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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)

SECOND SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION

Reference is made to the Announcement in connection with the Supplemental MOU.

The Board announces that on 30 September 2021 (after trading hours), the Vendor and the Purchaser entered into the Second Supplemental MOU to further supplement and amend the terms of the MOU and the Supplemental MOU.

No binding agreement nor the Formal Agreement has been entered into in relation to the Possible Acquisition as at the date of this announcement. The Board wishes to emphasise that the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it may constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

This announcement is made by JiaChen Holding Group Limited (the “**Company**”) in compliance with its disclosure obligations under the Listing Rules and in connection with the Prospectus and announcement dated 25 March 2021 (the “**Announcement**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board announces that on 30 September 2021 (after trading hours), the Vendor and the Purchaser entered into the second supplemental memorandum of understanding (the “**Second Supplemental MOU**”) to further supplement and amend the terms of the MOU and the Supplemental MOU, the principal terms of which are set out below:

1. EXTENSION OF THE EFFECTIVE PERIOD OF THE MOU

The parties agree that the effective period of the MOU be further extended from 30 September 2021 to 31 March 2022.

2. LONG STOP DATE FOR THE FORMAL AGREEMENT

The parties agree that the Long Stop Date for entering into of the Formal Agreement be extended from 30 September 2021 (or such other date to be agreed between the Vendor and the Purchaser) to 31 December 2021 (or such other date to be agreed between the Vendor and the Purchaser).

3. REFUNDABLE DEPOSIT

As disclosed in the Announcement, the Purchaser had paid the Refundable Deposit to the Vendor for the Possible Acquisition on 29 December 2020. The parties agree that the Refundable Deposit be reduced from RMB40,000,000 to RMB21,124,450 with effect from 4 June 2021. As such, on 4 June 2021, the Purchaser paid RMB21,124,450 (the “**Prepayment Fee for Land Integration**”) to the relevant government authorities as directed by the Vendor. On 28 June 2021, the Vendor refunded the Refundable Deposit to the Purchaser.

If the Formal Agreement is entered into between the Vendor and the Purchaser on or before the Long Stop Date, the Prepayment Fee for Land Integration shall be applied as partial payment of the final consideration for the Possible Acquisition in accordance with the terms of the Formal Agreement.

In the event that the Formal Agreement is not entered into between the Vendor and the Purchaser on or before the Long Stop Date, the MOU, the Supplemental MOU and the Second Supplemental MOU shall immediately terminate and the Vendor shall forthwith refund to the Purchaser the Prepayment Fee for Land Integration, without interest, within three days from the date of such termination.

Save and except the above, all the terms in the MOU and the Supplemental MOU remain unchanged.

The final terms of the Possible Acquisition are subject to further negotiation between the Vendor and the Purchaser and hence, have not been finalised. Save and except the provisions set out above, and the provisions relating to confidentiality and governing law in the Second Supplemental MOU, the MOU, the Supplemental MOU and the Second Supplemental MOU are not intended to be legally binding and do not create any legally binding obligations on the parties to proceed with the Possible Acquisition.

No binding agreement nor the Formal Agreement has been entered into in relation to the Possible Acquisition as at the date of this announcement. The Board wishes to emphasise that the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it may constitute a notifiable transaction on the part of the Company under Chapter 14 of the Listing Rules.

Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

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

Changzhou, the People's Republic of China, 30 September 2021

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