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If you have sold or transferred all your shares in **JiaChen Holding Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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)

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in the lower portion of this cover page and of this circular shall have the same respective meanings as those defined in the section headed “DEFINITIONS” of this circular.

A notice of the annual general meeting (the “AGM”) of JiaChen Holding Group Limited (the “Company”) to be held at Unit 1203B, 12/F., World-Wide House, 19 Des Voeux Road Central, Hong Kong on Friday 14 June 2024 at 11:00 a.m. is set out on pages 19 to 23 of this circular.

A form of proxy for use at the AGM is also enclosed with this circular. Shareholders are strongly encouraged to exercise their voting rights at the AGM by appointing the chairman of the AGM as their proxy. Shareholders who do not intend to attend the AGM and wish to exercise their voting rights are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof to the Company’s Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the AGM or any adjournment thereof.

30 April 2024

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Unit 1203B, 12/F., World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Friday 14 June 2024 at 11:00 a.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting, which is set out on pages 19 to 23 of this circular, or its adjournment
“Articles of Association” or “Articles”	the amended and restated articles of association of the Company adopted pursuant to a special resolution passed by the Shareholders at the annual general meeting held on 16 June 2022 and as amended from time to time
“Board”	the board of Directors
“Chairman”	the chairman of the Board
“Chief Executive Officer”	the chief executive officer of the Company
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Act”	the Companies Act, Cap.22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	JiaChen Holding Group Limited (佳辰控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, whose issued Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 1937)
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“INED(s)”	the independent non-executive Director(s)
“Issue Mandate”	the general and unconditional mandate proposed to be granted at the AGM to the Directors to allot, issue and deal with additional Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the resolution granting such mandate
“Latest Practicable Date”	23 April 2024, being the latest practicable date for ascertaining certain information contained herein prior to the printing of this circular
“Listing Date”	17 January 2020, the date on which the issued Shares were initially listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Nomination Committee”	the nomination committee of the Board
“PRC”	the People’s Republic of China and for the purpose of this circular, do not include the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	the general and unconditional mandate proposed to be granted at the AGM to the Directors to repurchase Shares during the relevant period not exceeding 10% of the aggregate number of the issued Shares as at the date of passing the resolution granting such mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong as amended, supplemented or otherwise modified from time to time
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. SHEN Min (*Chairman*)
Ms. LIU Hui (*Chief Executive Officer*)
Mr. SHEN Minghui

Independent Non-executive Directors:

Mr. XIE Xing
Mr. WANG Li
Ms. LONG Mei

Registered Office:

Windward 3, Regatta Office Park
PO Box 1350
Grand Cayman KY1-1108
Cayman Islands

Principal Place of Business and

Head Office in the PRC:

No. 18 Changhong East Road
Henglin Town, Wujin District
Changzhou City, Jiangsu Province
China

Principal Place of Business

in Hong Kong:

22/F, 3 Lockhart Road
Wanchai
Hong Kong

30 April 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES,
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

INTRODUCTION

The Directors will propose at the AGM the resolutions for, among other matters, (i) the grant of the Issue Mandate and the Repurchase Mandate, (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate, and (iii) the proposed re-election of the retiring Directors.

The purpose of this circular is to give you notice of the AGM and provide you with the information regarding the above resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The Company's existing mandates to issue and repurchase Shares were approved at the last annual general meeting of the Company held on 16 June 2023. The existing mandates to issue and repurchase Shares will lapse at the conclusion of the AGM unless otherwise renewed. Ordinary resolutions will be proposed at the AGM to grant to the Directors new general unconditional mandates:

- (a) to allot, issue and deal with the Shares of up to 20% of the aggregate nominal value of the issued share capital of the Company as at the date of the AGM. Based on the issued share capital of the Company of 1,000,000,000 Shares as at the Latest Practicable Date and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Directors will be authorised to allot, issue and deal with up to a total of 200,000,000 Shares, being 20% of the total number of the issued Shares as at the date of the resolution in relation thereto if the Issue Mandate is granted at the AGM; and
- (b) to repurchase Shares with an aggregate nominal value of not more than 10% of the aggregate nominal value of the issued share capital of the Company as at the date of the AGM. Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate and based on the issued share capital of the Company of 1,000,000,000 Shares as at the Latest Practicable Date, and assuming that no further Shares will be issued and no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Company would be allowed to repurchase a maximum of 100,000,000 Shares, being 10% of the total number of the issued Shares as at the date of the resolution.

