Guan Chao Holdings Limited
冠轈控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1872)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board ("**Board**") of Directors (the "**Directors**") of Guan Chao Holdings Limited (the "**Company**") is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (together, the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

		For the six months ended 30 June	
	Notes	**2026**	2025
		S$'000	*S$'000*
		(unaudited)	(unaudited)
Revenue	*4*	**232,677**	140,114
Cost of sales	*6*	**(210,180)**	(126,441)
Gross profit		**22,497**	13,673
Other income		**534**	376
Other (losses)/gains – net		**(8,296)**	563
Selling and distribution expenses	*6*	**(9,453)**	(3,711)
General and administrative expenses	*6*	**(14,748)**	(11,003)
Operating loss		**(9,466)**	(102)
Finance costs – net		**(1,415)**	(1,005)
Share of profit/(loss) of a joint venture		**1**	(7)
Share of profit/(loss) of associates		**217**	(220)
Loss before income tax		**(10,663)**	(1,334)
Income tax expenses	*7*	**(963)**	(570)
Loss for the period		**(11,626)**	(1,904)
Other comprehensive (expense)/income			
Item that may be reclassified subsequently to profit or loss:			
– Exchange difference on translation of foreign operations		**1,775**	625
Item that may not be reclassified subsequently to profit or loss:			
– Fair value change on equity instruments measured at fair value through other comprehensive income		**(150)**	(31)
Other comprehensive income for the period, net of tax		**1,625**	594
Total comprehensive expense for the period		**(10,001)**	(1,310)
Loss for the period attributable to:			
– Owners of the Company		**(13,578)**	(3,410)
– Non-controlling interests		**1,952**	1,506
		(11,626)	(1,904)

	Notes	For the six months ended 30 June **2026**	2025
		S$'000	*S$'000*
		(unaudited)	(unaudited)
Total comprehensive expense for the period attributable to:			
– Owners of the Company		**(11,953)**	(3,300)
– Non-controlling interests		**1,952**	1,990
		(10,001)	(1,310)
Loss per share attributable to owners of the Company (expressed in Singapore cents per share)			
– Basic	*8(a)*	**(2.08)**	(0.65)
– Diluted	*8(b)*	**(2.08)**	(0.65)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026 S$'000 (unaudited)**	As at 31 December 2025 S$'000 (audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**43,815**	39,723
Financial assets at fair value through profit or loss		**38,052**	11,079
Financial assets at fair value through other comprehensive income		**14,611**	13,971
Intangible assets		**2,385**	2,304
Deferred tax assets		**634**	528
Finance lease receivables		**21,669**	23,096
Investment in a joint venture		**–**	1,370
Investments in associates		**271**	54
		121,437	92,125
Current assets			
Inventories		**34,249**	36,243
Trade and other receivables and prepayments	*10*	**93,134**	124,131
Finance lease receivables		**9,085**	7,372
Restricted bank deposit		**190**	184
Cash and bank balances		**34,143**	23,735
		170,801	191,665
Total assets		**292,238**	283,790
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital		**10,969**	10,969
Reserves		**134,662**	147,041
Equity attributable to owners of the Company		**145,631**	158,010
Non-controlling interests		**7,177**	5,225
TOTAL EQUITY		**152,808**	163,235

	Notes	As at 30 June 2026 S$'000 (unaudited)	As at 31 December 2025 S$'000 (audited)
LIABILITIES			
Non-current liabilities			
Borrowings	*12*	**33,034**	29,622
Trade and other payables and provision for warranty	*11*	**9,122**	5,737
Deferred tax liabilities		**–**	375
		42,156	35,734
Current liabilities			
Trade and other payables and provision for warranty	*11*	**50,873**	40,986
Borrowings	*12*	**44,572**	42,211
Income tax payable		**1,829**	1,624
		97,274	84,821
Total liabilities		**139,430**	120,555
TOTAL EQUITY AND LIABILITIES		**292,238**	283,790

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2026

1. GENERAL INFORMATION OF THE GROUP

The Company was incorporated in the Cayman Islands on 4 July 2017 as an exempted company with limited liability under the Companies Law (Cap 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The principal activities of the Group are sales of new parallel-import motor vehicles and pre-owned motor vehicles, provision of motor vehicle financing services and motor vehicle insurance agency services, sales of motor vehicle spare parts and accessories, provision of motor vehicle leasing services, sales of hair-care products and manufactures and sales of lithium niobate crystals and lithium niobate thin films.

The Company's ordinary shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 28 February 2019.

The condensed consolidated interim financial information is presented in Singapore Dollar ("**S$'000**") unless otherwise stated.

2. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2026 is prepared in accordance with International Accounting Standard ("**IAS**") 34, "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2025, which have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") issued by International Accounting Standards Board ("**IASB**").

3. IMPACT OF NEW, AMENDED STANDARDS AND INTERPRETATIONS

In the current accounting period, the Group has adopted the followings new and amended standards and interpretations, a collective term includes all applicable individual IFRSs, IASs and Interpretations issued by the IASB which are mandatory and relevant to the Group's operations for the accounting period beginning on 1 January 2026:

Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments
Amendment to IFRS 9 and IFRS 7	Contracts Referring Nature – dependent Electricity
Amendments to IFRS Accounting Standards	Annual improvements to IFRS Accounting Standards – Volume 21

The adoption of the above amendments to standards and interpretation do not have any material impact on the Group's condensed consolidated interim financial information for the current period.

The Group has not early adopted those new standards, amendments to standards and interpretations which have been issued but are not yet effective. The Group is in the process of assessing their impact on the condensed consolidated interim financial information of the Group.

4. SEGMENT INFORMATION

The executive Directors of the Company, who are the chief operating decision-maker of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the executive Directors of the Company that are used to make strategic decisions.

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation in Singapore. An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	S$'000	*S$'000*
	(unaudited)	(unaudited)
Sales of motor vehicles*	**219,343**	132,590
Sales of hair-care products	**1,177**	–
Manufactures and sales of lithium niobate crystals and lithium niobate thin films	**39**	–
Motor vehicles financing related services		
– Finance commission income	**5,887**	2,862
– Insurance commission income	**1,038**	638
Sales of spare parts and accessories	**646**	37
Revenue from contracts with customers under IFRS 15 recognised at point in time	**228,130**	136,127
Motor vehicles financing related services		
– Interest income from finance lease arrangements	**1,550**	1,325
Rental income from operating lease of motor vehicles	**2,997**	2,662
Revenue from operating and finance lease arrangement under IFRS 16	**4,547**	3,987
	232,677	140,114

* Include direct sales of motor vehicles and sales of motor vehicles under finance lease arrangements.

The Group has revenue related contract liabilities (receipts in advance from customers) as at the end of each of the period as disclosed in Note 11. Receipts in advance from customers as at the end of each of the period will be recognised as revenue in the next year of sales.

