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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)

ISSUANCE OF US\$300,000,000 12.5% SENIOR NOTES DUE 2023

On 15 January 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue.

The Company intends to use the net proceeds from the Notes Issue to refinance its existing indebtedness, which may include the Concurrent Offer to Purchase. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

No PRIIPs key information document has been prepared as the Notes are not available to retail in EEA. No UK PRIIPs key information document has been prepared as the Notes are not available to retail in UK. The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Board is pleased to announce that on 15 January 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date: 15 January 2021

Parties to the Purchase Agreement

- (a) the Company;
- (b) the Subsidiary Guarantors; and
- (c) the Initial Purchasers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Initial Purchasers is an independent third party and not a connected person of the Company and its connected persons.

The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the U.S. Securities Act. The Notes and the Subsidiary Guarantees will only be offered and sold by the Initial Purchasers to non-U.S. persons outside of the United States in compliance with Regulation S under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. None of the Notes and the Subsidiary Guarantees will be offered to the public in Hong Kong.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any.

Notes Offered

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$300,000,000. The Notes will mature on 21 July 2023, unless earlier redeemed in accordance with the terms thereof.

Offering Price

The offering price of the Notes will be 97.936% of the principal amount of the Notes.

Interest and Interest Payment Dates

The Notes will bear interest from (and including) 21 January 2021 at the rate of 12.5% per annum, with interest payment dates on 21 January and 21 July on each year payable semi-annually in arrear.

Ranking of the Notes

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least *pari passu* in right of payment with all unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations, (if any) of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any), to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not Subsidiary Guarantors or JV Subsidiary Guarantors (if any).

Events of default

The events of default under the Notes include, among others: (a) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (b) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (c) default in the performance or breach of the provisions of certain covenants under the Indenture relating to consolidation, merger and sale of assets, the failure by the Company to make or consummate an offer to purchase in the manner described in the Indenture; (d) default by the Company or certain of its subsidiaries in the performance of or breaches of any other covenant or agreement in the Indenture or under the Notes (other than a default specified in (a), (b) or (c) above) and such default or breach continues for a period of 30 consecutive days after written notice by the holders of 25% or more in aggregate principal amount of the Notes then outstanding or by Citicorp International Limited as trustee, at the direction of such holders; (e) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding principal amount of US\$15.0 million or more in the aggregate for all such indebtedness, (i) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or, (ii) the failure to make a principal payment when due; (f) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$15.0 million in excess of amounts which the Company's insurance carriers have unconditionally agreed to pay under applicable policies, during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; (g) any involuntary bankruptcy or insolvency proceeding is commenced against the Company or certain of its subsidiaries, or for any substantial part of the property and assets of the Company or certain of its subsidiaries and such proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or certain of its subsidiaries under any applicable bankruptcy or insolvency law; (h) any voluntary bankruptcy or insolvency proceeding is commenced by the Company or certain of its subsidiaries or consent to such similar action or effect any general assignment for the benefit of creditors; or (i) the Company, any Subsidiary Guarantor or JV Subsidiary Guarantor denying or disaffirming its obligations under its guarantees with respect to the obligations of the Notes or, except as permitted by the Indenture, any such guarantee being determined to be unenforceable or invalid or for any reason ceasing to be in full force and effect.

If an event of default (other than an event of default specified in (g) and (h) above) occurs and is continuing under the Indenture, the holders of at least 25% in aggregate principal amount of the Notes then outstanding may, and the trustee of such holders shall, by written notice to the Company, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. If an event of default specified in clauses (g) and (h) above occurs, the principal of, the premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

Covenants

The Indenture will limit the ability of the Company and certain of its subsidiaries to, among other things:

- (a) incur additional indebtedness and issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;
- (c) issue or sell capital stock of certain of its subsidiaries;
- (d) guarantee any indebtedness of the Company, any Subsidiary Guarantor or any JV Subsidiary Guarantor;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) engage in any business other than permitted business;
- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with certain shareholders and affiliates; and
- (k) effect a consolidation or merger.

Optional Redemption for the Notes

The Notes may be redeemed in the following circumstances:

- (1) At any time prior to 21 July 2023, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.
- (2) At any time and from time to time prior to 21 July 2023, the Company may redeem up to 35% of the aggregate principal outstanding amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 112.5% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

PROPOSED USE OF PROCEEDS

The Group intends to use the net proceeds to refinance its existing indebtedness, which may include the Concurrent Offer to Purchase.

LISTING OF THE NOTES

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

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, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Concurrent Offer to Purchase”	The Company’s offer to purchase for cash of its 13.75% senior notes due 2022 (ISIN: XS2024526043)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and Citicorp International Limited as trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date

“Initial Purchasers”	The Hongkong and Shanghai Banking Corporation Limited, BOCOM International Securities Limited, CCB International Capital Limited, Valuable Capital Limited, Guotai Junan Securities (Hong Kong) Limited, CMB International Capital Limited, CMBC Securities Company Limited, Vision Capital International Holdings Limited, TFI Securities and Futures Limited, Harmonia Capital Limited, Zhongrong PT Securities Limited, Seazen Resources Securities Limited and GF Securities (Hong Kong) Brokerage Limited
“JV Subsidiary Guarantees”	limited recourse guarantees to be given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantors”	certain subsidiaries of the Company, other than the Subsidiary Guarantors, that guarantee the Company’s obligations under the Notes
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	US\$-denominated senior notes due 2023 in the aggregate principal amount of US\$300,000,000 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“Purchase Agreement”	the agreement dated 15 January 2021 entered into by and among the Initial Purchasers, the Company and the Subsidiary Guarantors in respect of the offer and sale of the Notes
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Regulation S”	Regulation S under the U.S. Securities Act
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary Guarantees”	guarantees for the Notes to be provided by the Subsidiary Guarantors
“Subsidiary Guarantors”	certain existing subsidiaries of the Company that on the issue date of the Notes will provide guarantees for the Notes
“U.S.” or “United States”	The United States of America
“U.S. Securities Act”	the United States Securities Act of 1933, as amended
“US\$”	United States dollars, the lawful currency of the United States
“%”	percent.

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

Hong Kong, 17 January 2021

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.