In addition, a separate ordinary resolution will be proposed at the AGM to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate (if so granted to the Directors at the AGM).

LETTER FROM THE BOARD

The Issue Mandate and the Repurchase Mandate will remain in effect until (i) at the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable laws or the Articles; or (iii) it is varied or revoked by an ordinary resolution of the Shareholders at a general meeting, whichever is the earliest.

The Directors wish to state that they have no immediate plans to exercise the Issue Mandate or the Repurchase Mandate (if so granted to the Directors at the AGM).

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

Details of the Issue Mandate and the Repurchase Mandate are set out in the notice of AGM on pages 19 to 23 of this circular.

EXTENSION OF ISSUE MANDATE TO ISSUE SHARES

In addition, if the Issue Mandate and the Repurchase Mandate are granted, an ordinary resolution will be proposed at the AGM to extend the Issue Mandate by the addition to the number of the Shares which may be issued, allotted and dealt with or agreed conditionally or unconditionally to be issued, allotted and dealt with by the Directors pursuant to the Issue Mandate of an amount representing the number of the issued Shares repurchased by the Company pursuant to the Repurchase Mandate.

Details of the extension of the Issue Mandate are set out in the notice of AGM on pages 19 to 23 of this circular.

RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, there were three executive Directors, namely Mr. Shen Min, Mr. Shen Minghui and Ms. Liu Hui; and three INEDs, namely Mr. Xie Xing, Mr. Wang Li and Ms. Long Mei.

Pursuant to article 108 (a) of the Articles, at each annual general meeting, at least one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Shen Min, Mr. Wang Li and Ms. Long Mei shall retire by rotation at the AGM and, being eligible, will offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

The Nomination Committee has assessed and reviewed each of the INEDs' annual written confirmation of independence based on the independence guidelines as set out in Rule 3.13 of the Listing Rules and confirmed that all INEDs remain independent. In addition, the Nomination Committee has also reviewed the structure, size and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills, knowledge and experience, time commitment and contribution of the Directors with reference to the nomination principles and criteria set out in the board diversity policy of the Company.

The Nomination Committee has recommended to the Board on re-election of all the retiring Directors. The Company considers that Mr. Wang Li and Ms. Long Mei, the retiring INEDs, are independent, and that all the retiring Directors will continue to bring valuable perspectives, skill and experience to the Board for its efficient and effective functioning and diversity. In this regard, the Board is satisfied that Mr. Shen Min, Mr. Wang Li and Ms. Long Mei (collectively, the "**Retiring Directors**") are persons of integrity and stature and believes that their re-election will benefit the Board as well as the Company. Each of the Retiring Directors has abstained from voting on his/her own re-election when it was being considered.

The biographical details of each of the Retiring Directors proposed for re-election at the AGM are set out in Appendix I to this circular in accordance with the relevant requirements under the Listing Rules.

ANNUAL GENERAL MEETING

The Company will convene the AGM at Unit 1203B, 12/F., World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Friday 14 June 2024 at 11:00 a.m., at which the resolutions will be proposed for the purpose of considering and, if thought fit, approving, among others, (i) the grant of the Issue Mandate and the Repurchase Mandate, (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate, and (iii) the re-election of the Retiring Directors. The notice convening the AGM is set out on pages 19 to 23 of this circular.

A form of proxy for use in connection with the AGM is enclosed with this circular and can also be downloaded from the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.jiachencn.com.cn/>).