Segment revenue and results

	Sales of motor vehicles and provision of related services *S$'000*	Rental income from operating lease of motor vehicles *S$'000*	Sales of spare parts and accessories *S$'000*	Sales of hair-care products *S$'000*	Manufactures and sales of lithium niobate crystals and lithium niobate thin films *S$'000*	Unallocated *S$'000*	Total *S$'000*
For the six months ended 30 June 2026 (unaudited)							
Segment revenue							
Total sales and rental income	225,067	3,090	646	1,177	39	–	230,019
Inter-segment sales	(5,724)	(93)	–	–	–	–	(5,817)
External sales and rental income	219,343	2,997	646	1,177	39	–	224,202
Finance commission income	5,887	–	–	–	–	–	5,887
Insurance commission income	1,038	–	–	–	–	–	1,038
Interest income from finance lease arrangement	1,550	–	–	–	–	–	1,550
	227,818	2,997	646	1,177	39	–	232,677
Segment profit/(loss)	5,607	976	387	(4,819)	(713)	(10,904)	(9,466)
Finance costs – net							(1,415)
Share of profit of a joint venture							1
Share of profit of associates							217
Loss before income tax							(10,663)
Income tax expenses							(963)
Loss for the period							(11,626)

	Sales of motor vehicles and provision of related services *S$'000*	Rental income from operating lease of motor vehicles *S$'000*	Sales of spare parts and accessories *S$'000*	Unallocated *S$'000*	Total *S$'000*
For the six months ended 30 June 2025 (unaudited)					
Segment revenue					
Total sales and rental income	134,619	2,768	37	–	137,424
Inter-segment sales	(2,029)	(106)	–	–	(2,135)
External sales and rental income	132,590	2,662	37	–	135,289
Finance commission income	2,862	–	–	–	2,862
Insurance commission income	638	–	–	–	638
Interest income from finance lease arrangement	1,325	–	–	–	1,325
	137,415	2,662	37	–	140,114
Segment profit/(loss)	2,281	1,171	17	(3,571)	(102)
Finance costs – net					(1,005)
Share of loss of a joint venture					(7)
Share of loss of associates					(220)
Loss before income tax					(1,334)
Income tax expenses					(570)
Loss for the period					(1,904)

Segment assets and liabilities

	Sales of motor vehicles and provision of related services *S$'000*	Rental income from operating leases of motor vehicles *S$'000*	Sales of hair-care products *S$'000*	Manufactures and sales of lithium niobate crystals and lithium niobate thin films *S$'000*	Unallocated *S$'000*	Total *S$'000*
As at 30 June 2026 (unaudited)						
Segment assets	**157,032**	**24,548**	**13,348**	**7,118**	**90,192**	**292,238**
Segment liabilities	**77,572**	**16,185**	**4,093**	**2,514**	**39,066**	**139,430**
Capital expenditure	**3,510**	**4,663**	**1,818**	**240**	**–**	**10,231**
As at 31 December 2025 (audited)						
Segment assets	132,656	23,164	8,218	5,633	114,119	283,790
Segment liabilities	59,811	16,321	–	10,198	34,225	120,555
Capital expenditure	5,432	5,819	1,491	3,616	–	16,358

Unallocated segment assets represent deferred income tax assets and other corporate assets. Unallocated segment liabilities represent income tax liabilities and other corporate liabilities. Capital expenditure comprises additions to property, plant and equipment.

5. FINANCE COSTS – NET

	For the six months ended 30 June	
	2026	2025
	S$'000	*S$'000*
	(unaudited)	(unaudited)
Finance income		
Bank interest income	**291**	238
Finance expenses		
Interest expenses on bank loans	**(758)**	(130)
Interest expenses on block discounting financing	**(593)**	(708)
Interest expenses on lease liabilities	**(46)**	(82)
Interest expenses on hire purchase liabilities	**(309)**	(323)
	(1,706)	(1,243)
Finance costs – net	**(1,415)**	(1,005)

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the six months ended 30 June	
	2026	2025
	S$'000	*S$'000*
	(unaudited)	(unaudited)
Cost of inventories sold	**208,191**	124,739
Auditor's remunerations	**238**	150
Depreciation expense on property, plant and equipment	**3,139**	2,187
Depreciation expense on right-of-use assets	**528**	699
Amortisation of intangible assets	**27**	14
Employee benefit expense	**12,100**	7,626
Rental expenses relating to short-term leases	**1,333**	868
Advertising and marketing expenses	**4,543**	1,668
Sales commission to external parties	**141**	134
Travelling and entertainment expenses	**778**	590
Legal and professional fees	**688**	1,102
Bank charges	**390**	241
Forfeiture of trade deposit paid	**–**	11
Insurance	**88**	80
Office expenses	**1,055**	235
Donations	**–**	–
Other operating expenses	**1,142**	811
	234,381	141,155

7. INCOME TAX EXPENSE

Singapore statutory income tax has been provided at the rate of 17% on the estimated assessable profit during the six months ended 30 June 2026 (2025: 17%).

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the six months ended 30 June 2026. No provision for Hong Kong Profits Tax has been made for the six months ended 30 June 2025 as the Group did not generate any assessable profits arising in Hong Kong during that period.

Under the law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both periods. No PRC Enterprise Income Tax was provided for the six months ended 2026 and 2025 as the Group did not derive any estimated assessable profits in PRC.

The amounts of income tax expense charged to the consolidated statement of comprehensive income represent:

	For the six months ended 30 June	
	2026	2025
	S$'000	*S$'000*
	(unaudited)	(unaudited)
Singapore profits tax		
– Current tax expense	**963**	570
Total tax expense for the period	**963**	570

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	For the six months ended 30 June	
	2026	2025
	S$'000	*S$'000*
	(unaudited)	(unaudited)
Loss:		
Loss attributable to owners of the Company for the purpose of calculating basic loss per share	**(13,578)**	(3,410)
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share ('000)	**651,701**	521,296

There was one type of potential dilutive ordinary shares outstanding for the six months ended 30 June 2026 and 2025. The Company's share options are not included in the calculation of the diluted loss per share because their inclusion would have anti-dilutive impact. Hence the diluted loss per share is the same as basic loss per share.

9. DIVIDENDS

No dividend was declared or proposed for the six months ended 30 June 2026 and 2025, nor has any dividend been proposed since the end of the reporting period.

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Notes	As at 30 June 2026 S$'000 (unaudited)	As at 31 December 2025 S$'000 (audited)
Trade receivables		**15,883**	17,482
Less: provision for impairment of trade receivables		**(492)**	(492)
Trade receivables – net	*(i)*	**15,391**	16,990
Prepayments	*(ii)*	**47,115**	28,043
Prepayments for purchase of specific type of electric motor vehicles	*(iii)*	**17,896**	55,090
Amount due from a director	*(iv)*	**186**	186
Amounts due from associates	*(v)*	**2,231**	2,347
Amounts due from related parties	*(iv)*	**1,323**	1,268
Contingent consideration receivables, at fair value		**3,346**	3,289
		72,097	90,223
Other receivables		**6,561**	17,793
Less: provision for impairment of other receivables		**(915)**	(875)
Other receivables – net		**5,646**	16,918
		93,134	124,131

Notes:

(i) Trade receivables mainly include outstanding balances from customers arising from sale of motor vehicles and sale of spare parts and accessories. For the sale of motor vehicles, all customers are generally required to make payment at the point of transaction and no credit period is granted to these customers. The Group may, however, at times grant credit period to certain customers based on (i) size of order; (ii) the Group's relationship with the customers; and (iii) the Group's assessment of the reputation and credit worthiness of the customers and may impose interest on overdue balances.

