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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)

MAJOR TRANSACTION

ACQUISITION OF LAND USE RIGHT IN YANGZHOU CITY, JIANGSU PROVINCE

THE YANGZHOU LAND PLOT ACQUISITION

The Board is pleased to announce that on 29 December 2016, Yangzhou Xiangjiang, an indirect wholly-owned subsidiary of the Company, has successfully won a bidding in respect of the state-owned construction land use right of Land Plot 2016G13 situated at the intersection of South Side of Wenchang East Road and West Side of Guangzhou Road, Yangzhou City, Jiangsu Province, the PRC at a consideration of RMB1,451,000,000 (equivalent to approximately HK\$1,617,575,000).

IMPLICATION OF THE LISTING RULES

As the highest applicable percentage ratio in respect of the Yangzhou Land Plot Acquisition is more than 25% but less than 100%, the Yangzhou Land Plot Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules. The Yangzhou Land Plot Acquisition is regarded as a “qualified property acquisition” under Rule 14.04(10C) of the Listing Rules as the Yangzhou Land Plot Acquisition involves an acquisition of governmental land from a PRC Governmental Body (as defined under the Listing Rules) through a tender, auction or a listing-for-sale governed by the PRC law (as defined under the Listing Rules). The Board confirms 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 shareholders as a whole. The Yangzhou Land Plot Acquisition is subject to reporting, announcement and circular requirements but is exempt from shareholders’ approval requirement pursuant to Rule 14.33A of the Listing Rules.

GENERAL

A circular will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules setting out, among others, further details of the Yangzhou Land Plot Acquisition. The circular is expected to be despatched on or before 23 January 2017, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

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 29 December 2016, 揚州香江新城市中心置業有限公司 (Yangzhou Xiangjiang New City Center Property Co., Ltd.*) (“**Yangzhou Xiangjiang**”), an indirect wholly-owned subsidiary of the Company, has successfully won a bidding (the “**Yangzhou Land Plot Acquisition**”) in respect of the state-owned construction land use right of Land Plot 2016G13 (the “**Yangzhou Land Plot**”) situated at the intersection of South Side of Wenchang East Road and West Side of Guangzhou Road, Yangzhou City, Jiangsu Province, the People’s Republic of China (the “**PRC**”) by way of public listing and tender held by 揚州市江都區國土資源局 (Bureau of Land and Resources of Jiangdu District, Yangzhou City*) (“**Yangzhou Land Bureau**”).

The site area of the Yangzhou Land Plot is 167,826 square meters with a land use right of 70 years. The permitted land uses are commercial and residential and other commodity residential properties.

Yangzhou Xiangjiang has entered into the bid confirmation (the “**Bid Confirmation**”) with Yangzhou Land Bureau to confirm the successful bid of the Yangzhou Land Plot on 29 December 2016. Pursuant to the Bid Confirmation, Yangzhou Xiangjiang shall enter into the contract for the transfer of the state-owned construction land use right (國有建設用地使用權出讓合同) (the “**Land Use Right Transfer Contract**”) with Yangzhou Land Bureau within 10 business days from the date of the Bid Confirmation.

Consideration

Consideration: RMB1,451,000,000 (equivalent to approximately HK\$1,617,575,000).

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

Yangzhou Xiangjiang has remitted to Yangzhou Land Bureau an amount of RMB200,000,000 as deposit for the public listing and tender, which will form part of the consideration. The payment of the remaining balance of the consideration will be stipulated in the Land Use Right Transfer Contract, which is expected to be paid in or around February 2017.

The consideration of the Yangzhou Land Plot was arrived by way of public listing and tender held by Yangzhou Land Bureau on 29 December 2016 which is 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 Jiangsu Province, the PRC. The principal activities of the Group include (i) the development and sale of residential and commercial properties; (ii) 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; and (iii) the leasing of commercial properties owned or developed by the Group.

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 the connected persons of the Company.

The Yangzhou Land Plot

The Yangzhou Land Plot is located at the intersection of South Side of Wenchang East Road and West Side of Guangzhou Road, Yangzhou City, Jiangsu Province, the PRC.

The Yangzhou Land Plot is adjacent to the riverside area and is situated at location which the Company considers to be maturely developed and well supported by readily available infrastructure, public facilities and amenities and transportation system. It is of close proximity to major public transportation with a 15-minute drive from Jiangdu Railway Station and a 30-minute drive from Yangzhou Taizhou International Airport. 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 believes that the Yangzhou Land Plot Acquisition represents an excellent opportunity for the Group to further enhance its presence and influence in Jiangsu Province, expand the Group's land bank and is in line with the Group's strategy and commercial criteria for land development. It is conducive for the Company to better build on and utilise its brand advantage in the region and bring synergy to the Group's existing property development projects in the region.

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 (the "**Shareholders**") as a whole.

IMPLICATION OF THE LISTING RULES

As the highest applicable percentage ratio in respect of the Yangzhou Land Plot Acquisition is more than 25% but less than 100%, the Yangzhou Land Plot Acquisition constitutes a major transaction of the Company under Chapter 14 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange Limited (the “**Listing Rules**”). The Yangzhou Land Plot Acquisition is regarded as a “qualified property acquisition” under Rule 14.04(10C) of the Listing Rules as the Yangzhou Land Plot Acquisition involves an acquisition of governmental land from a PRC Governmental Body (as defined under the Listing Rules) through a tender, auction or a listing-for-sale governed by the PRC law (as defined under the Listing Rules). The Board confirms 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 Shareholders as a whole. The Yangzhou Land Plot Acquisition is subject to reporting, announcement and circular requirements but is exempt from shareholders’ approval requirement pursuant to Rule 14.33A of the Listing Rules.

GENERAL

A circular will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules setting out, among others, further details of the Yangzhou Land Plot Acquisition. The circular is expected to be despatched on or before 23 January 2017, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

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

Hong Kong, 30 December 2016

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1:HK\$1.1148. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

As at the date of this announcement, the non-executive director of the Company is Mr. Shum Tin Ching; the executive directors of the Company are Mr. Huang Fuqing, Ms. Cheuk Hiu Nam and Mr. Wang Jianfeng; and the independent non-executive directors of the Company are Mr. Tai Kwok Leung, Alexander, Dr. Cheung Wai Bun, Charles, JP and Mr. Gu Yunchang.

* For identification purposes only