately RMB83.9 billion by 2029.

Moreover, in 2024, the data center energy management solutions industry in China comprised over 100 market participants. This market is characterized by relative fragmentation, with the top 10 players accounting for approximately 57.9% of the market in 2024 in terms of the revenue. The Target Company ranked as the ninth-largest provider in this sector in terms of revenue in 2024, with a market share of approximately 1.5%.

In the carrier-neutral data center energy management solutions sector, there were also more than 100 competitors in 2024. Consistent with broader market trends, this segment exhibits a similar level of fragmentation, with the top five players accounting for approximately 46.5% of the market in 2024 in terms of the revenue. The Target Company secured its position as the fifth-largest carrier-neutral data center energy management solutions company in China in terms of revenue in 2024, with a market share of 3.8%.

In light of this information, the Board believes that the Target Company has a strong market position and is well-positioned for continued growth in the coming years.

In addition to the aforementioned, the Directors acknowledge that the Target Company is actively pursuing a listing on the Stock Exchange to secure additional capital for its business expansion. It is anticipated that this listing will lead to potential capital appreciation on the Subscription Shares, thereby offering a favorable opportunity for investment returns. Considering the Target Company's growth prospects, financial performance, and potential for future development, as well as the terms outlined in the Subscription Agreement, the Directors believe that the Subscription will enable the Group to diversify its investment portfolio and maximize potential returns. Therefore, the Directors consider the terms of the Subscription Agreement, particularly the share repurchase mechanism designed to safeguard the Company's interests, to align with normal commercial practices and be fair and reasonable. As such, the Directors believe that these terms serve the best interests of the Company and all its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Subscription exceed 5% but are below 25%, the Subscription constitutes a discloseable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

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

CHANGE IN USE OF PROCEEDS FROM THE PLACING

References are made to (i) the announcement issued by the Company on 18 July 2025 in relation to the completion of the Placing, which detailed, among other things, the intended use of the Placing Proceeds (the “**Announcement**”); and (ii) the interim report of the Company for the six months ended 30 June 2025, which disclosed the utilization of the Placing Proceeds up to 30 June 2025.

The Board hereby announces that, based on the reasons set out in the section headed “Reasons for the change in use of the Placing Proceeds” below, it has resolved to reallocate the unutilized Placing Proceeds, amounting to approximately HK\$70 million, representing approximately 19% of the total Placing Proceeds, which were originally intended for the possible investment in the Anion Exchange Membrane (AEM) business, to finance the Subscription Price.

An analysis of the use of Placing Proceeds as of the date of this announcement, along with the revised allocation of unutilized Placing Proceeds, is outlined below:

Planned use of the Placing Proceeds	Allocation of the Placing Proceeds as stated in the Announcement HK\$'000	Actual use of the Placing Proceeds up to the date of this announcement HK\$'000	Unutilised Placing Proceeds as at the date of this announcement HK\$'000	Revised allocation of the Placing Proceeds HK\$'000
Support the business development of the chip production business	74,940	7,290	67,650	67,650
Possible investment in the Anion Exchange Membrane (AEM) business	70,000	–	70,000	–
Production and distribution of hair growth products	95,590	81,190	14,400	14,400
Support marketing initiatives for both the Group’s existing and prospective business ventures	47,810	38,840	8,970	8,970
Enhance the Group’s working capital for supporting ongoing business operations, administrative needs, and compliance obligations	95,620	95,620	–	–
Financing the Subscription Price	–	–	–	70,000
Total	383,960	222,940	161,020	161,020

Reasons for the change in use of the Placing Proceeds

The Directors wish to provide an update to the Shareholders and potential investors regarding the recent due diligence undertaken on AIMI Investments Limited and its subsidiaries. Following a thorough assessment, the Board has determined that it will not proceed with the proposed investment in AIMI Investments Limited.

Initially, the Company intended to allocate available funds to enhance the existing motor vehicle business as a cash reserve. However, upon reviewing the current working capital requirements in the motor vehicle sector, which are adequately met at this time, the Directors have decided to reallocate the Placing Proceeds originally designated for a potential investment in AIMI Investments Limited. These funds will now be utilized to finance the Subscription Price. This strategic adjustment is designed to enhance the Group's financial efficiency and to capitalize on investment opportunities that may further improve profitability for its equity shareholders.

In addition, as detailed in the section titled "Reasons for and Benefits of the Subscription", the Directors anticipate growth in both revenue and profit generation within the Target Group. The Group intends to invest in the Target Company to pursue potential capital appreciation. Consequently, the Group plans to adjust its strategy to effectively reallocate the unutilized Placing Proceeds.

The Board is confident that reallocating these unutilized Placing Proceeds aligns with the Group's current business strategy and will not have a significant impact on operations. This reallocation is considered both fair and reasonable, as it enables the Group to deploy its financial resources more effectively, thereby enhancing profitability. Ultimately, this decision is in the best interests of the Group and its Shareholders as a whole.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Business Day(s)"	any day(s) on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday or any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon
"Board"	the board of Director(s)
"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)
"Completion"	completion of the Subscription in accordance with the Subscription Agreement
"Completion Date"	the date on which the Subscription Price is settled

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Placing”	the placing of 90,195,000 Shares under the general mandate which was completed on 18 July 2025
“Placing Proceeds”	the net proceeds from the Placing of approximately HK\$383.96 million
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Tianqiming”	Shenzhen Tianqiming Technology Co., Ltd* (深圳天啟明科技有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Company pursuant to the Subscription Agreement
“Subscription Agreement(s)”	the subscription agreement dated 10 March 2026 entered into among the Target Company, Shenzhen Tianqiming and Mr. Chen Zhenming* (陳振明) in respect of the Subscription
“Subscription Price”	a total of RMB139,997,040.70, being the subscription price payable by Shenzhen Tianqiming to the Target Company in accordance with the Subscription Agreement
“Subscription Share(s)”	5,413,652 new ordinary shares of the Target Company, each a Subscription Share

“Supplemental Agreement”	the supplemental agreement to the Subscription Agreement entered into among the Target Company, Shenzhen Tianqiming and Mr. Chen Zhenming dated 10 March 2026 to supplement the terms of the Subscription Agreement
“Target Company”	Guangzhou Haote Energy Saving Technology Co., Ltd.* (廣州豪特節能環保科技股份有限公司), a joint stock company incorporated in the PRC with limited liability
“Target Group”	the Target Company and its subsidiaries
“%”	per cent.

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

Hong Kong, 10 March 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 identification purposes