(ii) Prepayments mainly include advances to various suppliers for purchase of inventories and prepayment for purchase of Certificates of Entitlement. As at 30 June 2026, prepayments of S$8,782,000 were pledged for the trust receipt (31 December 2025: S$8,616,000).

(iii) As at 30 June 2026, the outstanding prepayments for purchases of motor vehicles amounted to approximately S$17,896,000 (31 December 2025: S$55,090,000).

In connection with these agreements, SEV obtained guarantee contracts from Singapore Electric Vehicles Pte Ltd ("**SEV Pte Ltd**"), an indirect associate of the Group and a director of SEV Pte Ltd, who have jointly and severally guaranteed the performance obligations of the respective suppliers. Under the terms of the guarantees, the guarantors have undertaken to assume the obligation to sell any vehicles delivered by the suppliers but not subsequently sold by SEV.

(iv) The amounts due from a director, associates and related parties are unsecured, interest free, and repayable on demand.

(v) S$1,993,000 (31 December 2025: S$1,755,000) relates to a receivable that is unsecured, bears an interest of 8% per annum and repayable within 12 months. The remaining balance of amounts due from associates are unsecured, interest free, and repayable on demand.

As at 30 June 2026 and 31 December 2025, the ageing analysis of the trade receivables (net of provision for impairment) based on invoice date are as follows:

	As at 30 June 2026	As at 31 December 2025
	S$'000	*S$'000*
	(unaudited)	(audited)
Up to 3 months	**10,494**	16,758
3 to 4 months	**68**	–
4 months to 1 year	**933**	8
More than 1 year	**4,172**	214
	15,667	16,990

11. TRADE AND OTHER PAYABLES AND PROVISION FOR WARRANTY

		As at 30 June 2026	As at 31 December 2025
		S$'000	*S$'000*
	Notes	**(unaudited)**	(audited)
Current			
Trade payables	*(i)*	**20,060**	11,119
Other payables		**4,628**	2,552
Amounts due to associates	*(ii)*	**81**	71
Amounts due to related parties	*(ii)*	**3,240**	3,749
Contract liabilities	*(iii)*	**21,359**	21,258
Accrued operating expenses		**5,593**	4,917
Provision for warranty		**5,034**	3,057
		59,995	46,723
Analysis:			
– Current		**50,873**	40,986
– Non current		**9,122**	5,737
		59,995	46,723

Notes:

(i) The credit period of trade payables is generally 30 days. The terms and conditions in relation to the release of retention vary from contract to contract, which usually within 1 year and subject to practical completion, the expiry of the defect liability period or a pre-agreed time period.

An ageing analysis of the trade payables as at 30 June 2026 and 31 December 2025, based on the invoice date, is as follows:

	As at 30 June 2026 S$'000 (unaudited)	As at 31 December 2025 S$'000 (audited)
Within 1 month	**18,229**	10,829
1 to 4 months	**1,790**	6
4 months to 1 year	**41**	155
More than 1 year	**–**	129
	20,060	11,119

(ii) The amounts due to associates and related parties are unsecured, interest-free, and repayable on demand.

(iii) Contract liabilities comprise deferred revenue and advance payment from customers.

12. BORROWINGS

	Notes	As at 30 June 2026 S$'000 (unaudited)	As at 31 December 2025 S$'000 (audited)
Non-current			
Block discounting financing	*(i)*	**18,833**	19,118
Hire purchase liabilities	*(ii)*	**11,604**	8,915
Lease liabilities		**1,708**	1,416
Term loan		**889**	173
		33,034	29,622
Current			
Block discounting financing	*(i)*	**7,246**	8,807
Lease liabilities		**3,507**	2,132
Hire purchase liabilities	*(ii)*	**5,119**	4,115
Term loan	*(iii)*	**57**	11
Short term loan	*(iv)*	**18,601**	16,833
Trust receipt	*(v)*	**10,042**	10,313
		44,572	42,211
		77,606	71,833

Notes:

(i) Block discounting financing was secured by certain portion of the finance lease receivables and corporate guarantee provided by the Company. Block discounting financing contains a repayable on demand clause.

(ii) Hire purchase liabilities were bank loans secured by motor vehicles and corporate guarantee by the Company.

(iii) As at 30 June 2026 and 31 December 2025, the term loan was repayable 3% of the principal semi-annually and the remaining principal was repayable after 36 months from the date of drawdown. Therefore, the Group classified a certain portion of the term loan as non-current. The term loan was secured by a personal guarantee from a legal representative of a subsidiary of the Company. (31 December 2025: personal guarantee from a legal representative of a subsidiary of the Company).

(iv) Short term loan was unsecured, bore an interest of 6.5% per annum (31 December 2025: 6.5% per annum) and repayable within 6 months (31 December 2025: repayable within 3 months).

(v) Trust receipts were secured by captain inventories corporate guarantee provided by the Company. Trust receipt were secured by certain inventories, prepayments and corporate guarantee provided by the Company. The Group uses the trust receipt as its supplier finance arrangement. The banks will settle the Group's suppliers directly using the funds of these trust receipts. The terms of these trust receipts are within 2 to 4 months from the drawing of the loans.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in selling new parallel-import motor vehicles and pre-owned motor vehicles, with the main business being the sales of brand new parallel-import motor vehicles in Singapore. Apart from the sales of motor vehicles, the Group also provides related services and products, such as (i) provision of motor vehicle financing services; (ii) provision of motor vehicle insurance agency services; (iii) sales of motor vehicle spare parts and accessories; (iv) sales of hair-care products; and (v) manufactures and sales of lithium niobate crystals and lithium niobate thin films.

During the first half of 2026, the Group sold 1,411 and 859 units of new motor vehicles and pre-owned motor vehicles, respectively, as compared with 681 and 543 units of new motor vehicles and pre-owned motor vehicles sold, respectively, for the corresponding period in 2025. In addition, the revenue increased by approximately S$92.6 million, and such increased was mainly attributable to the increased demand from customers.

In addition the Group continues to carry out the new business segments: (i) the hair-care products segment, which is engaged in the development, production, and distribution of hair growth products, including essential oils, shampoos, and nutritional supplements, and the artificial intelligence (AI) scalp massage comb; and (ii) the chip products segment, which is engaged in the manufacture and sale of lithium niobate crystals and lithium niobate thin films, which are key materials for modern communication technologies. The revenue contributed by the chip products segment during the period was minimal, as it was still in the initial start-up phase. For more details on the new business segments, please refer to the Company's announcements dated 11 July 2025, 4 August 2025, 23 June 2026, 20 July 2026 and 24 July 2026.

