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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Jiayuan International Group Limited**, you should at once hand this circular with the Election Form (if applicable) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)**

**SCRIP DIVIDEND SCHEME  
IN RELATION TO  
THE FINAL DIVIDEND  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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If you **do not** wish to receive your Final Dividend **wholly in Scrip Shares**, you should complete the Election Form in accordance with the instructions printed on it and return it to the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, **by 4:30 p.m. on Thursday, 16 July 2020.**

2 July 2020

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## DEFINITIONS

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*In this circular, the following expressions have the meanings set out below unless the context requires otherwise:*

“Average Closing Price”	has the meaning ascribed to it under the paragraph headed “2. Details of the Scrip Dividend Scheme – 2.2 Market value” in this circular
“Board”	the board of Directors
“Company”	Jiayuan International Group Limited (佳源國際控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2768)
“Director(s)”	the director(s) of the Company
“Election Form(s)”	the form(s) of election in relation to the Scrip Dividend Scheme
“Eligible Shareholder(s)”	Shareholder(s) whose names appeared on the register of members of the Company on the Record Date
“Final Dividend”	a final dividend of HK11 cents per Share for the year ended 31 December 2019 to be paid to the Shareholders whose names appeared on the register of members of the Company on the Record Date
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Eligible Shareholder(s) whose address(es) as shown on the register of members of the Company on the Record Date is/are outside Hong Kong or who was/were otherwise residing outside Hong Kong

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## DEFINITIONS

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“PRC” or “China”	the People’s Republic of China, and for the purpose of this circular only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Record Date”	Wednesday, 17 June 2020
“Scrip Dividend Scheme”	the scheme proposed by the Board on 9 March 2020 in relation to the Final Dividend, pursuant to which, the Eligible Shareholders will receive the Final Dividend wholly by way of an allotment and issue of Scrip Shares unless the relevant Eligible Shareholder elects to receive the Final Dividend wholly in cash or partly in cash and partly in Scrip Shares
“Scrip Share(s)”	the new Share(s) to be allotted, issued and credited as fully paid under the Scrip Dividend Scheme
“Share(s)”	the ordinary share(s) 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
“%”	per cent.



**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)**

*Non-executive Directors:*

Mr. Shum Tin Ching (*Chairman*)  
Mr. Shen Xiaodong

*Executive Directors:*

Mr. Zhang Yi (*Vice Chairman and President*)  
Mr. Huang Fuqing (*Vice Chairman*)  
Ms. Cheuk Hiu Nam  
Mr. Wang Jianfeng

*Independent Non-executive Directors:*

Mr. Tai Kwok Leung, Alexander  
Dr. Cheung Wai Bun, Charles, JP  
Mr. Gu Yunchang

*Registered office:*

Cricket Square  
Hutchins Drive, PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business  
in the PRC:*

No. 59, Gu Jia Ying Road  
Xuanwu District  
Nanjing  
China

*Headquarters:*

Room 1403  
9 Queen's Road Central  
Hong Kong

2 July 2020

*To the Shareholders*

Dear Sirs or Madams,

**SCRIP DIVIDEND SCHEME  
IN RELATION TO  
THE FINAL DIVIDEND  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**1. INTRODUCTION**

On 9 March 2020, the Board recommended the payment of a final dividend of HK11 cents per Share for the year ended 31 December 2019 to the Shareholders whose names appeared on the register of members of the Company on the Record Date and that the Final Dividend be satisfied wholly in the form of an allotment and issue of Scrip Shares, while Shareholders will be given an option to receive the Final Dividend wholly in cash in lieu of Scrip Shares, or partly in cash and partly in the form of Scrip Shares. At the annual general meeting held on 10 June 2020, Shareholders approved the payment of the Final Dividend.

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## LETTER FROM THE BOARD

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For the purpose of determining the Shareholders' entitlement to the Final Dividend, the Company's register of members was closed from Tuesday, 16 June 2020 to Wednesday, 17 June 2020 (both dates inclusive). The latest time by which transfers were accepted for registration for entitlement to the Final Dividend was 4:30 p.m. on Monday, 15 June 2020.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme.

