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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)**

**INSIDE INFORMATION  
SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING  
IN RELATION TO THE POSSIBLE ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09(2) of 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 of the Laws of Hong Kong).

The Board announces that on 25 March 2021 (after trading hours), the Vendor and the Purchaser entered into the Supplemental MOU to supplement the terms of the MOU. Under the terms of the Supplemental MOU, the parties agree, among others, that the term of the MOU be extended to 30 September 2021 and the Refundable Deposit shall be (i) applied as partial payment of the final consideration for the Possible Acquisition in accordance with the terms of the Formal Agreement if the Formal Agreement is entered into between the Vendor and the Purchaser on or before the Long Stop Date, or (ii) refunded to the Purchaser, without interest, if the Formal Agreement is not entered into between the Vendor and the Purchaser on or before the Long Stop Date.

**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.**

## **SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE ACQUISITION**

As disclosed in the Prospectus, on 20 December 2018, the Purchaser entered into the MOU with the Vendor in respect of a possible acquisition of one parcel of land which is located in Henglin Town, Wujin District, Changzhou City, Jiangsu Province, the PRC and a construction plan of construction of two factory buildings thereon. The expropriation of the parcel of land was expected to be completed by end of 2019 and a formal agreement for the acquisition was expected to be entered in January 2020. However, due to the outbreak of COVID-19, the expropriation undertaken by the Vendor was delayed.

The Board announces that on 25 March 2021 (after trading hours), the Vendor, an Independent Third Party, and the Purchaser entered into the Supplemental MOU, the principal terms of which are set out below:

### **1. Effective period of the MOU**

The term of the MOU be extended to 30 September 2021 in order to enable the Vendor to have sufficient time to discuss and agree on the definitive terms of the Possible Acquisition with the Purchaser, and enter into the Formal Agreement.

### **2. Asset to be acquired**

The Vendor and the Purchaser agree that subject to the execution of the Formal Agreement, the asset to be acquired by the Purchaser from the Vendor be changed from a parcel of land measuring approximately 45 mu, which is located in Henglin Town, Wujin District, Changzhou City, Jiangsu Province, the PRC, to a parcel of land measuring approximately 64 mu which is located in the same area.

The Vendor is in the process of expropriating the Property and expects to complete the expropriation of the Property no later 30 September 2021.

The final site area of the Property is subject to the final determination by measurement by the Ministry of Land and Resources of the PRC.

### **3. Consideration**

The final amount and the time of payment of the consideration for the Possible Acquisition will be subject to further discussion and negotiation between the Vendor and the Purchaser and will be determined by the Vendor and the Purchaser when they enter into the Formal Agreement. The Purchaser or its project company shall bear all taxes arising from payment of the consideration for the Possible Acquisition.

#### 4. Refundable deposit

At the request of the Vendor, the Purchaser had paid the Refundable Deposit to the Vendor for the Possible Acquisition on 29 December 2020 so that the Purchaser can proceed with further negotiation with the Vendor on the Possible Acquisition.

The Refundable Deposit was paid out of internal resources of the Company and the net proceeds intended to be used for acquisition of land use rights, details of which are disclosed in the Prospectus.

If the Formal Agreement is entered into between the Vendor and the Purchaser on or before the Long Stop Date, the Refundable Deposit 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 Supplemental MOU shall immediately terminate and the Vendor shall forthwith refund to the Purchaser the Refundable Deposit, without interest, within three days from the date of such termination.

The terms of the Supplemental MOU shall take effect from 20 December 2020. Save and except the above, all the terms in the MOU remain unchanged.

The final terms of the Possible Transaction are subject to further negotiation between the Vendor and the Purchaser and hence, have not been finalised. Save and except the provisions set out in paragraphs 1 and 4 above, and the provisions relating to confidentiality and governing law in the Supplemental MOU, the MOU, as amended by the Supplemental MOU, is not intended to be legally binding and does 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.**

#### DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board” the board of Directors

“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	JiaChen Holding Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange (stock code: 1937)
“COVID-19”	novel coronavirus (COVID-19), a coronavirus identified as the cause of an outbreak of respiratory illness
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 September 2021 (or such other date to be agreed between the Vendor and the Purchaser)
“MOU”	the memorandum of understanding dated 20 December 2018 entered into between the Vendor and the Purchaser setting out preliminary understanding in relation to the possible acquisition of a parcel of land located in Henglin Town, Wujin District, Changzhou City, Jiangsu Province, the PRC
“Possible Acquisition”	the possible acquisition by the Company of the Property from the Vendor
“Property”	one parcel of land measuring approximately 64 mu which is located in Henglin Town, Wujin District, Changzhou City, Jiangsu Province, the PRC

“Prospectus”	the prospectus issued by the Company dated 31 December 2019
“Purchaser”	JiaChen Floor Changzhou Co., Ltd.* (佳辰地板常州有限公司), an indirect non-wholly owned subsidiary of the Company
“Refundable Deposit”	the amount of RMB40,000,000 paid by the Purchaser to the Vendor on 29 December 2020 in respect of the Possible Acquisition
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental MOU”	the non-legally binding supplemental memorandum of understanding to the MOU dated 25 March 2021 entered into between the Vendor and the Purchaser
“Vendor”	the municipal people’s government in Henglin Town, Wujin District, Changzhou, China (常州市武進區橫林鎮人民政府)

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

Changzhou, the People’s Republic of China, 25 March 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 Directors are Mr. MA Ving Lung, Ms. SHI Dongying and Mr. YU Chun Kau.*

\* *The English translation of the PRC entities, institutions and locations in Chinese included in this announcement is for identification purposes only.*