Business Outlook

The progress of our business growth was slow due to economic recovery and the evident conservative consumption after the pandemic, global turbulence and complex international relations. It continues to pose a challenge on the Group's business and financial performance going forward. The management of the Group will continue to use its best endeavour to adopt appropriate business strategies by exercising effective cost control, upholding quality service to customers and maintaining good relationships with major suppliers and to strengthen its market position as the leading parallel-import dealer in Singapore.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S$92.6 million or 66.1% from approximately S$140.1 million for the six months ended 30 June 2025 ("**PE2025**") to approximately S$232.7 million for the six months ended 30 June 2026 ("**PE2026**"), which was mainly attributable to the increase in sales of motor vehicles amounted to approximately S$86.7 million or 65.4%.

Sales of motor vehicles

The sales of new motor vehicles increased by approximately S$74.6 million or 69.1% which was mainly attributable to the increase in units of new motor vehicles sold from 681 units for PE2025 to 1,411 units for PE2026 despite the decrease in average selling price of new motor vehicles sold from approximately S$159,000 for PE2025 to approximately S$130,000 for PE2026.

The sales of pre-owned motor vehicles increased by approximately S$12.1 million or 49.3%, which was mainly due to the increase in units of pre-owned motor vehicles sold from 543 units for PE2025 to 859 units for PE2026 despite the decrease in the average selling price of pre-owned motor vehicles sold from approximately S$45,000 for PE2025 to approximately S$43,000 for PE2026.

Motor vehicle financing services

The Group's revenue from motor vehicle financing services increased by approximately S$3.2 million or 76.2% from approximately S$4.2 million for PE2025 to approximately S$7.4 million for PE2026. The increase was mainly attributable to the increase in financing arrangements as a result of the increase in the sales of motor vehicles.

Insurance agency services

The Group's commission income from insurance companies for referral of the customers varied depending on the insurance premium under the insurance policies. The Group's commission income from insurance companies remained stable for PE2025 and PE2026 which amounted to approximately S$0.6 million and S$1.0 million, respectively.

Leasing of motor vehicles

The income from leasing of motor vehicles increased by approximately S$0.3 million or 11.1% from approximately S$2.7 million for PE2025 to approximately S$3.0 million for PE2026. The increase was mainly attributable to the increase in numbers of motor vehicles rented for the period. The Group's number of motor vehicles being rented to customers was 158 units and 215 units as at 30 June 2025 and 2026, respectively.

Sales of spare parts and accessories

The income from sales of spare part and accessories increased by approximately S$609,000 or 1,645.9% from S$37,000 for PE2025 to approximately S$646,000 for PE2026.

Sales of hair-care products

The income from sales of hair-care products amounted to approximately S$1.2 million for PE2026 (PE2025: S$Nil) and the corresponding gross profit for the period was approximately S$0.8 million.

Manufactures and sales of lithium niobate crystals and lithium niobate thin films

The Group manufactures and sales of lithium niobate crystals and lithium niobate thin films for its customers based on the customers' designs and specifications pursuant to manufacturing agreements and/or purchase orders. Revenue from the sale of lithium niobate crystals and lithium niobate thin films is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the thin films. The income from manufactures and sales of lithium niobate crystals and lithium niobate thin films amounted to approximately S$39,000 for PE2026 (PE2025: S$Nil) and the corresponding gross loss for the period was approximately S$422,000.

Cost of sales

The Group's cost of sales increased by approximately S$83.8 million or 66.3% from approximately S$126.4 million for PE2025 to approximately S$210.2 million for PE2026. The increase was in line with the increase in the Group's total revenue for the period.

For PE2026, the cost of motor vehicles (and related costs) sold increased by approximately S$82.0 million or 65.9% from approximately S$124.5 million for PE2025 to approximately S$206.5 million for PE2026.

Gross profit and gross profit margin

As a result of the foregoing, the Group's total gross profit increased by approximately S$8.8 million or 64.2% from approximately S$13.7 million for PE2025 to approximately S$22.5 million for PE2026, which was mainly attributable to the increase in the sales of motor vehicles business. The overall gross profit margin remained stable at approximately 9.8% for PE2025 and approximately 9.7% for PE2026.

Gross profit and gross profit margin from sales of motor vehicles

The Group's gross profit from sales of motor vehicles increased by approximately S$4.8 million, or 60.0%, from approximately S$8.0 million for PE2025 to approximately S$12.8 million for PE2026, and the Group's gross profit margin for sales of motor vehicles was approximately 6.1% for PE2025 and approximately 5.8% for PE2026. The decrease in gross profit margin for sales of motor vehicles was mainly contributed to that the Group sold proportionally more electric motor vehicles which are normally sold at a lower margin as compared to petrol motor vehicles.

Gross profit and gross profit margin from motor vehicle financing services

The net interest spread for PE2026 increased by approximately 1.7% from approximately 3.5% for PE2025 to approximately 5.2% for PE2026, as a result of the increase of approximately 2.4% in the average yield on finance lease receivables and the increase of approximately 0.7% in the average interest expense.

Gross profit and gross profit margin from leasing of motor vehicles

The Group's gross profit from leasing of motor vehicles remained stable at approximately S$0.8 million for PE2025 and approximately S$0.4 million for PE2026.

Gross profit and gross profit margin from sales of spare parts and accessories

The Group recorded a gross profit from sales of spare parts and accessories of approximately S$33,000 for PE2025 and approximately S$387,000 for PE2026.

Other income

The Group's other income remained stable at approximately S$0.7 million for PE2026 and approximately S$0.4 million for PE2025.

Other (losses)/gains – net

The Group recorded net gains of approximately S$0.6 million for PE2025, turning to net losses of approximately S$8.4 million for PE2026, the adverse reversal of approximately S$9.0 million was mainly due to (i) a fair value loss on financial assets at fair value through profit or loss of approximately S$8.3 million was recorded for PE2026; (ii) decrease of gain on disposal of property, plant and equipment from approximately S$0.8 million for PE2025 to approximately S$0.2 million for PE2026; and (iii) net foreign exchange losses of approximately S$0.4 million was recorded in PE2026 while net foreign exchange losses of approximately S$0.2 million were recorded in PE2025.

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately S$5.8 million or 156.8% from approximately S$3.7 million for PE2025 to approximately S$9.5 million for PE2026. The increase was mainly attributable to the increase in sales commission to the salespersons as a result of the increase in sales of motor vehicles and the increase in advertising and marketing expenses.

General and administrative expenses

The Group's general and administrative expense increased by approximately S$3.7 million or 33.6% from approximately S$11.0 million for PE2025 to approximately S$14.7 million for PE2026. The increase was mainly attributable to the increase in employee benefit expense and rental expenses relating to short-term leases.