Whether or not you intend to attend the AGM and wish to exercise your right as a Shareholder, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish. If the Shareholder attends and votes at the AGM, the instrument appointing of the proxy will be deemed to have been revoked.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, all resolutions to be proposed at the AGM and contained in the notice of the AGM will be voted by way of a poll by the Shareholders. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of Shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 11 June 2024 to Friday 14 June 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Friday 7 June 2024.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that (i) the grant of the Issue Mandate and the Repurchase Mandate, (ii) the extension of the Issue Mandate to include Shares repurchased under the Repurchase Mandate and (iii) the re-election of the Retiring Directors as set out in the notice of AGM are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the relevant resolutions to be proposed at the AGM.

LETTER FROM THE BOARD

GENERAL

Your attention is drawn to the additional information set out in the appendices to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,
For and on behalf of the Board
JiaChen Holding Group Limited
SHEN Min
Chairman and Executive Director

APPENDIX I BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

The following are the biographical details of the Retiring Directors who will retire as required by the Articles of Association and the Listing Rules and are proposed to be re-elected at the AGM.

1. MR. SHEN MIN

Mr. Shen Min (沈敏) (“Mr. Shen”), whose former name was Shen Xiaodu (沈筱度), aged 65, is the founder of the Group, the chairman of the Board and an executive Director. He joined the Group since April 1991. He is a director of a number of subsidiaries of the Group. Mr. Shen was appointed as a Director on 7 July 2017 and was re-designated as an executive Director and the chairman of the Board on 19 June 2019. He is also a member of the nomination committee. He is responsible for the overall strategic planning and corporate policies as well as overseeing the operations of our Group. He is also a director and legal representatives of a number of subsidiaries of the Group. Mr. Shen brings to the Group more than 31 years of experience in the access flooring manufacturing industry.

Mr. Shen established 武進縣崔橋計算機配件廠 (Wujin District Cui Qiao Parts Factory*) in April 1991 (which was subsequently renamed as 常州市佳辰機房設備廠 (Changzhou Jiachen Machinery Plant Factory*) in September 1994 and changed its name to Jiachen Machinery Plant in December 2004) and was responsible for its overall development. It was subsequently converted to a joint-stock co-operative enterprise in July 1997 and to a limited company in December 2004. In September 2009, he established 佳辰地板常州有限公司 (JiaChen Floor Changzhou Co., Ltd.*) (“**JiaChen Floor**”), the principal operating subsidiary of the Group. Mr. Shen studied business administration in 中國管理軟件學院 (China Management Software Institute*) from September 2006 to July 2010 and obtained a graduation diploma in July 2010.

Mr. Shen is the father of Mr. Shen Minghui and father-in-law of Ms. Liu Hui, both of them are the executive Directors. He is also the spouse of Ms. Zhang Yaying, a substantial Shareholder.

Mr. Shen entered into an appointment letter with the Company for a term of three years commencing on 17 January 2023 which may only be terminated in accordance with the provisions thereof or by the Company giving to him not less than three months’ prior notice in writing or by him giving to the Company not less than one month’s prior notice in writing. Mr. Shen is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles. Pursuant to the appointment letter, Mr. Shen is entitled to a director’s fee in the amount of RMB300,000 per annum. The director’s fee of Mr. Shen has been determined by reference to market terms, seniority, relevant experience and duties and responsibilities within the Group.

* For identification purposes

APPENDIX I BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

Prior to his appointment in January 2023, the Nomination Committee conducted an interview with Mr. Shen to further understand his previous experiences and how his knowledge and skills can contribute to the Board. Having considered the biographies, past experience and industry background of Mr. Shen, the Nomination Committee was satisfied that Mr. Shen's skills, knowledge and expertise can contribute to the Board.

