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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF LAND USE RIGHT IN YANGZHOU CITY, JIANGSU PROVINCE

THE YANGZHOU LAND PLOT ACQUISITION

The Board is pleased to announce that, on 30 April 2020, Taixing Guangyuan, an indirect wholly-owned subsidiary of the Company, successfully won a bidding in respect of the Yangzhou Land Plot situated at East to Zhenzhou Road (真州路), South to Runyang Road (潤揚路), West to the border of planned land (規劃用地邊界) and North to Weier Road (緯二路), Yangzhou City, Jiangsu Province, the PRC by way of public listing and tender held by Yangzhou Land Bureau.

IMPLICATION OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Yangzhou Land Plot Acquisition exceed 5% but less than 25%, the Yangzhou Land Plot Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

THE YANGZHOU LAND PLOT ACQUISITION

The board of directors (the “**Board**”) of Jiayuan International Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that, on 30 April 2020, Taixing City Guangyuan Property Development Co., Ltd. (泰興市廣源房地產開發有限公司) (“**Taixing Guangyuan**”), an indirect wholly-owned subsidiary of the Company, successfully won a bidding (the “**Yangzhou Land Plot Acquisition**”) in respect of the state-owned construction land use right of Land Plot GZ181 (the “**Yangzhou Land Plot**”) situated at East to Zhenzhou Road (真州路), South to Runyang Road (潤揚路), West to border of planned land (規劃用地邊界) and North to Weier Road (緯二路), Yangzhou City, Jiangsu Province, the People’s Republic of China (the “**PRC**”) by way of public listing and tender held by Natural Resources and Planning Bureau, Yangzhou City (揚州市自然資源和規劃局) (“**Yangzhou Land Bureau**”). The site area of the Yangzhou Land Plot is 106,709 square meters with a land use right of 70 years. The permitted land uses are commercial and residential uses.

On 30 April 2020, Taixing Guangyuan received a notice regarding successful online bidding for the transfer of state-owned construction land use right (國有建設用地使用權網上交易成交通知書), within five business days of which Taixing Guangyuan shall sign the confirmation letter for the transfer of state-owned construction land use right (國有建設用地使用權成交確認書) (the “**Transfer Confirmation Letter**”). Pursuant to the Transfer Confirmation Letter, Taixing Guangyuan shall enter into the contract for transfer of state-owned construction land use right (國有建設用地使用權出讓合同) with Yangzhou Land Bureau on or before 19 May 2020.

Consideration

Consideration: RMB1,009,467,140 (equivalent to approximately HK\$1,104,659,891).

The consideration will be funded by the Group with internal resources and/or other financing.

Taixing Guangyuan has paid to Yangzhou Land Bureau an amount of RMB130,000,000 (equivalent to approximately HK\$142,259,000) as deposit for the public listing and tender. A further deposit of RMB374,733,570 (equivalent to approximately HK\$410,070,946) is payable within one month of signing of the Transfer Confirmation Letter, while the remaining balance of the total consideration is to be paid within 10 days before the handover date of the Yangzhou Land Plot, which is to be agreed.

The consideration of the Yangzhou Land Plot was arrived by way of public listing and tender held by Yangzhou Land Bureau on 30 April 2020, which was required to be conducted in accordance with the relevant PRC laws and regulations. In submitting the bid in respect of the Yangzhou Land Plot, the Group has taken into account the minimum bid price, current market conditions, location of the Yangzhou Land Plot, and land price in the surrounding area with reference to the information available from Yangzhou Land Bureau.

GENERAL INFORMATION OF THE PARTIES TO AND SUBJECT MATTER OF THE TRANSACTION

The Group

The Group is an established property developer of large-scale residential complex projects and integrated commercial complex projects in various provinces and cities in the PRC. The principal activities of the Group include (i) development and sale of residential and commercial properties; (ii) 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; (iii) leasing of commercial properties owned or developed by the Group; and (iv) provision of property management services primarily to residential communities.

Yangzhou Land Bureau

Yangzhou Land Bureau is a local government body of the PRC. To the best of the knowledge, information and belief of the directors of the Company, after having made all reasonable enquiries, Yangzhou Land Bureau and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The Yangzhou Land Plot

The Yangzhou Land Plot is located at East to Zhenzhou Road (真州路), South to Runyang Road (潤揚路), West to border of planned land (規劃用地邊界) and North to Weier Road (緯二路), Yangzhou City, Jiangsu Province, the PRC, the neighbourhood of which contains a few branded residential and commercial projects that have been completed and delivered. The Yangzhou Land Plot is situated at a location which the Company considers to be maturely developed and well supported by readily available infrastructure, public facilities and amenities and transportation system. With established supporting facilities in the surrounding area and convenient transportation network, the Yangzhou Land Plot has obvious locality advantage and great potential for development.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group has entered the property development market in Yangzhou for 17 years since 2003. As one of the leading property developers in the Yangzhou property development market, the total sales achieved by the Group has exceeded RMB10 billion in its history. The Group believes that the Yangzhou Land Plot Acquisition will further consolidate its leading position in the property development market in Yangzhou. While the Group has been actively seeking development opportunities in the Guangdong-Hong Kong-Macau Greater Bay Area, regions along the One Belt One Road initiative as well as other key cities in the PRC, maintaining a focus in the Yangtze River Delta Economic Zone has always been at the core of the Group's business strategy. The Group believes that the land acquisitions in Anhui and Jiangsu during the first half of 2020 will introduce synergy effects to the Group's existing property development projects in these regions while strengthening the Group's land bank. Given the aforesaid reasons and benefits, the directors of the Company believe that the Yangzhou Land Plot Acquisition is in the ordinary and usual course of business of the Company and on normal commercial terms which is fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATION OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) in relation to the Yangzhou Land Plot Acquisition exceed 5% but less than 25%, the Yangzhou Land Plot Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

By Order of the Board
Jiayuan International Group Limited
Shum Tin Ching
Chairman

Hong Kong, 3 May 2020

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.