### 2. DETAILS OF THE SCRIP DIVIDEND SCHEME

#### 2.1 Election available to Eligible Shareholders

Under the Scrip Dividend Scheme, the Eligible Shareholders whose names appeared on the register of members of the Company on the Record Date have the following choices to receive the Final Dividend:

- (a) by way of an allotment and issue of Scrip Shares (the number of which is determined as explained below) having an aggregate market value, save for adjustment for fractions, equal to the total amount of the Final Dividend which such Shareholder would otherwise be entitled to receive in cash; or
- (b) a cash dividend of HK11 cents for each Share held on the Record Date; or
- (c) partly in cash and partly in Scrip Shares.

Final Dividend in cash will be paid out in Hong Kong dollars regardless of the registered address of the Shareholders on the Record Date.

#### 2.2 Market value

For the purpose of calculating the number of Scrip Shares to be allotted under (a) and (c) above, the market value of the Scrip Shares was fixed at HK\$3.114 per Share, which was equal to the approximate average closing price of the Shares on the Stock Exchange for the five consecutive trading days from Wednesday, 10 June 2020 to Tuesday, 16 June 2020 (both dates inclusive) (the "**Average Closing Price**"). Accordingly, the number of Scrip Shares which the Eligible Shareholders will receive in respect of the existing Shares registered in their names on the Record Date will be calculated as follows:

$$\begin{array}{rcl} \text{Number of Scrip Shares} & & \text{HK11 cents} \\ \text{to be received} & & \text{(Final Dividend per Share)} \\ \text{(rounded down to the} & = & \text{Number of existing Shares} \\ \text{nearest whole number)} & & \text{held on the Record Date and} \\ & & \text{elected for the Scrip Shares} \\ & & \text{(as applicable)} \end{array} \times \frac{\text{HK\$3.114}}{\text{(Average Closing Price)}}$$

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## LETTER FROM THE BOARD

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Based on 3,944,252,161 Shares in issue as at the Record Date, if all Shareholders choose to receive Scrip Shares instead of cash in respect of the Final Dividend, the maximum number of Scrip Shares to be issued would be 139,328,111 Shares, representing approximately 3.53% of the existing issued share capital of the Company and approximately 3.41% of the issued share capital of the Company as enlarged by the issue of Scrip Shares.

The number of Scrip Shares to be issued to each Eligible Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares in respect of alternatives (a) and (c) above will be disregarded and the benefit thereof will accrue to the Company. The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme will, when they are issued, rank *pari passu* in all respects with the existing Shares of the Company, except that they will not be entitled to the Final Dividend.

Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Final Dividend in Scrip Shares may be allotted in odd lots (of less than a board lot of 2,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the Scrip Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of whole board lots.

### 3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Directors consider that the Scrip Dividend Scheme will enable the Eligible Shareholders to increase their investment in the Company without incurring brokerage fees, stamp duty and related dealing costs and the Company will benefit by retaining the cash for its operation.

### 4. CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is subject to: (i) approval of the Final Dividend by the Shareholders at the annual general meeting of the Company held on 10 June 2020; and (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares to be issued in respect of the Final Dividend.

The Shareholders approved the Final Dividend at the annual general meeting held on 10 June 2020. If the condition (ii) set out above is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Form will be void. The Final Dividend will then be paid wholly in cash.

### 5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Shareholders should note that any receipt of the Scrip Shares by them may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

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## LETTER FROM THE BOARD

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### 6. ELECTION FORM

An Election Form is enclosed with this document for use by the Eligible Shareholders who wish to elect to receive the Final Dividend **wholly in cash** or **partly in cash** and **partly by the issue of Scrip Shares**. If you do not wish to receive your Final Dividend wholly in Scrip Shares, you should complete the Election Form in accordance with the instructions printed on it and return it to the Company's branch share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, **by 4:30 p.m. on Thursday, 16 July 2020**. No acknowledgement of receipt of the Election Form will be issued.

**If any Eligible Shareholder does not complete and return the Election Form by 4:30 p.m. on Thursday, 16 July 2020, the Eligible Shareholder will receive the Final Dividend in the form of Scrip Shares.**

**(a) To receive Scrip Shares only**

If you wish to receive the Final Dividend wholly in the form of Scrip Shares, you do **NOT** need to take any action. Please **DO NOT** return the Election Form.

