

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



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
ACQUISITION OF THE TARGET GROUP HOLDING
PROPERTY DEVELOPMENT PROJECTS
LOCATED IN SHANDONG PROVINCE
INVOLVING THE ISSUE OF CONSIDERATION SHARES AND
CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

Financial adviser to the Company



References are made to the announcements (the “**Announcements**”) of Jiayuan International Group Limited (the “**Company**”) dated 13 January 2021 and 25 February 2021 and the circular of the Company dated 26 February 2021 (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 28 June 2021 and 30 June 2021, respectively. On 30 June 2021, (i) 840,000,000 Consideration Shares were allotted and issued at the Issue Price of HK\$3.30 per Consideration Share by the Company to the Vendor and the Consideration Shares represent approximately 20.71% of the total number of issued Shares immediately before Completion and represent approximately 17.16% of the total number of issued Shares as enlarged by the allotment and issue of the Consideration Shares; (ii) the Company has issued the Convertible Bonds in the aggregate principal amount of HK\$3,420,640,000 entitling the Vendor to convert at the Conversion Price of HK\$3.30 per Conversion Share (subject to adjustment for dilutive events) into a maximum number of 1,036,557,575 Conversion Shares and the Conversion Shares represent approximately 25.56% of the total number of issued Shares immediately before Completion, approximately 21.17% of the total number of issued Shares as enlarged by the allotment and issue of the Consideration Shares and approximately 17.47% of the total number of issued Shares as enlarged by the allotment and issue of the Consideration Shares and upon exercise in full of the conversion rights attached to the Convertible Bonds; and (iii) the balance of HK\$1,054,920,000 (equivalent to approximately RMB894,000,000) has been paid to the Vendor by the Company. 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.

ADJUSTED NAV AND FINAL CONSIDERATION

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

	<i>HK\$ approximately</i>
Audited combined net asset value attributable to the owners of the Target Group as at and for the year ended 31 December 2020	5,361,920,000 (equivalent to approximately RMB4,544,000,000)
Add:	
Appreciated value of the property development projects as at 30 November 2020 based on the Properties Valuation and ownership percentage of the Property Development Project Companies by the Target Group	3,459,760,000 (equivalent to approximately RMB2,932,000,000)
Less:	
Deferred PRC taxes on appreciated value	864,940,000 (equivalent to approximately RMB733,000,000)

HK\$ approximately

Equal to:

Adjusted net asset value attributable to the owners of the	7,956,740,000
Target Group (the “Adjusted NAV”) as at 31 December	(equivalent to approximately
2020	RMB6,743,000,000)

Less:

4.86% discount to the Adjusted NAV	387,040,000
	(equivalent to approximately
	RMB328,000,000)

Adjusted NAV at Completion

7,569,700,000
(equivalent to approximately
RMB6,415,000,000)

Pursuant to the adjustment mechanism under the Sale and Purchase Agreement and the Supplemental Agreement, as the Adjusted NAV at Completion after accounting for the 4.86% discount is higher than the Initial Consideration (i.e. HK\$7,247,560,000 (equivalent to approximately RMB6,142,000,000)), the Initial Consideration shall be the Final Consideration, amounting to HK\$7,247,560,000 (equivalent to approximately RMB6,142,000,000).

SHAREHOLDING EFFECT

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after Completion and the allotment and issue of the Consideration Shares in full; and (iii) immediately after full conversion of the Convertible Bonds:

Shareholders	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, but before the exercise of the conversion rights attached to the Convertible Bonds		Immediately after Completion and the allotment and issue of (i) the Consideration Shares in full and (ii) the Conversion Shares upon the exercise in full of the conversion rights attached to the Convertible Bonds ^(Note 4) ^(Note 5)	
	Number of Shares	Approximate % ^(Note 3)	Number of Shares	Approximate % ^(Note 3)	Number of Shares	Approximate % ^(Note 3)
Mr. Shum and his associate(s) ^(Note 2)	2,828,310,136 ^(Note 1)	69.74	3,668,310,136	74.93	4,704,867,711	79.31
Public Shareholders	1,227,424,487	30.26	1,227,424,487	25.07	1,227,424,487	20.69
Total	<u>4,055,734,623</u>	<u>100.00</u>	<u>4,895,734,623</u>	<u>100.00</u>	<u>5,932,292,198</u>	<u>100.00</u>

Notes:

1. 2,756,308,418 of these Shares are held by Mingyuan Group Investment Limited, which is ultimately and beneficially wholly-owned by Mr. Shum.
2. On 13 January 2021, the Company entered into the Sale and Purchase Agreement (as subsequently amended and supplemented by the Supplemental Agreement) with Mr. Shum, pursuant to which, the Company has conditionally agreed to acquire and Mr. Shum has conditionally agreed to sell the entire issued share capital of the Target Company, at the Final Consideration of HK\$7,247,560,000 (equivalent to approximately RMB6,142,000,000) (subject to adjustment), which will be settled (i) as to HK\$3,420,640,000 (equivalent to approximately RMB2,898,847,458) by way of issue of the Convertible Bonds; (ii) as to HK\$2,772,000,000 (equivalent to approximately RMB2,349,152,542) by way of issue and allotment of 840,000,000 Consideration Shares; and (iii) as to the remaining balance of HK\$1,054,920,000 (equivalent to approximately RMB894,000,000) by cash.
3. The percentage figures included in this table are subject to rounding adjustment.
4. The allotment and issue of the Consideration Shares will not result in change in control of the Company.
5. The shareholding structure is prepared for illustrative purpose only. There is no right for any Holder(s) to convert any principal amount of the Convertible Bonds held by the Holder(s) and the Company shall not issue any Conversion Shares thereof if, upon such conversion and issue of the Conversion Shares, the Company will be in breach of the minimum public float requirement as stipulated under the Listing Rules.

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

Hong Kong, 30 June 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) Mr. Wang Jianfeng, a Vice President and an Executive Director; (v) Ms. Cheuk Hiu Nam, a Joint Company Secretary and 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.

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1: HK\$1.18. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.