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## **Guan Chao Holdings Limited**

**冠轎控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1872)**

### **MEMORANDA OF UNDERSTANDING**

This announcement is issued by the Company on a voluntary basis to provide the shareholders and potential investors of the Company with an update on the latest business development of the Group.

The Board is pleased to announce that on 13 May 2025, after trading hours of the Stock Exchange, AlphaMind AI, a wholly owned subsidiary of the Company, entered into two non-legally binding memoranda of understanding. The first memorandum is with Shenzhen Jingtai (the “**Jingtai MOU**”), and the second is with Shenzhen Lizhi Ruiya (the “**Lizhi MOU**”, together with the Jingtai MOU, collectively the “**MOUS**”).

Below are the subject matters of each of the Jingtai MOU and the Lizhi MOU.

#### **1. THE JINGTAI MOU**

As of the date of the Jingtai MOU, Shenzhen Jingtai (or its affiliates) is the applicant and owner of two significant patents: (i) CN202311128222.7 Aryl or Heteroaryl Substituted Carbamate Compounds and Their Derivatives and Uses\* (芳基或雜芳基取代的氨基甲酸酯類化合物及其衍生物和用途); and (ii) CN202311247312.8 Synthesis and Application of Cyclic Peptides\* (環肽的合成及應用) (collectively, the “**Target Patents**”). Additionally, Shenzhen Jingtai holds the intellectual property rights associated with the proprietary technology related to the target compound XTP-118 and any products that incorporate this target compound (together with the Target Patents, collectively the “**Target Intellectual Properties**”).

According to the terms of the Jingtai MOU, AlphaMind AI (or its designated associates) intends to obtain an exclusive license for the Target Intellectual Properties in the global market, where this license will enable AlphaMind AI (or its designated associates) to develop, manufacture, use, sell, and import the target compound XTP-118 and/or related products worldwide (the “**Possible Jingtai Transaction**”).

## 2. THE LIZHI MOU

As of the date of the Lizhi MOU, Shenzhen Lizhi Ruiya currently owns or is in the process of applying for a trademark associated with the “Groland” brand (the “**Target Trademark**”). In addition to the Target Trademark, Shenzhen Lizhi Ruiya has obtained an exclusive license from Shenzhen Jingtai for its patent “CN202311247312.8 Cyclic Peptide Compounds and Their Applications\* (環肽化合物及其應用)”, along with the associated proprietary technologies and other intellectual property rights on a global scale (the “**Target License**”). Under this arrangement, Shenzhen Lizhi Ruiya is authorized to develop, manufacture, use, sell, offer for sale, and import the target compound XTP-016 and/or related products in the global market.

According to the terms of the Lizhi MOU, AlphaMind AI (or its designated associates) intends to secure and utilize the rights associated with the Target Trademark, as well as the rights granted under the Target License (the “**Possible Lizhi Transaction**”, together with the Possible Jingtai Transaction, collectively the “**Possible Transactions**”).

The Possible Transactions may be executed through various methods, including but not limited to authorisation, transfer of rights, or acquisition, as mutually agreed upon by both parties to the MOUS. The specific approach will be determined following further discussions and negotiations, as well as the results of Alpha AI’s due diligence. The implementation of the Possible Transactions will be formalized in a definitive agreement.

In recognition of the time and resources that AlphaMind AI has dedicated to the negotiation and due diligence regarding the Possible Transactions, each of Shenzhen Jingtai and Shenzhen Lizhi Ruiya acknowledges and agrees that during the three-month period (the “**Exclusivity Period**”) following the execution of the MOUS, and without prior written consent from AlphaMind AI, each of Shenzhen Jingtai and Shenzhen Lizhi Ruiya will not (and will ensure that its affiliates, as well as their senior management, employees, agents, consultants, and any other third parties, refrain from) directly or indirectly: (a) continue or engage in negotiations with third parties, or enter into any agreements, arrangements, or understandings (regardless of their legal enforceability) regarding restricted matters; or (b) withdraw from negotiations with AlphaMind AI related to the Possible Transactions, or refuse or delay the Possible Transactions without justifiable cause.

Save for those provisions relating to the Exclusivity Period, confidentiality, due diligence, the governing law and dispute resolution, the provisions of the MOUS do not have any legal effect.

## **INFORMATION OF THE GROUP AND ALPHAMIND AI**

The Group is primarily focused on the sale of motor vehicles and the provision of related services and products, including (i) motor vehicle financing services, (ii) motor vehicle insurance agency services, and (iii) sales of motor vehicle spare parts and accessories.

AlphaMind AI is an investment holding company incorporated in the British Virgin Islands with limited liability. As of the date of this announcement, AlphaMind AI is a wholly-owned subsidiary of the Company.