Finance income and finance expenses

Finance income represents bank interest income. The Group's finance expenses increased from approximately S$1.2 million for PE2025 to approximately S$1.7 million for PE2026. The increase was mainly due to the increase in interest expenses on short term loan of approximately S$0.5 million.

Income tax expenses

The Group's income tax expenses increased by approximately S$0.4 million or 66.7% from approximately S$0.6 million for PE2025 to approximately S$1.0 million for PE2026, which was mainly due to the increase in taxable profit from the Group's operation in Singapore.

Loss for the period

As a result of the foregoing, the Group recorded a loss of approximately S$11.6 million for PE2026 as compared to a loss of approximately S$1.9 million for PE2025. Such increase in loss for PE2026 was primarily due to the (i) increase in selling and distribution expenses by approximately S$5.8 million; (ii) increase in general and administrative expenses of approximately S$3.7 million; (iii) increase in other (losses)/gains - net of approximately S$9.0 million; and offset by (iv) increase in gross profit by approximately S$8.8 million.

CAPITAL STRUCTURE

As at 30 June 2026, the capital structure of the Group consisted of borrowings and equity of the Group, comprising share capital, share premium, capital reserve, share based payment reserve, equity investment reserve, exchange reserve and retained earnings.

LIQUIDITY AND FINANCIAL RESOURCES

During the six months ended 30 June 2026, the Group's working capital was financed by internal resources, borrowings and net proceeds from the Placing.

The Group's primary uses of cash are for purchases of motor vehicles for sale and leasing purposes and for funding of the Group's operations. The Group has financed its operations mainly by various forms of borrowings, including bank loans, borrowings against by inventories, trust receipts, block discounting financing, hire purchase liabilities and term loan, etc.

LIQUIDITY RATIOS

As at 30 June 2026, the Group had cash and bank balances of approximately S$34.1 million (31 December 2025: approximately S$23.7 million). The Group's current ratio, debt to equity ratio and gearing ratio are as follows:

	As at 30 June 2026 (unaudited)	As at 31 December 2025 (audited)
Current ratio	**1.8**	2.3
Debt to equity ratio	**50.8%**	44.0%
Gearing ratio	**23.0%**	23.3%

Current ratio represents the current assets over current liabilities as at the end of the respective date.

Debt to equity ratio is determined by dividing total debt by total equity as at the end of the respective date. Total debt includes borrowings.

Gearing ratio equals net debt, which represents total debt net of cash and bank balances, over total capital as at the end of the respective date. Total capital includes total equity (excluding non-controlling interests and net debt.

BORROWINGS AND PLEDGE OF ASSETS

As at 30 June 2026, the Group had borrowings of approximately S$77.6 million (31 December 2025: approximately S$71.8 million). Certain borrowings were secured by certain inventories, leasehold properties, motor vehicles, finance lease receivables and corporate guarantee provided by the Company as disclosed in note 12 to the condensed consolidated interim financial information of this announcement.

The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest-bearing borrowings, which enable the Group to continue its business for the foreseeable future.

CAPITAL EXPENDITURE AND COMMITMENTS

During the six months ended 30 June 2026, the capital expenditures amounted to approximately S$10.2 million which was used for the purchases of property, plant and equipment in Singapore (31 December 2025: approximately S$16.4 million). The Group finances its capital expenditures primarily through cash generated from operating activities and bank borrowings.

As at 30 June 2026, the Group did not have material capital commitments (31 December 2025: nil).

SIGNIFICANT INVESTMENTS

(1) Financial assets at fair value through profit or loss

As at 30 June 2026, the Group held financial assets at fair value through profit or loss (FVTPL) of approximately S$38.05 Million (31 December 2025: S$11.08 Million) of which the listed securities of approximately S$10.47 Million (31 December 2025: S$10.01 Million), the unlisted securities of approximately S$27.58 Million (31 December 2025: S$ Nil Million) and Wealth Management Products of approximately S$ Nil Million (31 December 2025: S$1.07 Million) were classified as current assets in the consolidated statement of financial position of the Group.

(I) Subscription and/or Holding of Listed Securities

Listed below are the particulars of the Group's major listed securities investments:

				For the six months ended 30 June 2026							
Name of investment targets	*Notes*	**Number of shares**	**Approximate percentage of interest held**	**Cost/fair value as at 1 January 2026** *(S$'000)*	**Additions/ (transfer)** *(S$'000)*	**Market prices as at 30 June 2026** *(S$)*	**Market value** *(S$'000)*	**Approximate percentage of investments attributable to the Group's total assets as at 30 June 2026**	**Dividend received** *(S$'000)*	**Disposal gain/(loss)** *(S$'000)*	**Fair value gain/(loss)** *(S$'000)*
Imperium Technology Group Limited ("**Imperium Technology**") (HKSE Stock Code: 776)	*(a)*	20,000,000	4.47%	4,193	N/A	0.0824	1,649	0.56%	N/A	N/A	(2,544)
HK.AI Capital Limited ("**HK.AI Capital**") (HKSE Stock Code: 1140)	*(b)*	416,196,000	3.57%	5,817	6,546	0.0186	7,754	2.65%	N/A	N/A	(4,609)
Future Machine Limited (the "**Future Machine**") (HKSE Stock Code: 1401)	*(c)*	17,500,000	1.17%	–	2,488	0.0391	684	0.23%	N/A	N/A	(1,804)
Ruihe Data Technology Holdings Limited (the "**Ruihe Data**") (HKSE Stock Code: 3680)	*(d)*	1,146,000	0.13%	–	384	0.3380	387	0.13%	N/A	N/A	3

(a) Imperium Technology Shares

On 22 October 2025, a subsidiary of the Group, SEV New Energy Company Limited ("**SEV New Energy**"), entered into a placing letter with a placing agent, pursuant to which, among others, the Group agreed to subscribe for a total number of 20,000,000 shares in Imperium Technology (the "**Imperium Technology Shares**") at a subscription price of HK$0.845 per share, whose shares are listed on the Main Board of the Stock Exchange (HKSE Stock Code: 776). On 28 October 2025, a total consideration of approximately S$2.85 Million (approximately HK$17.07 Million, including stamp duty, trading fees, transaction levies, and brokerage), financed by the Group's internal resources, was paid to complete the above subscription. The subscription of Imperium Technology Shares did not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Imperium Technology is an investment holding company principally engaged in the Esports and online game business. Imperium Technology operates its business through six segments: (1) the Esports segment is engaged in participating in esports competitions, streaming and marketing events, as well as merchandise sales; (2) the Online Game segment is marketing and operating of mobile games, computer games and sale of non-fungible tokens (NFTs) and other digital token; (3) the Cloud Computing and Data Storage segment engages in cryptocurrency mining and rental of machines to customers to engage in cryptocurrency mining; (4) the Property investment segment is engaged in the rental of investment properties; (5) the Household products segment manufactures and sells stainless-steel furnishings and home products and (6) the Money lending segment is engaged in the money lending business.

