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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)

COMPLETION OF MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET GROUP HOLDING PROPERTY DEVELOPMENT PROJECTS LOCATED IN ANHUI PROVINCE INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

References are made to the announcements (the “**Announcements**”) of Jiayuan International Group Limited (the “**Company**”) dated 26 April 2019 and 24 June 2019 and the circular of the Company dated 25 June 2019 (the “**Circular**”) in relation to, among other things, the Acquisition. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the Circular.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that all conditions set out in the Sale and Purchase Agreement have been fulfilled and that Completion took place on 29 July 2019 and 8 August 2019, respectively.

On 8 August 2019, 1,377,959,475 Consideration Shares were allotted and issued at the Issue Price of HK\$3.513 each by the Company to the Vendor. The Consideration Shares represent approximately 53.69% of the total number of issued Shares immediately before Completion and represent approximately 34.94% of the total number of issued Shares as enlarged by the allotment and issue of the Consideration Shares.

Following Completion, the Target Group has become an indirect wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group.

MANAGEMENT ADJUSTED NAV AND FINAL CONSIDERATION

Pursuant to the Sale and Purchase Agreement and the Supplemental Agreement, the following table demonstrates the calculations of the Management Adjusted NAV of the Target Group and the Final Consideration:

RMB

Appreciated value of the Property Development Projects as at 30 April 2019 based on the Properties Valuation and ownership percentage of the Property Development Projects by the Target Group	5,413,988,300 (equivalent to approximately HK\$6,307,296,370)
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Add:

Unaudited net asset value attributable to the owners of the Target Group as at 31 May 2019 (including all adjustment resulting from Reorganisation and payout of dividends prior to Completion)	508,610,002 (equivalent to approximately HK\$592,530,652)
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Less:

Deferred PRC taxes	1,353,497,075 (equivalent to approximately HK\$1,576,824,093)
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Equal to:

Adjusted net asset value attributable to the owners of the Target Group (the “ Management Adjusted NAV ”)	4,569,101,227 (equivalent to approximately HK\$5,323,002,929)
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Less:

8.00% discount to the Management Adjusted NAV	365,528,098 (equivalent to approximately HK\$425,840,234)
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Management Adjusted NAV after discount	4,203,573,129 (equivalent to approximately HK\$4,897,162,695)
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Pursuant to the adjustment mechanism under the Sale and Purchase Agreement and the Supplemental Agreement, as the Management Adjusted NAV after accounting for an 8.00% discount is higher than the Initial Consideration (i.e. RMB4,155,168,787), the Initial Consideration shall be the Final Consideration, amounting to RMB4,155,168,787 (equivalent to approximately HK\$4,840,771,637).

The unaudited consolidated management accounts of the Target Group as at 31 May 2019 have been reviewed and approved by the audit committee of the Company before the Final Consideration is determined.

SHAREHOLDING EFFECT

The following table sets out the shareholding structure of the Company (a) as at the date of this announcement; and (b) immediately after Completion and the allotment and issue of the Consideration Shares in full as contemplated under the Sale and Purchase Agreement and the Supplemental Agreement:

	Immediately before Completion and the allotment and issue of the Consideration Shares in full		Immediately after Completion and the allotment and issue of the Consideration Shares in full ⁽²⁾⁽⁴⁾	
	<i>Number of Shares</i>	<i>Approximate %⁽³⁾</i>	<i>Number of Shares</i>	<i>Approximate %⁽³⁾</i>
	Shareholders			
Mr. Shum and his associates ⁽⁴⁾	1,353,851,249 ⁽¹⁾	52.76	2,731,810,724	69.26
Public Shareholders	1,212,441,437	47.24	1,212,441,437	30.74
Total	2,566,292,686	100.00	3,944,252,161	100.00

Notes:

- 1,334,284,849 Shares are held by Mingyuan Investment, which is 100% owned by Mr. Shum, and 19,566,400 Shares are held by Mr. Shum in his personal capacity as a beneficial owner.
- The figures above assume that other than the Consideration Shares, no further Shares are issued or repurchased by the Company, and no Shares are sold or purchased by Mr. Shum or his associate(s), in each case on or after the Latest Practicable Date and up to the date the allotment and issue of the Consideration Shares.
- The percentage figures included in this table are subject to rounding adjustment.
- The allotment and issue of the Consideration Shares will not result in change in control of the Company.

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

Hong Kong, 8 August 2019

As at the date of this announcement, the board of directors 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.