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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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, 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 2023 (the “**Year 2023**”) and the information currently available to the Board, the net profit of the Group attributable to the owners of the Company for the Year 2023 is expected to reduce by not less than 40% as compared to that of approximately RMB10.7 million for the year ended 31 December 2022. The Board believes that the reduction in the net profit attributable to the owners of the Company for the Year 2023 was primarily attributable to the increase in: (i) selling expenses by not less than 30% and administration expenses by not less than 10% as compared to that of approximately RMB7.2 million and RMB20.4 million respectively for the year ended 31 December 2022. The management of the Group believes that the increase in the aforesaid expenses was inevitable in order to cope with the increase in revenue of the Group for the Year 2023 and the expected expansion in revenue of the Group in future; and (ii) impairment of contract assets and trade and bills receivables by not less than 50% as compared to that of approximately RMB5.0 million provided for the year ended 31 December 2022, 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 2023, 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 2023 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 2023, which will be published on 27 March 2024.

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, 22 March 2024

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