**(b) To receive cash only**

If you wish to receive the Final Dividend wholly in cash, please just **SIGN, DATE** and **RETURN** the Election Form.

**(c) To receive partly in cash and partly in Scrip Shares**

If you wish to receive the Final Dividend partly in cash and partly in Scrip Shares, you should complete **Box C** of the Election Form and fill in the number of registered Shares which you held on the Record Date for which you wish your Final Dividend to be paid in cash. Please **SIGN, DATE** and **RETURN** the Election Form.

If you complete the Election Form but do not specify the number of Shares in respect of which you wish to receive the Final Dividend in cash, or if you elect to receive cash in respect of a greater number of Shares than your registered shareholding on the Record Date, you will be deemed to have exercised your election to receive cash in respect of all the Shares of which you were then registered as the holder. Therefore, you will receive only cash for the Final Dividend.

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## LETTER FROM THE BOARD

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**The latest time and date for return of the Election Form will be extended, as the case may be, in accordance with (a) or (b) below if there is a Typhoon Signal No. 8 or above, or a “black” rainstorm warning:**

- (a) in force in Hong Kong at any local time at or before 12:00 noon and no longer in force after 12:00 noon on Thursday, 16 July 2020. Instead, the deadline for the submission of Election Form will be 5:00 p.m. on the same business day, i.e. Thursday, 16 July 2020;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. Thursday, 16 July 2020. Instead, the deadline for the submission of Election Form will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m. (i.e. Friday, 17 July 2020 assuming the aforesaid warnings are not in force).

For Shareholders residing outside Hong Kong, please refer to the paragraph headed “Shareholders with Registered Addresses Outside Hong Kong” below.

### **7. SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE HONG KONG**

Based on the information made available to the Directors, there were no Overseas Shareholders whose names appeared on the register of members of the Company on the Record Date and whose addresses as shown on such register were outside of Hong Kong.

### **8. LISTING AND DEALINGS**

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares to be issued pursuant to the Scrip Dividend Scheme. Subject to the said permission being granted by the Stock Exchange, it is expected that share certificates for the Scrip Shares and/or cheques for cash dividend will be posted by ordinary mail to those entitled thereto at their own risk on Thursday, 23 July 2020. Dealings of the Scrip Shares on the Stock Exchange are expected to commence on Friday, 24 July 2020 after despatch to the Eligible Shareholders of the certificates for the Scrip Shares.

The Shares are listed, and dealt in, on the Stock Exchange. There is no other stock exchange on which the Shares are listed or dealt in or on which listing or permission to deal is being or proposed to be sought.

Subject to the granting of listing of, and permission to deal in, the Scrip Shares to be issued under the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the Central Clearing and Settlement System. You should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

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## LETTER FROM THE BOARD

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### 9. RECOMMENDATION AND ADVICE

Whether or not it is to the Eligible Shareholders' advantages to receive Scrip Shares or cash, in whole or in part, it will depend upon their own individual circumstances. The effect on the tax position of any Eligible Shareholder will depend on that Eligible Shareholder's particular circumstances. If you are in any doubt as to what to do, you should consult your professional advisers. Eligible Shareholders who are trustees are recommended to take professional advice as to whether the choice to receive cash or Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

### 10. EXPECTED TIMETABLE

Latest time for submission of transfer forms to qualify for the Final Dividend . . . . .	4:30 p.m. on Monday, 15 June 2020
Fix the market value of a Scrip Share (5 trading days average) . . . . .	Wednesday, 10 June 2020 to Tuesday, 16 June 2020
Record Date . . . . .	Wednesday, 17 June 2020
Latest time and date for return of the Election Form . . . . .	4:30 p.m. on Thursday, 16 July 2020
Despatch of share certificates for the Scrip Shares and/or cheques for cash dividend . . . . .	Thursday, 23 July 2020
Commencement of dealings in the Scrip Shares . . . . .	Friday, 24 July 2020

Yours faithfully,  
By Order of the Board  
**Jiayuan International Group Limited**  
**Shum Tin Ching**  
*Chairman*