As of the date of this announcement, AlphaMind AI is predominantly focused on the development and production of artificial intelligence (AI)-enhanced materials and compounds. Its core activities include (i) the manufacture of substrate materials that are critical for semiconductor chip\* (晶片) production; (ii) the research, development, and manufacturing of lithium niobate crystals\* (鋯酸鋰晶體) and lithium tantalate growth crystals\* (鋯酸鋰長晶), as well as various wafer films\* (鋯酸鋰晶片薄膜) made from these materials; and (iii) the refurbishment, modification, sale, and ongoing maintenance of semiconductor equipment essential for the production of chips.

## **INFORMATION OF SHENZHEN JINGTAI**

Shenzhen Jingtai is a company established in the PRC with limited liability and specializes in providing intelligent robotics solutions and drug discovery services within the PRC. As of the date of this announcement, to the best of the Director's knowledge, information and belief, Shenzhen Jingtai is an indirect wholly owned subsidiary of XtalPi Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 2228).

To the best of the Director's knowledge, information and belief, Shenzhen Jingtai and its ultimate beneficial owners are Independent Third Parties.

## **INFORMATION OF SHENZHEN LIZHI RUIYA**

Shenzhen Lizhi Ruiya is a company established in the PRC with limited liability. As of the date of this announcement, approximately 58.28% of the equity interest in Shenzhen Lizhi Ruiya is held by Shenzhen Hongtai Hangjian Technology Partnership (Limited Partnership) (深圳市宏泰珩健科技合夥企業(有限合夥)), approximately 16.92% of the equity interest in Shenzhen Lizhi Ruiya is held by Hangzhou Yuitai Health Technology Co., Ltd.\* (杭州悦泰健康科技有限公司), and the remaining equity interests are distributed among four additional shareholders, each holding less than 10% of Shenzhen Lizhi Ruiya.

To the best of the Director's knowledge, information and belief, Shenzhen Lizhi Ruiya and its ultimate beneficial owners are Independent Third Parties.

## **INFORMATION ABOUT THE TARGET INTELLECTUAL PROPERTIES, TARGET TRADEMARK AND TARGET LICENSE**

As mentioned in this announcement, Shenzhen Jingtai holds ownership of the Target Intellectual Properties, while Shenzhen Lizhi Ruiya possesses the Target Trademark and the rights granted under the Target License. To the best of the Directors' knowledge, information, and belief, and after having made reasonable enquiries, the Target Intellectual Properties include proprietary know-how and essential raw materials used in the cosmetic industry. These materials are crucial for formulations and serve as primary active ingredients in a variety of cosmetic products.

The series of molecules associated with these properties is identified by standardized names in the International Nomenclature of Cosmetic Ingredients (INCI). This includes both a type of polypeptide and a small molecule. From a patent perspective, these compounds have various applications, including whitening, moisturizing, and anti-aging effects. Currently, commercial development efforts are primarily focused on their use for anti-hair loss and hair growth and scalp anti-aging.

By utilizing the Target Intellectual Properties, Shenzhen Jingtai's project team has made three major innovations in the development of hair growth products, which include (i) a groundbreaking "cultivation" hair growth solution based on the principles of hair follicle microecology; (ii) an innovative approach to formula design that integrates AI and a robotic research and development model; and (iii) a unique improvement in delivery methods utilizing nano-penetration technology. These advancements demonstrate the team's commitment to enhancing the effectiveness of hair growth solutions.

According to the information available to the Directors, the compound XTP-118 under the Target Intellectual Properties is designated for the development and production of second-generation products. While the compound XTP-016 referenced in the Target License is intended for the development and production of first-generation products.

As of the date of this announcement, the first generation of products has been in production in Taiwan under the Target Trademark, while the second generation of products is planned to commence production in Singapore.

## **REASONS AND BENEFITS OF ENTERING INTO THE MOUS**

Over the past year, the Group has carefully monitored the market for business and investment opportunities with the goal of diversifying revenue stream and minimizing the Group existing business risks. Through a strategic partnership with an indirect wholly owned subsidiary of XtalPi Holdings Limited (Shenzhen Jingtai), the Group's management has acquired valuable insights into the Target Trademark and the hair growth market.

Following comprehensive research, it has become evident that the hair loss industry presents significant growth potential and that there is an urgent need for scientific, distinct, and safe solutions to address prevalent market challenges. It is estimated that over 1.6 billion individuals worldwide experience hair loss. The combination of demographic shifts, advancements in medical technology, and evolving health consumption patterns suggests that the anti-hair loss and hair growth market will remain robust for the foreseeable future.

The global market for general hair growth products, which encompasses drugs, functional skincare products, health supplements, hair transplants, and related offerings, is projected to approach US\$40 billion by 2030. Traditional hair growth solutions, such as minoxidil, finasteride, anti-hair loss shampoos, hair growth capsules, and traditional Chinese medicine prescriptions, often encounter challenges including delayed results, unclear efficacy, limited durability, significant side effects, and insufficient scientific validation. Consequently, there is an urgent need for products that demonstrate rapid, effective, and sustainable results while being safe and clinically verified.

