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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)

REVISION OF THE NUMBER OF PLACING SHARES IN RELATION TO THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement (the “**Announcement**”) issued by Guan Chao Holdings Limited (the “**Company**”) dated 30 May 2025 in relation to the placing by Fortune (HK) Securities Limited of up to 112,300,000 new shares of the Company under the general mandate. Unless otherwise specified, capitalised terms used herein shall have the same meanings as defined in the Announcement.

THE SIDE LETTER

Following thorough discussions with the Placing Agent, the Company and the Placing Agent executed a side letter (the “**Side Letter**”) on 17 June 2025, pursuant to which the parties to the Placing Agreement agreed to revise the maximum number of Placing Shares from 112,300,000 to 90,195,000 (the “**Revised Placing Shares**”).

Save as disclosed above, all other material terms and conditions of the Placing Agreement shall remain in full force and effect.

Number of Revised Placing Shares

Assuming there are no changes to the total issued share capital of the Company between the date of this announcement and the Completion Date and that all 90,195,000 Revised Placing Shares are successfully placed, the Revised Placing Shares will represent (i) approximately 16.06% of the total issued share capital of the Company as of the date of this announcement,

and (ii) approximately 13.84% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Revised Placing Shares immediately after Completion.

The aggregate nominal value of all the Revised Placing Shares will be HK\$9,019,500.

General Mandate to issue the Revised Placing Shares

The Revised Placing Shares will be allotted and issued by the Company to the Placee(s) under the General Mandate, pursuant to which the Directors are authorised to allot, issue and otherwise deal with up to 112,301,216 Shares, representing 20% of the total number of issued Shares as at the annual general meeting of the Company held on 21 May 2025 approving, among other matters, the granting of the General Mandate.

As of the date of this announcement, the Company has not utilized any part of the General Mandate. Therefore, the Placing does not require Shareholder approval.

The revised use of proceeds from the Placing

Assuming all the 90,195,000 Revised Placing Shares are successfully placed, the gross proceeds from the Placing amount to approximately HK\$387.84 million, while the net proceeds are estimated to be approximately HK\$383.96 million after deducting the estimated expenses for the Placing (the “**Revised Net Proceeds**”). The Company intends to apply the Revised Net Proceeds as follows:

- (i) approximately HK\$74.94 million, representing approximately 20% of the Revised Net Proceeds, to support the development of production lines and the procurement of essential facilities for manufacturing substrate materials, lithium niobate crystals, lithium tantalate growth crystals, lithium niobate, and lithium tantalate wafer films that are crucial for chip production by Guangzhou Jinghong New Materials Co., Ltd.* (廣州晶鴻新材料有限公司);
- (ii) approximately HK\$70.00 million, representing approximately 19% of the Revised Net Proceeds, for a possible investment in the AIMI Group that is primarily engaged in the supply of Anion Exchange Membrane (AEM) water electrolysis equipment for hydrogen production;
- (iii) approximately HK\$95.59 million, representing approximately 25% of the Revised Net Proceeds, towards the development of the Group’s newly established business, which focused on the production and distribution of hair growth products;
- (iv) approximately HK\$47.81 million, representing approximately 12% of the Revised Net Proceeds, for selected mergers, acquisitions, and strategic investments, including continuing to seek potential businesses that can supplement or enhance its existing business and are strategically beneficial to its long-term goals;

- (v) approximately HK\$47.81 million, representing approximately 12% of the Revised Net Proceeds, to support marketing initiatives for both the Group's existing and prospective business ventures; and
- (vi) approximately HK\$47.81 million, representing approximately 12% of the Revised Net Proceeds, to enhance the Group's working capital for supporting ongoing business operations, administrative needs, and compliance obligations.

If there is any additional information regarding the disclosure of the Revised Net Proceeds, the Company will issue a supplemental announcement as soon as practicable in accordance with the Listing Rules.

Placing fee

In consideration of the services of the Placing Agent in relation to the Placing and provided that the Completion occurs, the Company shall pay to the Placing Agent a commission of 1.0% of the aggregate value of the Revised Placing Shares at the Placing Price, in pursuance of its obligations therein, which the Placing Agent is thereby authorised to deduct from the payment to be made by it to the Company at the Completion.

Assuming all the 90,195,000 Revised Placing Shares have been placed, the maximum commission payable by the Company to the Placing Agent shall be approximately HK\$3.88 million.

EFFECTS OF THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 561,506,081 Shares in issue. The table below sets out, for illustration only, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion (assuming that there will be no other change to the total issued share capital of the Company between the date of this announcement and the Completion Date):

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>	<i>Number of Shares</i>	<i>Approximately Shareholding percentage</i>
Gatehouse Ventures Limited	98,140,000	17.48%	98,140,000	15.06%
The Placees	—	—	90,195,000	13.84%
Public Shareholders	463,366,081	82.52%	463,366,081	71.10%
Total	561,506,081	100.00%	651,701,081	100.00%

The Directors consider that the terms of the Side Letter and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As Completion is conditional upon fulfilment of the Conditions Precedent as set out in the paragraphs headed “Conditions Precedent” in the Announcement, the Placing may or may not proceed. The Shareholders and potential investors should exercise caution when dealing in the Shares.

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

Hong Kong, 17 June 2025

As at the date of this announcement, the Board comprises Mr. Tan Shuay Tarng 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. Tam Yat Kin Ken and Mr. Zhong Lili as independent non-executive Directors.*

* *For identification purposes only*