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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)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF FOUR (4) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE

References are made to the prospectus (the “**Prospectus**”) of Guan Chao Holdings Limited (the “**Company**”) dated 22 November 2024 and the announcement of the Company dated 13 December 2024 (the “**Announcement**”), in relation to, among other things, the Rights Issue. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Prospectus and the Announcement.

RESULTS OF THE RIGHTS ISSUE AND THE COMPENSATORY ARRANGEMENTS

As disclosed in the Announcement, as at 4:00 p.m. on Friday, 6 December 2024, being the Latest Time for Acceptance, the Company had received a total of four (4) valid applications and acceptances of provisional allotments under the PALs for a total of 165,606,081 Rights Shares offered under the Rights Issue, representing approximately 38.33% of the total number of Rights Shares offered under the Rights Issue. Accordingly, the Rights Issue was under-subscribed by 266,393,919 Rights Shares (the “**Unsubscribed Rights Share(s)**”), representing approximately 61.67% of the total number of the Rights Shares available for subscription under the Rights Issue, which will be subject to the Compensatory Arrangements.

The Board wishes to announce that, as at 4:00 p.m. on Friday, 3 January 2025, being the latest time of Placing of the Placing Shares by the Placing Agent, 266,300,000 Unsubscribed Rights Shares were successfully placed to twenty-three (23) independent placees at the Placing Price of HK\$0.40 per Unsubscribed Rights Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available to be distributed to the No Action Shareholders under the Compensatory Arrangements.

Based on the acceptance results of the Rights Issue and the placing results of the Compensatory Arrangements, the Rights Shares (including the Unsubscribed Rights Shares) to be allotted and issued amounted to 431,906,081 Rights Shares, representing 99.98% of the total number of Rights Shares offered for subscription under the Rights Issue.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees under the Placing and where appropriate, their respective ultimate beneficial owner(s), is independent of and not connected with the Company and its connected persons and not a connected person of the Company; and (ii) one of the placees has become a substantial shareholder of the Company (as defined under the Listing Rules) upon the completion of the Placing. As all the conditions with respect to the Rights Issue as set out in the Prospectus have been fulfilled, the Rights Issue became unconditional on Monday, 6 January 2025.

The gross proceeds raised from the Rights Issue (including the Compensatory Arrangements) were approximately HK\$172.76 million, and the net proceeds (after deducting all relevant expenses) from the Rights Issue were approximately HK\$170.64 million.

As disclosed in the Prospectus, the Company intends to apply the net proceeds as to (i) approximately HK\$119.43 million (or 70% of the maximum net proceeds) will be used for the expansion of the Group's motor vehicle business network into Thailand; (ii) approximately HK\$17.07 million (or 10% of the maximum net proceeds) will be used for the development of the Group's newly commenced anion exchange membrane (AEM) water electrolysis business; (iii) approximately HK\$17.07 million (or 10% of the maximum net proceeds) will be used to Group's sales and service network and marketing and enhance its brand awareness; and (iv) the remaining portion of approximately HK\$17.07 million (or 10% of the maximum net proceeds) will be used 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.

Based on the existing business plan, the above-planned proceeds are expected to be fully utilised by the Group within 12 months falling after the Completion.

EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Based on the information available to the Company and to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue (the "**Completion**"):

	Immediately before the Completion		Immediately after the Completion	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Gatehouse Ventures Limited ("Gatehouse Ventures") (<i>Note 1</i>)	38,140,000	35.32	98,140,000	18.18
Show Achieve Limited ("Show Achieve") (<i>Note 2</i>)	11,280,000	10.44	11,280,000	2.09
Mr. Tan Jun Wei Ethan (<i>Note 3</i>)	6,321,000	5.85	6,321,000	1.17
Public Shareholder:				
Independent Places:				
– Trendera Group Holdings Limited (<i>Note 4</i>)	–	–	33,000,000	6.11
– Other Places each with less than 5%	–	–	233,300,000	43.21
Other public Shareholders	52,259,000	48.39	157,865,081	29.24
Total	108,000,000	100.00	539,906,081	100.00

Notes:

- All the issued shares of Gatehouse Ventures are legally and beneficially wholly-owned by Mr. Tan Shuay Tarn Vincent, who is the executive Director and the chairman of the Company.
- All the issued shares of Show Achieve are legally and beneficially wholly-owned by Mr. Wu Bin.
- Mr. Tan Jun Wei Ethan is the son of Mr. Tan Shuay Tarn Vincent, who is the executive Director and the chairman of the Company.
- Trendera Group Holdings Limited ("**Trendera Group**") subscribed for 33,000,000 Placing Shares (representing approximately 6.11% of the total issued shares of the Company immediately after the Completion). All the issued shares of Trendera Group are legally and beneficially wholly-owned by Mr. Liu Zhiwei. Accordingly, Trendera Group and Mr. Liu Zhiwei have become the substantial shareholders of the Company after the Completion.

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES

Share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risks on Monday, 13 January 2025.

COMMENCEMENT OF DEALINGS IN THE FULLY-PAID RIGHTS SHARES

Dealings in the fully-paid Rights Shares are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 14 January 2025.

By Order of the Board
Guan Chao Holdings Limited
Tan Shuay Tarnng Vincent
Co-Chairman and Executive Director

Hong Kong, 10 January 2025

As at the date of this announcement, the Board comprises Mr. Tan Shuay Tarnng Vincent, Mr. Zhang Xiaoyang, Ms. Ng Hui Bin Audrey, Ms. Beng Lee Ser Marisa and Mr. Jin Zhehui as executive Directors; and Mr. Chow Wing Tung, Mr. Hui Yan Kit and Mr. Tam Yat Kin Ken as independent non-executive Directors.