The Board considered that the investment in Imperium Technology Shares would be expected to generate returns to the Group after the realisation and the large-scale expansion of the rapid development of the current technological industrial trend, especially that Imperium Technology has tapped into blockchain games, which is enabling it to remain competitive in the advanced technology online game and esports business segments.

As at the date of this announcement, the market value of Imperium Technology Shares was approximately S$0.77 Million.

(b) HK.AI Capital Shares

On 14 October 2025, SEV New Energy acquired a total number of 89,240,000 shares in HK.AI Capital (the "**HK.AI Capital Shares**") through a security broker at the average price of HK$0.223 per share, whose shares are listed on the Main Board of the Stock Exchange (HKSE Stock Code: 1140). The total consideration of approximately S$3.33 Million (approximately HK$19.93 Million, including stamp duty, trading fees, transaction levies and brokerage) for the acquisition of HK.AI Capital Shares was financed by the Group's internal resources. The subscription of HK.AI Capital Shares did not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

On 30 October 2025, SEV New Energy entered into a subscription agreement with HK.AI Capital, pursuant to which, among others, the Group agreed to subscribe for a total number of 86,956,000 shares in HK.AI Capital at a subscription price of HK$0.23 per share. On 18 November 2025, a total consideration of approximately S$3.34 Million (approximately HK$20.00 Million, including stamp duty, trading fees, transaction levies, and brokerage), financed by the Group's internal resources, was paid to complete the above subscription. The subscription of HK.AI Capital Shares did not constitute a notifiable transaction on a standalone basis and on an aggregated basis under Chapter 14 of the Listing Rules.

On 2 April 2026, SEV New Energy continued to acquire a total number of 240,000,000 shares in HK.AI Capital through a security broker from an independent third party at the price of HK$0.165 per share. The total consideration of approximately S$6.55 Million (approximately HK$39.70 Million, including stamp duty, trading fees, transaction levies and brokerage) for the acquisition of HK.AI Capital Shares was financed by the Group's internal resources. The subscription of HK.AI Capital Shares did not constitute a notifiable transaction on a standalone basis and on an aggregated basis under Chapter 14 of the Listing Rules.

HK.AI Capital is an investment holding company principally engaged in the investment in listed and unlisted enterprises. HK.AI Capital's investment objective is to achieve medium to long-term capital appreciation by investing in a diversified global portfolio of global investments in enterprises. The Company's investment strategy includes core holdings-centric unlisted equity investments, debt investments, fund investments, listed equity investments and art investments with returns generated from interest, dividends and capital appreciation. The company's investment portfolio mainly includes medical and healthcare, financial services and Technology, Media, Telecom (TMT).

The Board considered that the investment in HK.AI Capital Shares would be expected to generate returns to the Group after the realisation and the large-scale expansion of the use of relevant technologies in the future. A new wave of technological revolution and industrial transformation occurred, and disruptive technologies, exemplified by artificial intelligence, experienced explosive growth.

As at the date of this announcement, the market value of HK.AI Capital Shares was approximately S$6.95 Million.

(c) Future Machine Shares

On 2 April 2026, SEV New Energy acquired a total number of 17,500,000 shares in Future Machine (the "**Future Machine Shares**") through a security broker at the average price of HK$0.86 per share, whose shares are listed on the Main Board of the Stock Exchange (HKSE Stock Code: 1401). The total consideration of approximately S$2.49 Million (approximately HK$15.09 Million, including stamp duty, trading fees, transaction levies and brokerage) for the acquisition of Future Machine Shares was financed by the Group's internal resources. The subscription of Future Machine Shares did not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Future Machine is an investment holding company primarily engaged in designing, manufacturing and sales of mobile phones and printed circuit board assembly products (PCBA) and Internet of Things related (IoT) products in the domestic and overseas markets. Future Machine's main products include smartphones, feature phones, PCBAs, IoT related products, mobile device components used for after sales-services and others. Future Machine is also engaged in the provision of research and development and technical services for mobile phones, PCBAs and cloud related products.

The Board considered that the investment in Future Machine Shares would be expected to generate returns to the Group after the realisation and the large-scale expansion of the use of relevant technologies in the future. Market revenue achieved remarkable growth, fuelled by advancements in 5G connectivity, AI integration, and applications in smart manufacturing, healthcare, and urban infrastructure. This performance highlighted China's leadership in IoT innovation, positioning the sector for a continued high – growth trajectory amid increasing demand for intelligent and interconnected solutions.

As at the date of this announcement, the market value of Future Machine Shares was approximately S$0.72 Million.

(d) *Ruihe Data Shares*

On 15 April 2026, SEV New Energy acquired a total number of 1,146,000 shares in Ruihe Data (the "**Ruihe Data Shares**") through a security broker at the average price of HK$2.034 per share, whose shares are listed on the Main Board of the Stock Exchange (HKSE Stock Code: 3680). The total consideration of approximately S$0.38 Million (approximately HK$2.33 Million, including stamp duty, trading fees, transaction levies and brokerage) for the acquisition of Ruihe Data Shares was financed by the Group's internal resources. The subscription of Ruihe Data Shares did not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

Ruihe Data is an investment holding company primarily engaged in the provision of big data, artificial intelligence (AI), and digital marketing solutions and professional consulting services in domestic market. Ruihe Data operates through two segments: (1) the Integrated Data Technology Services segment is primarily engaged in the provision of data solutions, sales of hardware and software and related services as an integrated service, and information technology (IT) maintenance and support services and (2) the Trading of Commodities segment is primarily engaged in commodity trading business.

The Board considered that the investment in Ruihe Data Shares would be expected to generate returns to the Group after the realisation and the large-scale expansion of the use of relevant technologies in the future. A new round of technological revolution is reshaping the global industrial landscape at an unprecedented pace. The deep integration of AI and big data will become the core driving force for productivity improvement, and the regulated development of the digital asset market will unleash trillion-level potential.

As at the date of this announcement, the market value of Ruihe Data Shares was approximately S$0.44 Million.

(II) Subscription and/or Holding of Unlisted Securities

Listed below are the particulars of the Group's major unlisted securities investments:

(a) *Guangzhou Haote Shares*

On 10 March 2026, a wholly-owned subsidiary of the Company, Shenzhen Tianqiming Technology Co., Ltd*(深圳天啟明科技有限公司)(the "**Shenzhen Tianqiming**"), entered into the subscription agreement (as supplemented by the supplemental agreement) with 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 (the "**Guangzhou Haote**") 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 Guangzhou Haote (equivalent to 5,413,652 new ordinary shares of the Guangzhou Haote, the "**Guangzhou Haote Shares**"), with the subscription price of approximately S$25.83 Million (approximately RMB139.99 Million) was financed by the unutilized Placing Proceeds and the Group's internal resources.