As at the Latest Practicable Date, Mr. Shen has corporate interest in 272,625,000 Shares through his directly wholly-owned corporation, Jiachen Investment Limited, and spouse interest of 231,375,000 Shares, representing approximately 27.26% and 23.14% of the issued share capital of the Company respectively, within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date: (a) Mr. Shen does not hold any directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (b) Mr. Shen does not hold any other positions with any member of the Group and does not have any other major appointments and professional qualifications; (c) Mr. Shen does not have any relationships with any other Director, member of senior management, or substantial shareholders or controlling shareholders of the Company; and (d) Mr. Shen has no interest in the Shares within the meaning of Part XV of the SFO; and (e) there are no other matters concerning the re-election of Mr. Shen that need to be brought to the attention of the Shareholders and the Stock Exchange, and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

2. MR. WANG LI

Mr. Wang Li (王立) (“**Mr. Wang**”), aged 37, was appointed as an INED on 8 November 2021. He is the chairman of the Nomination Committee, a member of the audit committee and the remuneration committee. He is a practising lawyer in the PRC since 2012. He worked in 北京市惠誠(常州)律師事務所 (Beijing Huicheng Law Firm*) from 2009 to 2015. He became a partner of 江蘇品川律師事務所 (Pinchuan Law Firm*) since 2015. He also obtained the qualification to act as independent non-executive director accredited by Shanghai Stock Exchange since 2016. Mr. Wang obtained a Bachelor of Law degree from Soochow University in 2009. He is a member of 中華全國律師協會 (All-China Lawyers Association) since 2012.

Mr. Wang entered into an appointment letter with the Company for an initial fixed term of three years commencing on 8 November 2021, which may be terminated by either the Company giving not less than three months' prior notice in writing or the relevant independent non-executive director serving not less than one month's prior notice in writing. Mr. Wang is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles. Pursuant to the appointment letter, Mr. Wang is entitled to a director's fee in the amount of HK\$120,000 per annum. The director's fee of Mr. Wang has been determined by reference to market terms, seniority, relevant experience and duties and responsibilities within the Group.

* *For identification purposes only*

APPENDIX I BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS PROPOSED FOR RE-ELECTION

Prior to his appointment in November 2021, the Nomination Committee conducted an interview with Mr. Wang to further understand his previous experiences and how his knowledge and skills can contribute to the Board. Having considered the biographies, past experience and legal background of Mr. Wang, the Nomination Committee was satisfied that Mr. Wang's skills, knowledge and expertise can contribute to the Board and he was also considered independent by the Board.

Save as disclosed above, as at the Latest Practicable Date: (a) Mr. Wang does not hold any directorships in the last three in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (b) Mr. Wang does not hold any other positions with any member of the Group and does not have any other major appointments and professional qualifications; (c) Mr. Wang does not have any relationships with any other Director, member of senior management, or substantial shareholders or controlling shareholders of the Company; and (d) Mr. Wang has no interest in the Shares within the meaning of Part XV of the SFO; and (e) there are no other matters concerning the re-election of Mr. Wang that need to be brought to the attention of the Shareholders and the Stock Exchange, and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

3. MS. LONG MEI

Ms. Long Mei (龍梅) ("Ms. Long"), aged 51, was appointed as an INED on 15 November 2021. She is the chairman of the remuneration committee and a member of the audit committee. She is a non-practising certified public accountant in the PRC. She is a member of 中國註冊會計師協會 (The Chinese Institute of Certified Public Accountants) since 1995. Ms. Long obtained a Bachelor of Finance and Accounting degree from 華南農業大學 (South China Agricultural University*) in 2009 and the medium-grade professional title of accountant in 1993. She worked for a large accountancy firm with qualifications in securities and has over 30 years of experience in accounting, corporate finance, compliance and auditing.

Ms. Long entered into an appointment letter with the Company for an initial fixed term of three years commencing on 15 November 2021, which may be terminated by either the Company giving not less than three months' prior notice in writing or the relevant independent non-executive director serving not less than one month's prior notice in writing. Ms. Long is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles. Pursuant to the appointment letter, Ms. Long is entitled to a director's fee in the amount of HK\$120,000 per annum. The director's fee of Ms. Long has been determined by reference to market terms, seniority, relevant experience and duties and responsibilities within the Group.

* *For identification purposes only*

**APPENDIX I BIOGRAPHICAL DETAILS OF RETIRING DIRECTORS
PROPOSED FOR RE-ELECTION**

Prior to her appointment in November 2021, the Nomination Committee conducted an interview with Ms. Long to further understand her previous experiences and how her knowledge and skills can contribute to the Board. Having considered the biographies and past working experience of Ms. Long, the Nomination Committee was satisfied that Ms. Long's skills, knowledge and expertise can contribute to the Board and she was also considered independent by the Board.

