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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)

VOLUNTARY ANNOUNCEMENT
MEMORANDUM OF UNDERSTANDING IN RELATION TO
A PROPOSED COLLABORATION WITH A BUSINESS PARTNER

This announcement is issued by Guan Chao Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) voluntarily to provide the shareholders (the “**Shareholders**”) and potential investors of the Company with an update on the latest business development of the Group.

THE MOU

The Company is pleased to announce that on 15 June 2026, Shenzhen Groland Health Technology Co., Ltd. (“**Shenzhen Groland**”), an indirect wholly owned subsidiary of the Company, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with Hangzhou Huashen Network Technology Co., Ltd.* (杭州華深網路科技有限公司) (the “**Business Partner**”). The MOU sets out the parties’ (the “**Parties**”) intent to establish a long-term strategic cooperation to jointly develop an online sales channel and enhance brand recognition for the “Groland” product line in the Chinese market, with particular focus on the artificial intelligence (AI) scalp massage comb (the “**AI Comb**”) and its associated consumable products.

Scope of collaboration

In accordance with the MOU, the Business Partner is committed to leveraging its platform and digital-marketing expertise to provide a range of services to Shenzhen Groland, including but not limited to the following areas:

- (i) management of operations on the Douyin (抖音) platform;
- (ii) management of operations on the Tmall (天貓) platform;
- (iii) implementation of store operations and strategies to foster user growth;
- (iv) development of content and management of short video operations;

- (v) coordination of live-streaming operations and partnerships with key opinion leaders (KOLs) and influencers;
- (vi) execution of brand marketing and promotional initiatives;
- (vii) oversight of user operations and management of private-domain traffic;
- (viii) conducting e-commerce data analysis and optimizing business processes; and
- (ix) provision of additional online operational services as mutually agreed upon.

Shenzhen Groland will uphold its commitment to product research and development, production and supply, brand development, product qualification management, and associated resource support. Additionally, Shenzhen Groland will engage in a proactive collaboration with the Business Partner to optimize marketing and sales initiatives.

Strategic objectives

As detailed in the MOU, the Parties have established the following phased Gross Merchandise Value (GMV) targets as collaborative objectives for their strategic partnership:

- (i) RMB20 million for the year 2026; and
- (ii) RMB100 million for the year 2027 (collectively the “**GMV Targets**”).

To pursue these objectives, the Parties will collaboratively develop operating rules, marketing strategies, and resource investment plans. Additionally, the Parties will implement regular business reviews and data analysis to continually optimize operational strategies and resource allocation.

The GMV Targets are established as collaborative development goals. However, the MOU states that if the Business Partner’s actual settled GMV in any assessment quarter is less than 70% of the respective quarterly target, or if the total settled GMV for 2026 is below RMB14 million, Shenzhen Groland reserves the right to terminate the MOU unilaterally and without any obligation for breach or compensation.

Mechanism for deepening cooperation

Subject to the Business Partner achieving the GMV Targets and complying with all stipulated conditions, Shenzhen Groland intends to prioritize discussions on the following cooperation opportunities with the Business Partner. The discussions will be conducted in future negotiations to establish a formal cooperation framework based on equitable commercial terms. Each opportunity will be contingent upon final contract agreements, which will include the following elements:

1. ongoing collaboration on Groland’s primary online channels;
2. priority operational support for Groland’s forthcoming new products and their associated consumables’
3. priority participation in initiatives related to new platforms, channels, and markets; and

4. collaborative efforts in brand marketing and market promotion initiatives.

Furthermore, the Parties may also consider exploring additional long-term cooperation arrangements that would be mutually beneficial.

Exclusivity

The Parties commit to completing negotiations of the definitive cooperation agreement within 30 days of the date of signing the MOU (the “**Exclusivity Period**”). Should the Parties be unable to execute the definitive cooperation agreement within this specified timeframe for any reason, the MOU will automatically terminate.

From the date of execution of the MOU until the signing of the definitive cooperation agreement, or until the MOU otherwise expires, the parties shall enter a period of exclusive negotiations.

During the Exclusivity Period, the Business Partner agrees not to negotiate or enter into any letters of intent or agreements with third parties for online e-commerce operations that would compete with the AI Comb and its consumable products.

Legal binding

The Parties mutually confirm that the provisions of the MOU relating to intellectual property, confidentiality, and subsequent cooperation arrangements are substantively legally binding. Except for those provisions, the MOU does not constitute a legal commitment by either party to enter into cooperation or to assume any performance obligations.

INFORMATION ABOUT THE BUSINESS PARTNER

Based on the information available to the Board, the Business Partner is a company established in the PRC with limited liability. It specializes in brand operation, content marketing, live-streaming operations, user acquisition and growth, and e-commerce sales across major platforms, including Douyin and Tmall, and has extensive experience in managing online channels. The Business Partner also maintains established influencer and live-streaming networks, data-driven e-commerce operations capabilities, and a proven track record in scaling brand presence and sales in the PRC market.

To the best of the Directors’ knowledge, information and belief, after having made all reasonable enquiries, the Business Partner and its ultimate beneficial owners are independent third parties of and not connected with the Company and/or its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited).

REASONS FOR ENTERING INTO THE MOU

Throughout the year, Shenzhen Groland concentrated on integrating AI technology into scalp health management. Shenzhen Groland secured the rights for research and development, production, brand operation, and marketing of the AI Comb and its related consumables. After initial evaluations of the product, market, and business model, the Business Partner confirmed the project’s commercial viability and committed to allocating resources to support long-term brand development.

The MOU was established because both parties recognize the strong market potential in AI-enabled scalp health management. The Parties believe that a strategic partnership will accelerate commercialization and scale. Shenzhen Groland brings expertise in product technology, manufacturing capacity, regulatory knowledge, and brand assets, while the Business Partner contributes established digital marketing strategies, platform operations, influencer and live-stream networks, and e-commerce execution expertise. These complementary skills will facilitate faster market entry and efficient scaling.

The collaboration will focus on joint investments in marketing, content creation, and channel strategies, aiming to establish Groland as a leading AI scalp-care brand in China. By leveraging the Business Partner's established Douyin and Tmall channels, along with data-driven e-commerce operations, both parties anticipate faster customer acquisition, higher conversion rates, and improved user retention.

Regular business reviews and e-commerce analytics will be utilized to continuously optimize operational strategies, resource allocation, and performance against the GMV Targets. By sharing responsibilities and focusing on core strengths, the Parties aim to reduce market-entry risks, improve resource efficiency, and foster sustainable, long-term growth for the Groland product line in the Chinese market.

The Board will make further announcements to inform Shareholders and potential investors of the Company of any material developments in the business operations of the Group, if and when appropriate.

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

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

Hong Kong, 23 June 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 only*