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JiaChen Holding Group Limited

佳辰控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1937)

PROFIT WARNING

This announcement is made by JiaChen Holding Group Limited (the “**Company**”, and together with its subsidiaries, collectively as the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited financial results of the Group for the year ended 31 December 2022 (the “**Year 2022**”) and the information currently available to the Board, the net profit of the Group attributable to the owners of the Company for the Year 2022 is expected to reduce by not less than 40% as compared to that of approximately RMB24.5 million for the year ended 31 December 2021. The Board believes that the significant reduction in the net profit attributable to the owners of the Company for the Year 2022 was primarily attributable to: (i) the decrease in the sales revenue of the Group for the Year 2022 by not less than 15% as compared to that of approximately RMB274.9 million for the year ended 31 December 2021 due to the lockdown of several major Chinese cities resulting from the repeated spreading of the COVID-19 mutant during the Year 2022, which suppressed the demands for the Group’s products; and (ii) the substantial increase in the impairment of contract assets and trade and bills receivables by over 100% as compared to that of approximately RMB946,000 provided for the year ended 31 December 2021, which was determined based on the historic credit loss experiences as adjusted for forward looking estimates.

As the Company is still in the process of finalising the consolidated results of the Group for the Year 2022, this announcement is only a preliminary estimate performed by the management of the Group based on currently available information and is not based on any figure or information audited or reviewed by the Company's auditor. The finalised consolidated results of the Group for the Year 2022 may, therefore, differ from the information disclosed in this announcement. Shareholders and potential investors are advised to read carefully the results announcement for the Year 2022, which will be published by the end of March 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
JiaChen Holding Group Limited
SHEN Min
Executive Director and Chairman

Changzhou, the People's Republic of China, 20 March 2023

As at the date of this announcement, the executive Directors are Mr. SHEN Min (Chairman), Mr. SHEN Minghui, Mr. CHEN Shipping (Chief Executive Officer) and Ms. LIU Hui; and the independent non-executive Directors are Mr. XIE Xing, Mr. WANG Li and Ms. LONG Mei.