As at the Latest Practicable Date, Ms. Long has personal interest in 50,000 Shares within the meaning of Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date: (a) Ms. Long does not hold any directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (b) Ms. Long does not hold any other positions with any member of the Group and does not have any other major appointments and professional qualifications; (c) Ms. Long does not have any relationships with any other Director, member of senior management, or substantial shareholders or controlling shareholders of the Company; (d) Ms. Long has no interest in the Shares within the meaning of Part XV of the SFO; and (e) there are no other matters concerning the re-election of Ms. Long that need to be brought to the attention of the Shareholders and the Stock Exchange, and there is no other information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

This appendix serves as an explanatory statement, as required by Rule 10.06(1)(b) of the Listing Rules, to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,000,000,000 Shares.

Subject to the passing of the proposed ordinary resolution for the approval of the Repurchase Mandate, and assuming that no further Shares are issued and no Shares are repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Directors would be authorised to repurchase up to a maximum of 100,000,000 Shares, representing 10% of the total number of the issued Shares as at the date of AGM. The Repurchase Mandate will expire at the earliest of (i) the conclusion of the next annual general meeting; (ii) the date by which the Company's next annual general meeting is required by the Companies Act or any applicable law of the Cayman Islands and the Articles to be held; or (iii) such mandate being revoked or varied by ordinary resolutions of the Shareholders in a general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that it is in best interests of the Company and the Shareholders to have a general authority to execute repurchases of the Shares in the market. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that the repurchases will benefit the Company and the Shareholders.

3. SOURCE OF FUNDS

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules, the Companies Act and the applicable laws and regulations of the Cayman Islands. The Company will not repurchase the Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

4. IMPACT ON WORKING CAPITAL OR GEARING POSITION

On the basis of the current financial position of the Company and taking into account the current working capital position of the Company, the Directors believe that, if the Repurchase Mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Company as compared to the position as at 31 December 2023 (being the date to which the latest audited accounts of the Company have been made up). However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. DIRECTORS AND THEIR CLOSE ASSOCIATES

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, has any present intention to sell to the Company or any member of the Group any of the Shares if the Repurchase Mandate is approved at the AGM.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles, the Companies Act and any other applicable laws of the Cayman Islands.

7. EFFECT OF THE TAKEOVERS CODE

If, as a result of any repurchase of the Shares, a Shareholder's proportionate interest in the Company's voting rights is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences of any repurchases which would arise under the Takeovers Code.

As at the Latest Practicable Date, according to the register of interest in Shares and short positions kept by the Company pursuant to section 336 of the SFO and so far as was known to, or could be ascertained after reasonable enquiry by the Directors, the following persons were interested in 5% or more of the then issued share capital of the Company:

Name	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding as at Latest Practicable Date	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full
Jiachen Investment Limited ^(Note 1)	Beneficial owner	272,625,000	27.26%	30.29%
Mr. Shen Min ^(Note 1)	Interest in a controlled corporation	272,625,000	27.26%	30.29%
Xinchen Investment Limited ^(Note 2)	Beneficial owner	231,375,000	23.14%	25.71%
Ms. Zhang Yaying ^(Note 2)	Interest in a controlled corporation	231,375,000	23.14%	25.71%
Yilong Investment Limited ^(Note 3)	Beneficial owner	131,475,000	13.15%	14.61%
Mr. Shen Minghui ^(Note 3)	Interest in a controlled corporation	131,475,000	13.15%	14.61%
Global Yunhong Group Limited ^(Note 4)	Beneficial owner	100,000,000	10%	11.11%
Li Yubao	Interest in a controlled corporation	100,000,000	10%	11.11%

Notes:

- (1) Jiachen Investment Limited is wholly-owned by Mr. Shen Min. By virtue of the SFO, Mr. Shen Min is deemed to be interested in all of the Shares held by Jiachen Investment Limited.
- (2) Xinchen Investment Limited is wholly-owned by Ms. Zhang Yaying. By virtue of the SFO, Ms. Zhang Yaying is deemed to be interested in all of the Shares held by Xinchen Investment Limited.
- (3) Yilong Investment Limited is wholly-owned by Mr. Shen Minghui. By virtue of the SFO, Mr. Shen Minghui is deemed to be interested in all of the Shares held by Yilong Investment Limited.
- (4) Global Yunhong Group Limited is wholly-owned by Mr. Li Yubao. By virtue of the SFO, Mr. Li Yubao is deemed to be interested in all of the Shares held by Global Yunhong Group Limited.

On the assumption that the issued share capital of the Company remains the same, in the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the aggregate percentage of shareholding of the above shareholders, namely Mr. Shen Min, Ms. Zhang Yaying, Mr. Shen Minghui and Mr. Li Yubao, together with their controlled corporations, namely Jiachen Investment Limited, Xinchen Investment Limited, Yilong Investment Limited and Global Yunhong Group Limited, respectively, would increase from 73.55% to approximately 81.72% of the total issued Shares of the Company. To the best knowledge and belief of the Directors, the Directors are not aware of any consequences of such repurchases of Shares that would result in a Shareholder or group of Shareholders acting in concert, becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code if the Repurchase Mandate was exercised in full. However, the exercise of the Repurchase Mandate in full will result in insufficient public float of the Company.

The Directors have no present intention to exercise the Repurchase Mandate to such extent which would otherwise result in any Shareholder or group of Shareholders obliged to make a mandatory offer under Rules 26 and 32 of the Takeovers Code or the number of Shares being held by the public falling below the minimum requirement as prescribed by the Stock Exchange, which is currently 25% of the entire issued share capital of the Company.

8. SHARES REPURCHASE MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) had been made by the Company in the six months preceding the Latest Practicable Date.

9. REPURCHASE OF SECURITIES FROM CORE CONNECTED PERSONS

No core connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has he/she/it undertaken not to do so in the event that the Repurchase Mandate is exercised.

10. SHARE PRICES

The highest and lowest market prices per Share at which the Shares had been traded on the Stock Exchange during each of the previous 12 months and up to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2023		
April	0.61	0.49
May	0.63	0.475
June	0.51	0.40
July	0.45	0.325
August	0.38	0.295
September	0.445	0.28
October	0.45	0.365
November	0.37	0.285
December	0.315	0.233
2024		
January	0.30	0.19
February	0.285	0.248
March	0.34	0.24
April (up to and including the Latest Practicable Date)	0.27	0.21

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of JiaChen Holding Group Limited (the “Company”) will be held at Unit 1203B, 12/F., World-Wide House, 19 Des Voeux Road Central, Central, Hong Kong on Friday, 14 June 2024 at 11:00 a.m. (or the adjournment thereof) for the following purposes:

AS ORDINARY BUSINESSES

1. To receive and consider the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (the “**Director(s)**”) and the independent auditor of the Company for the year ended 31 December 2023;
2.
 - (a) To re-elect Mr. Shen Min as an executive Director;
 - (b) To re-elect Mr. Wang Li as an independent non-executive Director;
 - (c) To re-elect Ms. Long Mei as an independent non-executive Director; and
 - (b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors;
3. To re-appoint Crowe (HK) CPA Limited as the auditor of the Company and authorise the Board to fix its remuneration;

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, pass, with or without amendments, the following resolutions as ordinary resolutions of the Company:

4. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined in this resolution) of all the powers of the Company to allot, issue and deal with additional shares of the Company (the **“Shares”**) in the capital of the Company or securities convertible into such Shares or warrants or similar rights to subscribe for any Shares and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and options which would or might require the exercise of such power after the end of the Relevant Period (as hereinafter defined);
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted or issued (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription, exchange or conversion under the terms of any warrants or convertible securities issued by the Company or any securities which are exchangeable into Shares; (iii) the exercise of options under the share option scheme of the Company for the time being adopted; or (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of the dividend on the Shares in accordance with the Company’s articles of association (the **“Articles of Association”**), shall not exceed 20 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue as at the date of passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to hold its next annual general meeting; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of Shares or securities open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase its own Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) or of any other stock exchange on which the securities of the Company may be listed as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares to be repurchased by the Company pursuant to the approval mentioned in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the ordinary share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purposes of this Resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the Company is required by the Articles of Association or any applicable laws of the Cayman Islands to hold its next annual general meeting; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the resolutions numbered 4 and 5 set out in the notice convening this meeting being passed, the general mandate granted to the Directors to allot, issue and deal in any unissued Shares pursuant to the ordinary resolution set out in paragraph 4 of the notice convening this meeting be and is hereby extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to the ordinary resolution set out in paragraph 5 of the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent. of the total number of Shares in issue at the date of the passing of this resolution.”

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

Hong Kong, 30 April 2024

<i>Registered Office:</i>	<i>Principal Place of Business</i>	<i>Principal Place of Business</i>
Windward 3	<i>and Head Office in the PRC:</i>	<i>in Hong Kong:</i>
Regatta Office Park	No. 18 Changhong East Road	22/F, 3 Lockhart Road
PO Box 1350	Henglin Town, Wujin District	Wanchai
Grand Cayman KY1-1108	Changzhou City, Jiangsu Province	Hong Kong
Cayman Islands	China	

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman in good faith, decides to allow a resolution purely relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Articles of Association and the Listing Rules. The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in the manner prescribed under Rule 13.39(5) of the Listing Rules.
2. Any shareholders of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the AGM or its adjourned meeting (as the case may be) is entitled to appoint one (or, if he/she/it holds two or more Shares, more than one) proxy to attend and vote instead of him/her/it. A proxy needs not be a Shareholder but must be present in person at the AGM to represent the Shareholder. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which such proxy is so appointed.
3. Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the AGM or the poll concerned if he/she/it so wishes. In the event of a Shareholder who has lodged a form of proxy attending the AGM, the form of proxy will be deemed to have been revoked.
4. In order to be valid, the duly completed and signed form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority, at the office of the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the meeting (or any adjournment thereof).

NOTICE OF ANNUAL GENERAL MEETING

5. In case of joint holders of a Share, any one of such joint holders may vote at the AGM, either personally or by proxy, in respect of such Share as if he/she was solely entitled thereto; but if more than one of such joint holders are present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company (“**Register of Members**”) in respect of such Share shall alone be entitled to vote in respect thereof.
6. For determining the entitlement to attend and vote at the AGM, the Register of Members will be closed from Tuesday 11 June 2024 to Friday 14 June 2024 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 7 June 2024.
7. With regard to ordinary resolutions no. 2 and 6 set out in this notice, a circular giving details of the re-election of the Directors, general mandates to issue and to repurchase Shares will be despatched to the shareholders of the Company and the proposed amendment to the memorandum of association and articles of association. The biographical details of the retiring Directors who are subject to re-election at the meeting are set out in Appendix I to this circular.
8.
 - (a) Subject to paragraph (b) below, if a black rainstorm warning signal is expected to be in force at any time between 7:00 a.m. and 5:00 p.m. on the date of the AGM, the AGM will be postponed and the Shareholders will be informed of the date, time and venue of the postponed AGM by an announcement posted on the respective websites of the Company and the Stock Exchange.
 - (b) If a black rainstorm warning signal is cancelled at or before three hours before the time fixed for holding the AGM and where conditions permit, the AGM will be held as scheduled.
 - (c) The AGM will be held as scheduled when an amber or red rainstorm warning signal is in force.
 - (d) After considering their own situations, the Shareholders should decide on their own as to whether they would attend the AGM under any bad weather condition and if they do so, they are advised to exercise care and caution.
9. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
10. As at the date of this notice of the AGM, there are three executive Directors, namely Mr. Shen Min, Mr. Shen Minghui and Ms. Liu Hui; and three independent non-executive Directors, namely Mr. Xie Xing, Mr. Wang Li and Ms. Long Mei.