The subscription was completed on 26 March 2026, Shenzhen Tianqiming held approximately 5.30% of the total issued share capital of the Guangzhou Haote as enlarged by the allotment and issuance of the subscription shares immediately after the completion and the Guangzhou Haote Shares was 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.

The subscription of the Guangzhou Haote Shares constituted a notifiable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules. Further details of the subscription were set out in the Company's announcements dated 10 March 2026 and 15 April 2026.

As at the date of this announcement, the carrying value of Guangzhou Haote Shares was approximately S$26.63 Million (approximately RMB139.99 Million) as at 30 June 2026 and no impairment loss was made for PE2026.

(b) *Puncture Robotic Shares*

On 17 March 2026, Shenzhen Tianqiming with two independent third parties jointly entered into the subscription agreement (as supplemented by the supplemental agreement) with Puncture Robotic (Shanghai) Intelligent Medical Technology Co., Ltd.* (磅客策(上海)智慧醫療科技有限公司) (the "**Puncture Robotic**"), a company incorporated in the PRC with limited liability, pursuant to which Shenzhen Tianqiming has agreed to subscribe to RMB2,122,592 of the newly increased registered capital of the (equivalent to 2,122,592 new ordinary shares of the Puncture Robotic, the "**Puncture Robotic Shares**"), with the subscription price of approximately S$4.59 Million (RMB25.00 Million) was financed by the Group's internal resources. The subscription of the Puncture Robotic Shares did not constitute a notifiable transaction of the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

Upon the completion of the subscription (the "**Completion**"), Shenzhen Tianqiming will hold approximately 4.72% of the total issued share capital of the Puncture Robotic as enlarged by the allotment and issuance of the subscription shares immediately after the Completion and the Puncture Robotic Shares 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. As at 30 June 2026, Shenzhen Tianqiming had paid an accumulated subscription price of S$0.95 Million (RMB5.00 Million), and the remaining subscription price of S$3.64 Million (RMB20.00 Million) is expected to be paid on or before 31 December 2026.

Puncture Robotic was a new generation of intelligent surgical solution provider, the team studies the common clinical characteristics of various diseases, explores the common clinical needs that urgently need to be solved, manufactures more professional medical surgical robots, and provides more systematic medical solutions. Puncture Robotic 's business covers serious medical and consumer medical fields.

The Board considered that the investment in Puncture Robotic Shares would be expected to generate returns to the Group after the realisation and the large-scale expansion of the use of relevant technologies in the future. Cooperating in the hair growth technologies according to each party's core strengths should reduce market-entry risk, improve resource efficiency, and support sustainable long-term growth for the hair product business in the Chinese market.

As at the date of this announcement, the carrying value of Puncture Robotic Shares was approximately S$0.95 Million (RMB5.00 Million) as at 30 June 2026 and no impairment loss was made for PE2026.

(2) Financial assets at fair value through other comprehensive income

As at 30 June 2026, the Group held financial assets at fair value through other comprehensive income (FVTOCI) of approximately S$14.61 Million (31 December 2025: S$13.97 Million) of which the unlisted fund in Hong Kong of approximately S$11.41 Million (31 December 2025: S$11.55 Million) and the unlisted funds in Singapore of approximately S$3.20 Million (31 December 2025: S$2.42 Million) were classified as current assets in the consolidated statement of financial position of the Group.

Subscription and/or Holding of Interest in Fund in Hong Kong

On 18 December 2025, a subsidiary of the Group, BetaTech Investments Limited ("**BetaTech Investments**") entered into a subscription agreement with the general partner of GrowthPoint Investments LPF (the "**Growthpoint LPF**"), and contributed S$11.60 Million (HK$70.00 Million) into the Growthpoint LPF as the limited partner. On 22 December, a total consideration of approximately S$11.60 Million, financed by the Group's short-term borrowing, was paid to complete the above subscription. The subscription of the GrowthPoint LPF did not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The GrowthPoint LPF, with the objective of generating long-term capital appreciation for its limited partners, is managed by KYYL Technology Limited as the general partner and Houde Changhe Asset Management Limited（厚德長河資產管理有限公司）as the investment manager. According to the limited partnership agreement of the GrowthPoint LPF, the purpose of the partnership is to achieve growth and/or capital appreciation primarily by investing in stocks (A-shares, Hong Kong stocks, US stocks, and other market stocks), options, futures and other derivatives, bonds, convertible bonds, funds, digital currencies, private equity and other mixed investment, and any other lawful businesses, purposes or activities and exercise any powers in which limited partnership fund may be engaged under applicable laws (including, without limitation, the Limited Partnership Fund Ordinance (Chapter 637) of the Laws of Hong Kong).

With reference to the investment objectives of the GrowthPoint LPF and the extensive experience and skills of the general partner and the investment manager, the Board believed that the subscription of the GrowthPoint LPF would enable the Group to capture investment opportunities and maximise the long-term investment return.

As at the date of this announcement, the carrying value of the GrowthPoint LPF was approximately S$11.41 Million (approximately HK$69.20 Million) as at 30 June 2026 and no impairment loss was made for PE2026.

MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any material acquisition and disposal of subsidiaries and affiliated companies during the six months ended 30 June 2026.

FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group is exposed to foreign exchange risk arising from various currency exposure, primarily with respect to Hong Kong dollars and United States dollars. The Group's exposure to other foreign exchange movements is not material.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 30 June 2026 (31 December 2025: nil).

EMPLOYEE, EMPLOYEE REMUNERATION AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 315 employees (31 December 2025: 230 employees). Employee benefit expense (including directors' emoluments) of approximately S$12.1 million incurred for the six months ended 30 June 2026 (2025: S$7.6 million).

The remuneration package of the employee mainly includes salaries and allowances, sales commission and bonuses. The remuneration of the employees is determined by reference to prevailing market terms and in accordance with the performance, qualification and experience of each individual employee. The Company has adopted a share option scheme to reward the employees for their contribution to the Group and to provide them with incentives to further contribute to the Group.

