Guan Chao Holdings Limited
冠轢控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1872)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2025

Reference is made to the annual report of Guan Chao Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for the year ended 31 December 2025 (the "**Annual Report**"). Unless otherwise stated, terms used in this announcement shall have the same meanings as those defined in the Annual Report.

In addition to the information disclosed in the Annual Report, the board (the "**Board**") of directors (the "**Director(s)**") of the Company would like to provide the shareholders and potential investors of the Company with the following supplementary information.

1. THE NUMBER OF SHARE OPTIONS AVAILABLE FOR GRANT UNDER THE SHARE OPTION SCHEME

The number of share options available for grant under the Share Option Scheme mandate limit remained unchanged at nil shares as of both 1 January 2025 and 31 December 2025.

2. ADDITIONAL INFORMATION ABOUT THE USE OF NET PROCEEDS FROM THE LISTING OF THE COMPANY'S SHARES ON 28 FEBRUARY 2019 (THE "LISTING")

According to page 16 of the Annual Report, the Company raised approximately HK$52.9 million in net proceeds from the Listing. The Company would like to provide additional information regarding (i) the amount of net proceeds from the Listing brought forward from the year ended 31 December 2024; and (ii) the utilisation of such proceeds during the year ended 31 December 2025.

The net proceeds from the Listing brought forward from the year ended 31 December 2024 amounted to approximately HK$3,822,000, which were entirely allocated to establishing motor vehicle workshops. During the year ended 31 December 2025, the amount was fully utilised. Accordingly, there were no unutilised net proceeds from the Listing as at 31 December 2025.

3. DETAILED REASONS FOR THE CHANGE IN THE USE OF NET PROCEEDS FROM THE RIGHTS ISSUE OF THE COMPANY COMPLETED ON 13 JANUARY 2025 (THE "RIGHTS ISSUE")

According to pages 17 to 18 of the Annual Report, the Company raised approximately HK$170.64 million in net proceeds from the Rights Issue. As disclosed in the prospectus relating to the Rights Issue published on 22 November 2024, the Directors originally intended to apply the net proceeds as follows:

(i) approximately 70.0%, or HK$119.43 million, for the expansion of the Group's motor vehicle business network into Thailand;

(ii) approximately 10.0%, or HK$17.07 million, for the development of the Group's AEM business (the "**AEM Business**");

(iii) approximately 10.0%, or HK$17.07 million, for the expansion of the Group's sales and service network and marketing activities, as well as the enhancement of its brand awareness; and

(iv) approximately 10.0%, or HK$17.07 million, for the Group's general and corporate administrative purposes, including, but not limited to, directors' remuneration, wages and salaries, external sales commissions, legal and professional fees and rental expenses.

The Company wishes to supplement the disclosure in the Annual Report by providing the detailed reasons for the change in the use of the portion of the net proceeds originally intended for the development of the AEM Business.

The Company had originally intended to develop the AEM Business through an equity investment in a joint venture arrangement involving AIMI Investments Limited (together with its subsidiaries, the "**AIMI Group**") and its main operating subsidiary, Nantong Hefan Energy Technology Co., Ltd. ("**Nantong Hefan**"). However, Nantong Hefan subsequently encountered urgent funding needs and required funding within a timeframe that did not allow the necessary valuation, due diligence and other compliance procedures relating to the proposed equity investment to be completed. In particular, the timing required by Nantong Hefan was inconsistent with the project timetable and the time required for the Company to complete the relevant procedures before making an equity investment.

In addition, the Company considered it necessary to ensure that the AEM electrolyser system had reached the testing stage and was able to demonstrate the feasibility of launching the system before making any capital contribution. As the relevant conditions and timetable could not be satisfied, the parties mutually agreed to terminate the proposed joint venture arrangement.

As a result, the Company reassessed its investment strategy for the AEM Business and changed it from an equity-based investment approach to a debt-oriented financing approach. Accordingly, instead of using approximately HK$17.07 million of the net proceeds to develop the AEM Business through an equity investment in the proposed joint venture, the Company used approximately HK$17.00 million of the net proceeds to provide financial assistance to Infinity Energy Solutions Ltd., one of the shareholders of AIMI Investments Limited. The remaining HK$70,000 was used to settle certain administrative expenses incurred to support the development of the AEM Business.

4. ADDITIONAL INFORMATION ABOUT THE USE OF NET PROCEEDS FROM THE PLACING OF THE COMPANY'S SHARES COMPLETED ON 18 JULY 2025 (THE "PLACING")

According to pages 18 to 19 of the Annual Report, the Company raised approximately HK$383.96 million in net proceeds from the Placing.

(i) The unutilised amount of net proceeds from the Placing as at 31 December 2025

The Company wishes to supplement the relevant disclosure in the Annual Report by providing details of the unutilised net proceeds from the Placing (the "**Placing Proceeds**") as at 31 December 2025 as set out in the table below.

Planned use of the Placing Proceeds	**Allocation of the Placing Proceeds before the change in its use** *HK$'000*	**Allocation of the Placing Proceeds after the change in its use** *HK$'000*	**Actual use of the Placing Proceeds up to the date of the Annual Report** *HK$'000*	**Unutilised amount of the Placing Proceeds as at the date of the Annual Report** *HK$'000*
Support the business development of the chip production business	74,940	74,940	(10,690)	64,250
Possible investment in the Anion Exchange Membrane (AEM) business	70,000	–	–	–
Production and distribution of hair growth products	95,590	95,590	(81,190)	14,400
Support marketing initiatives for both the Group's existing and prospective business ventures	47,810	47,810	(40,440)	7,370
Enhance the Group's working capital to support ongoing business operations, administrative needs, and compliance obligations	95,620	95,620	(95,620)	–
Financing the subscription price for the subscription of new shares issued by Guangzhou Haote	–	70,000	(70,000)	–
Total	**383,960**	**383,960**	**(297,940)**	**86,020**

As noted above, as at the date of the Annual Report, approximately HK$297.94 million of the Placing Proceeds had been utilised. Based on the total Placing Proceeds of approximately HK$383.96 million, approximately HK$86.02 million remained unutilised as at the date of the Annual Report.

The Company expects to utilise the remaining Placing Proceeds by the end of 2026, subject to the development of the Group's business, market conditions and the availability of suitable investment or business opportunities. Pending such utilisation, the unutilised Placing Proceeds will be held in licensed banks and/or other appropriate financial institutions.

The Company confirms that, save for the change in use of proceeds described in section (ii) below, the Placing Proceeds were and are proposed to be utilised in accordance with the intentions previously disclosed by the Company.

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

The Company wishes to supplement the relevant disclosure in the Annual Report by providing detailed reasons for the change in the use of the Placing Proceeds.

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

The supplemental information in this announcement does not affect other information in the Annual Report. Save as disclosed in this announcement, the contents of the Annual Report remain unchanged.

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, 7 September 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*