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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
IN RELATION TO
TERMINATION OF THE SERVICE AGREEMENT**

This announcement is made by Guan Chao Holdings Limited (the “**Company**”) on a voluntary basis.

Reference is made to the announcements issued by the Company on 23 June 2026, 20 July 2026 and 24 July 2026 (the “**Announcements**”) in relation to, among other things, the entering into of a non-legally binding memorandum of understanding with Hangzhou Huashen Network Technology Co., Ltd.* (杭州華深網路科技有限公司) (the “**Business Partner**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

BACKGROUND

On 24 July 2026, Shenzhen Groland entered into a legally binding operations service agreement (the “**Service Agreement**”) with the Business Partner. Under the Service Agreement, the Business Partner was responsible for four principal areas: (1) daily store operations and basic management; (2) marketing and customer acquisition; (3) live-streaming operations; and (4) customer service. The parties contemplated cooperation in four stages.

The first stage covered the period from 1 July 2026 to 30 September 2026 (the “**First Stage**”). Its objectives included validating the Business Partner’s sales and transaction model, generating genuine sales orders and positive customer reviews, and establishing operational assets.

TERMINATION OF THE SERVICE AGREEMENT

The Board wishes to announce that, on 28 September 2026, Shenzhen Groland and the Business Partner entered into a termination agreement (the “**Termination Agreement**”), pursuant to which the parties agreed to terminate the Service Agreement with effect from 11 September 2026. From the effective time of termination, the Business Partner ceased providing operations services and was no longer entitled to use any stores, accounts, brands or related access rights of Shenzhen Groland. The parties also agreed that any services under the Service Agreement that had not yet been performed would not be performed and that no subsequent stage of cooperation would commence.

Under the Service Agreement, the base service fee for the First Stage was fixed at RMB600,000. Shenzhen Groland and the Business Partner subsequently agreed to reduce that fee to RMB400,000. As at the date of this announcement, Shenzhen Groland had paid the Business Partner RMB300,000, leaving an outstanding balance of RMB100,000. Upon payment of that outstanding amount, the service fees payable under the Service Agreement will be fully settled, and the Business Partner will have no further claims against Shenzhen Groland for service fees, rewards, commissions, early termination compensation, expected profits or any other fees under the Service Agreement.

REASONS FOR TERMINATING THE SERVICE AGREEMENT

The Board considers that sales of the AI combs did not meet the Company's expectations. As at 30 September 2026, sales amounted to approximately RMB301,300, of which approximately RMB54,000 represented revenue from the Business Partner's operations services. Given the unsatisfactory sales performance and high marketing and operating costs, the Company proactively negotiated with the Business Partner to terminate the Service Agreement. Under the Termination Agreement, the Company agreed to release the Business Partner from its outstanding obligations under the Service Agreement.

As at the date of this announcement, approximately 2,000 AI combs remained in the Company's inventory, with an aggregate cost of approximately RMB500,000. Having considered the sales performance and the costs involved, the Company has decided not to commit further resources to the AI comb business and to discontinue the business in its entirety.

The Company considers that the entering into of the Termination Agreement will not have any material impact on its financial position or existing operations.

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, 26 October 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.