The Group also provides in-house trainings to the staff which aim at updating their product knowledge, as well as improving their technical skills.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed for the intended use of proceeds from the placing of new shares as disclosed in the announcements dated 30 May 2025, 17 June 2025 and 18 July 2025, the Group did not have future plans for material investments and capital assets as at 30 June 2026.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately prior to the date of this announcement:

On 30 May 2025, for the purpose of raising additional funds and to widen the Company's shareholder base, the Company entered into a placing agreement with the placing agent in relation to the placing of 112,300,000 new shares (further revised to 90,195,000 on 17 June 2025) of the Company at the placing price of HK$4.30 per placing share. The market price of each placing share was HK$4.16 at the date of the placing agreement. The placing was completed on 18 July 2026. The net proceeds of the placing amounted to approximately HK$389.96 million. Please refer to revelant announcement and circular dated 30 May 2025, 17 June 2025, 20 June 2025, 4 July 2025, 11 July 2025 and 18 July 2025 for more details. The table below sets out the intended use of net proceeds and the status of utilisation as at 30 June 2026:

		Intended use of net proceeds *HK$' million*	Change of use of proceeds *(Note)* *HK$' million*	Unutilised amounts as at 31 December 2025 *HK$' million*	Utilisation amounts during PE2026 *HK$' million*	Actual use of net proceeds as at 30 June 2026 *HK$' million*	Unutilised amounts as at 30 June 2026 *HK$' million*	Expected timeline for unutilised amounts
(i)	Support the business development of Guangzhou Jinghong New Materials Co., Ltd.* (廣州晶鴻新材料有限公司)	74.94	–	64.25	–	10.69	64.25	By end of 2026
(ii)	Possible investment in the AIMI Group	70.00	(70.00)	–	–	–	–	N/A
(iii)	Production and distribution of hair growth products	95.59	–	14.40	–	81.19	14.40	By end of 2026
(iv)	Support marketing initiatives for both the Group's existing and prospective business ventures	47.81	–	7.37	(7.37)	47.81	–	N/A
(v)	Enhance the Group's working capital for supporting ongoing business operations, administrative needs, and compliance obligations	95.62	–	–	–	95.62	–	N/A
(vi)	Subscription of the newly increased registered capital of the Guangzhou Haote Energy Saving Technology Co., Ltd.* (廣州豪特節能環保科技股份有限公司)	–	70.00	–	–	70.00	–	N/A
Total		383.96	–	86.02	(7.37)	305.31	78.65	

Note:

Detailed reasons for the change in the use of proceeds in relation to the investment in the AIMI Group

As disclosed in the Company's announcement dated 10 March 2026, following a thorough assessment, the Board determined that the Company would not proceed with the proposed investment in AIMI Investments Limited and/or the AIMI Group.

The Placing Proceeds were initially intended to be used, among other purposes, for a potential investment in the AIMI Group. Following further evaluation of the proposed investment, the Board considered that the transaction was no longer the most appropriate deployment of the Group's financial resources. In particular, the Directors took into account:

(a) the outcome of the Company's further assessment of the proposed investment and the relevant investment terms;

(b) the Group's current working capital requirements and financial position;

(c) the fact that the Group's working capital requirements in relation to its motor vehicle business were adequately met at the relevant time; and

(d) the availability of alternative investment and business opportunities that, in the Board's view, may provide better prospects for enhancing the Group's revenue, profitability and long-term development.

Accordingly, the Board decided not to proceed with the proposed investment in the AIMI Group and to reallocate the relevant unutilised Placing Proceeds to finance the subscription price for the subscription of new shares issued by Guangzhou Haote Energy Saving Technology Co., Ltd.*(廣州豪特節能環保科技股份有限公司)("Guangzhou Haote") on 10 March 2026. For further details, please refer to the Company's announcement dated 10 March 2026.

The Directors expect that the proposed subscription and investment in Guangzhou Haote may contribute to the growth of the Group's revenue and profitability and provide the Group with the opportunity to pursue potential capital appreciation. The revised allocation is therefore intended to enable the Group to deploy its financial resources more effectively in accordance with its current business strategy.

The Board considers that the change in the use of the Placing Proceeds is fair and reasonable and in the interests of the Company and its shareholders as a whole. The change will not have any material adverse impact on the existing business and operations of the Group.

The Company will continue to monitor the utilisation of the remaining Placing Proceeds and will make further announcement(s), where required, in accordance with the Listing Rules.

UPDATE ON QUALIFIED OPINION

References are made to the Company's announcements dated 31 March 2026 and the annual report of the Company for the year ended 31 December 2025 published on 28 April 2026, in which the auditor of the Company (the "**Auditor**") expressed a qualified opinion (the "**Audit Qualification**") in respect of the prepayments for purchases of motor vehicles and the contract liabilities arising from a deposit received under a call option agreement for the sale of motor vehicles.

As at the date of this announcement, the Company continues to process the termination or novation of the relevant purchase of motor vehicles to refund the prepayments and return the deposit received under the call option agreement for the sale of motor vehicles.

The Board has discussed the proposed action plan above with the Auditor, who has indicated that the matters giving rise to the Audit Qualification may be effectively resolved if the action plan is implemented as designed. The Auditor has also agreed in principle that, subject to the full implementation of the action plan and provided that no prepayment or contract liability balances relating to the relevant audit issues remain outstanding as at 31 December 2026, such matters would no longer affect the closing balances for the financial year ending 31 December 2026. Accordingly, the Board expects no qualified opinion to be issued in respect of those closing balances for the financial year ending 31 December 2026 based on current expectations.

A supplemental announcement, which is currently under review by The Stock Exchange of Hong Kong Limited, will be published in due course to provide further details regarding the Audit Qualification once the review has been completed. The Company expects to publish the aforesaid supplemental announcement by October 2026.

EVENT AFTER THE REPORTING PERIOD

Save as disclosed elsewhere in this announcement, the Directors are not aware of any significant event which had material effect on the Group subsequent to 30 June 2026 and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its code of conduct regarding securities transaction by Directors. The Company, having made specific enquiry, confirms that all Directors have complied with the required standard set out in the Model Code throughout the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2026.

CORPORATE GOVERNANCE CODE

During the six months ended 30 June 2026, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the Corporate Governance Code (the "**CG Code**") set out in Appendix 14 to the Listing Rules, save and except for the following deviations from code provisions A.2.1 and C.2.5 of the CG Code.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive shall be separated and shall not be performed by the same individual. Mr. Vincent Tan currently holds both positions. Throughout the business history, Mr. Vincent Tan, as a founder and the substantial shareholder of the Group, has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors, including the independent non-executive Directors consider that Mr. Vincent Tan is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the shareholders as a whole.

Under code provision C.2.5 of the CG Code, the Group should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective by the audit committee and the Board. In addition, the audit committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Nevertheless, the Company will review the need for one on an annual basis.

CHANGE IN DIRECTOR'S INFORMATION

There is no information in respect of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The Company established an audit committee on 1 February 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code. The audit committee consists of three independent non-executive Directors, namely, Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Wu Qing. Mr. Chow Wing Tung is the chairman of the audit committee. The primary duties of the audit committee are to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

The audit committee has reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2026, including the accounting principles and practices adopted by the Group. The unaudited condensed consolidated interim financial information of the Group has not been audited or reviewed by the Auditor.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the HKEXnews website of The Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and on the website of the Company at www.guanchaoholdingsltd.com, respectively. The interim report for the six months ended 30 June 2026 of the Company, which contains all the information required by the Listing Rules, will be published on the aforesaid websites and dispatched to the shareholders as per the Company's corporate communications arrangements in late September 2026.

APPRECIATION

On behalf of the Board, the chairman of the Board would like to extend his gratitude and sincere appreciation to all management and staff members for their diligence and dedication, and also to our business partners and the Shareholders for their continuing support.

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

Hong Kong, 28 August 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. Dung 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 purpose only*