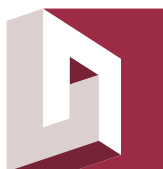


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Jiayuan International Group Limited

佳源國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2768)

CONNECTED TRANSACTION PURCHASE OF NOTES BY CONNECTED PERSON

On 11 October 2019, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with certain placing agents in connection with the issue of US\$200,000,000 13.75% senior notes due 2023 (the “**Notes**”). The Notes are guaranteed by (i) Jiayuan Investment Management Limited, (ii) Guo Xiang Property Co., Limited and (iii) Hong Kong Jia Yuan Holdings Limited (the “**Subsidiary Guarantors**”). In addition, the Company has agreed, for the benefit of the holder of the Notes, to pledge and cause each of the Initial Subsidiary Guarantor Pledgors to pledge, the capital stock of all Subsidiary Guarantors owned by the Company or such Initial Subsidiary Guarantor Pledgors.

PURCHASE OF NOTES BY CONNECTED PERSON

The book building process of the Notes Issue was completed on 11 October 2019. Under the Notes Issue, Mingyuan Investment was allocated a portion of the Notes in the aggregate principal amount of US\$76,600,000. Closing of the Notes Issue is expected to take place on 18 October 2019 and the purchase by Mingyuan Investment of its allocated portion of the Notes (the “**Purchase**”) will be settled in cash by its internal funds.

IMPLICATIONS UNDER THE LISTING RULES

Mingyuan Investment is directly wholly-owned by Mr. Shum, the chairman and non-executive director of the Company. As at the date of this announcement, Mingyuan Investment is a substantial Shareholder holding 2,712,244,324 Shares, representing approximately 68.76% of the issued share capital of the Company. Accordingly, Mingyuan Investment is a connected person of the Company and the Purchase constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Purchase are more than 0.1% but are below 5%, the Purchase is subject to the reporting and announcement requirements, and is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Mr. Shum has a material interest in the Purchase Agreement and the transactions contemplated thereunder, he has abstained from voting on the resolutions at the Board meeting to approve the Notes Issue.

INTRODUCTION

On 11 October 2019, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with certain placing agents in connection with the issue of US\$200,000,000 13.75% senior notes due 2023 (the “**Notes**”). The Notes are guaranteed by (i) Jiayuan Investment Management Limited, (ii) Guo Xiang Property Co., Limited and (iii) Hong Kong Jia Yuan Holdings Limited (the “**Subsidiary Guarantors**”). In addition, the Company has agreed, for the benefit of the holder of the Notes, to pledge and cause each of the Initial Subsidiary Guarantor Pledgors to pledge, the capital stock of all Subsidiary Guarantors owned by the Company or such Initial Subsidiary Guarantor Pledgors.

The Notes will mature on 18 February 2023, unless earlier redeemed in accordance with the terms thereof. The issue price of the Notes will be 100% of the principal amount of the Notes. The Notes will bear interest at a rate of 13.75% per annum payable semi-annually in arrears on 18 April and 18 October of each year, commencing on 18 April 2020, except that the last payment of interest, to be made on the maturity date, will be in respect of the period from and including 18 October 2022 to but excluding the maturity date.

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The book building process of the Notes Issue was completed on 11 October 2019. Under the Notes Issue, Mingyuan Investment was allocated a portion of the Notes in the aggregate principal amount of US\$76,600,000. Closing of the Notes Issue is expected to take place on 18 October 2019 and the purchase by Mingyuan Investment of its allocated portion of the Notes (the “**Purchase**”) will be settled in cash by its internal funds.

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As Mr. Shum has a material interest in the Purchase Agreement and the transactions contemplated thereunder, he has abstained from voting on the resolutions at the Board meeting to approve the Notes Issue.

REASONS FOR AND BENEFIT OF THE PURCHASE

The purchase price of the Notes payable by Mingyuan Investment is the same as the purchase price payable by the other investors in the Notes Issue. As the terms of the Purchase are the same as other investors in the Notes Issue, and the Purchase is being undertaken as part of the Notes Issue and will enable the Company to raise fund to refinance existing indebtedness, the Directors (including the independent non-executive Directors) are of the view that the Purchase is being made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Furthermore, the Company considers that the Purchase shows that Mr. Shum is optimistic towards the long term development of the Group and represents his commitment to providing continuous support to the Group.

GENERAL INFORMATION OF THE PARTIES

Information of the Group

The Group is an established property developer of large-scale residential complex projects and integrated commercial complex projects in various major cities in the PRC. The principal activities of the Group include: (a) the development and sale of residential and commercial properties; (b) the provision of development services to government organisations for the development of resettlement properties and development or refurbishment of other types of properties, facilities or infrastructure; (c) the leasing of commercial properties owned or developed by the Group; and (d) provision of property management services primarily to residential communities, following the acquisition of the related business in August 2019.

Information of Mingyuan Investment

The principal business activity of Mingyuan Investment is investment holding. It is incorporated in the British Virgin Islands with limited liability and directly wholly-owned by Mr. Shum.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Jiayuan International Group Limited (佳源國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Initial Subsidiary Guarantor Pledgors”	(i) Jiayuan Investment Management Limited and (ii) Hong Kong Jia Yuan Holdings Limited
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mingyuan Investment”	Mingyuan Group Investment Limited, a company incorporated with limited liability in the British Virgin Islands and a directly wholly-owned company of Mr. Shum
“Mr. Shum”	Mr. SHUM Tin Ching, the chairman and non-executive director of the Company
“Notes”	the 13.75% senior notes due 2023 in the aggregate principal amount of US\$200,000,000 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Purchase”	the purchase of Notes by Mingyuan Investment as referred to in the paragraph headed “PURCHASE OF NOTES BY CONNECTED PERSON”
“Purchase Agreement”	the agreement dated 11 October 2019 entered into by and among the Company, the Subsidiary Guarantors and the placing agents in relation to the Notes Issue
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantors”	(i) Jiayuan Investment Management Limited, (ii) Guo Xiang Property Co., Limited and (iii) Hong Kong Jia Yuan Holdings Limited
“US\$”	United States dollar(s), the lawful currency of the United States
“%”	per cent.

By Order of the Board
Jiayuan International Group Limited
Zhang Yi
Vice Chairman and President

Hong Kong, 14 October 2019

As at the date of this announcement, the Board of the Company comprises: (i) Mr. Shum Tin Ching, the Chairman and a Non-executive Director; (ii) Mr. Zhang Yi, a Vice Chairman and an Executive Director; (iii) Mr. Huang Fuqing, a Vice Chairman and an Executive Director; (iv) Ms. Cheuk Hiu Nam, an Executive Director; (v) Mr. Wang Jianfeng, an Executive Director; (vi) Mr. Tai Kwok Leung, Alexander, an Independent Non-executive Director; (vii) Dr. Cheung Wai Bun, Charles, JP, an Independent Non-executive Director; (viii) Mr. Gu Yunchang, an Independent Non-executive Director; and (ix) Mr. Shen Xiaodong, a Non-executive Director.