Following preliminary due diligence, the Group's management has obtained valuable information about the Target Trademark and the innovative hair growth solutions developed by Shenzhen Jintai, which are based on the microecology theory of hair follicles. The relevant intellectual properties are listed in the International Nomenclature of Cosmetic Ingredients (INCI), and patents for core ingredients have been applied for, with protections sought in various countries, including the Americas, Europe, Japan, South Korea, ASEAN, Oceania, and others. Additionally, Shenzhen Lizhi Riya has successfully registered the Target Trademark in China.

After conducting a thorough review, the Group is actively exploring opportunities to acquire the Target Intellectual Properties, the Target Trademark, and the associated rights under the Target License. This initiative will allow the Group to develop, manufacture, use, sell, and import hair growth products under the Target Trademark brand on a global scale. Additionally, the Group's management team is in the process of establishing a comprehensive business model, building a professional network, and detailing the implementation strategy, along with planning for initial investments.

In consideration of the aforementioned, the Directors acknowledge that entering into the MOUS presents a valuable opportunity for the Group to establish a foothold in the hair growth market. Furthermore, it is understood that the implementation of the corresponding business plan will be contingent upon thorough due diligence and meticulous negotiations regarding the terms and conditions with the counterparty. Accordingly, the Directors are of the view that the execution of the MOUS is fair and reasonable and in the interest of the Company and its shareholders as a whole.

## GENERAL

**The MOUS merely provides a strategic cooperation framework between the parties to the MOUS. The terms of cooperation contemplated under the MOUS are subject to the terms of any definitive agreements that the parties to the MOUS may subsequently enter into from time to time. If any transaction contemplated under the MOUS constitutes a notifiable transaction for the Company under the Listing Rules, further announcement(s) will be made by the Company as and when appropriate.**

## DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Alpha AI”	AlphaMind AI Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly owned subsidiary of the Company
“associates”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Guan Chao Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange (stock code: 1872)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Exclusivity Period”	Three months following execution of the MOUS
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a person who, as far as the Directors are aware after having made all reasonable enquiries, is not a connected person of the Company

“Jingtai MOU”	a memorandum of understanding entered into between Alpha AI and Shenzhen Jingtai dated 13 May 2025 in relation to the Possible Jingtai Transaction
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lizhi MOU”	a memorandum of understanding entered into between Alpha AI and Shenzhen Lizhi Ruiya dated 13 May 2025 in relation to the Possible Lizhi Transaction
“MOUS”	collectively, the Jingtai MOU and the Lizhi MOU
“Possible Jingtai Transaction”	a possible transaction between AlphaMind AI (or its designated associates) and Shenzhen Jingtai, where AlphaMind AI (or its designated associates) intends to obtain an exclusive license for the Target Intellectual Properties in the global market
“Possible Lizhi Transaction”	a possible transaction between AlphaMind AI (or its designated associates) and Shenzhen Lizhi Ruiya, where AlphaMind AI intends to secure and utilize the rights associated with the Target Trademark, as well as the rights granted under the Target License
“Possible Transactions”	collectively, the Possible Jingtai Transaction and the Possible Lizhi Transaction
“PRC”	the People’s Republic of China
“Shenzhen Jingtai”	Shenzhen Jingtai Technology Co., Ltd.* (深圳晶泰科技有限公司), a company established in the PRC with limited liability
“Shenzhen Lizhi Ruiya”	Shenzhen Lizhi Ruiya Biotechnology Co., Ltd.* (深圳黎姿瑞雅生物科技有限公司), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Intellectual Properties”	collectively, (i) the Target Patents; and (ii) the intellectual property rights associated with the proprietary technology related to the target compound XTP-118 and any products that incorporate this target compound

“Target License”	an exclusive license obtained by Shenzhen Lizhi Ruiya from Shenzhen Jingtai for the patent “CN202311247312.8 Cyclic Peptide Compounds and Their Applications* (環肽化合物及其應用)”. This license includes the associated proprietary technologies and other intellectual property rights on a global scale
“Target Patents”	collectively, (i) CN202311128222.7 Aryl or Heteroaryl Substituted Carbamate Compounds and Their Derivatives and Uses* (芳基或雜芳基取代的氨基甲酸酯類化合物及其衍生物和用途); and (ii) CN202311247312.8 Synthesis and Application of Cyclic Peptides* (環肽的合成及應用)
“Target Trademark”	trademark associated with the “Groland” brand
“%”	per cent.

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

Hong Kong, 13 May 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. Tam Yat Kin Ken and Mr. Zhong Lili\* as independent non-executive Directors.*

\* *for identification purposes only*