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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)**

## **ANNOUNCEMENT ON THE ESTABLISHMENT OF TWO WHOLLY-OWNED SUBSIDIARIES**

This announcement is made by JiaChen Holding Group Limited (the “**Company**”, and its subsidiaries collectively referred to as the “**Group**”) voluntarily to inform shareholders of the Company (“**Shareholders**”) and potential investors of the latest business development of the Group.

The Board (the “**Board**”) of Directors (the “**Directors**”) of the Company is pleased to announce that Changzhou Jingang Business Information Consulting Co., Ltd.\* (常州市金港商務信息諮詢有限公司), a wholly-owned subsidiary of the Company, established two wholly-owned subsidiaries in October 2021, (i) Yunhong Low Carbon Environmental Technology (Hubei) Company Limited\* (運鴻低碳環保科技湖北有限公司) (“**Yunhong Low Carbon Environmental**”), in Wuxue City, Hubei Province, the People’s Republic of China (the “**PRC**”), and (ii) Jiachen Carbon Neutral Technology (Changzhou) Company Limited\* (佳辰碳中和科技常州有限公司) (“**Jiachen Carbon Neutral**”) in Changzhou City, Jiangsu Province, the PRC.

### **BACKGROUND INFORMATION OF TWO WHOLLY-OWNED SUBSIDIARIES**

Yunhong Low Carbon Environmental and Jiachen Carbon Neutral are established in response to the national strategic objectives of “carbon emissions peak” and “carbon neutrality”, with an aim of combating white pollution and promoting the technological research and development and application of new types of environmentally friendly materials that are fully degradable.

\* *For identification purposes only*

The business scopes of Yunhong Low Carbon Environmental and Jiachen Carbon Neutral are mainly: (i) research and development of new recyclable natural resources, energy retrieval systems and recycling of wastes from building materials; (ii) sales of environmental protection equipment; and (iii) consultation services for environmental protection. The registered capital of Yunhong Low Carbon Environmental and Jiachen Carbon Neutral is RMB1 million respectively.

## **REASONS AND BENEFITS OF THE ESTABLISHMENT OF TWO WHOLLY-OWNED SUBSIDIARIES**

With deterioration of the global environmental crisis, there has been an increasing trend of ban on plastics. The most stringent “plastic ban” on record took effect in the PRC on 1 January 2021 for the purpose of imposing comprehensive restrictions on the use of non-degradable plastics. The Company believes that the use of new fully degradable materials will be an inevitable trend in the PRC market going forward. The establishment of Yunhong Low Carbon Environmental and Jiachen Carbon Neutral is conducive for the Group to comprehensively deepen its deployment of its domestic businesses and capture market opportunities so as to effectively boost business development of the Group in the PRC. The Board is of the view that the establishment of Yunhong Low Carbon Environmental and Jiachen Carbon Neutral is in the interest of the Company and its shareholders as a whole and will bring positive returns for the Group in the long run.

The source of funds for the establishment and operation of the two wholly-owned subsidiaries is from internal funding of the Group. It is expected that the future financial positions and operating results of the Company will not be materially affected.

## **IMPLICATIONS UNDER THE LISTING RULES**

The establishment of Yunhong Low Carbon Environmental and Jiachen Carbon Neutral does not constitute disclosable transactions of the Company under Chapter 14 or Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. This announcement is made by the Company voluntarily.

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

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

Changzhou, the People’s Republic of China, 20 October 2021

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