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

The Board is pleased to announce that on 26 April 2019 (after trading hours), the Company entered into the Sale and Purchase Agreement with Mr. Shum, pursuant to which the Company has conditionally agreed to acquire, and Mr. Shum has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital in the Target Company, at the Initial Consideration of RMB4,055,891,237 (equivalent to approximately HK\$4,725,113,291) (subject to adjustment), which will be settled by the allotment and issue of the 1,345,036,518 Consideration Shares by the Company to Mr. Shum or his nominee(s) at the Issue Price of HK\$3.513 per Consideration Share.

Upon Completion, each of the Target Group companies will become a subsidiary of the Group. The Target Group is principally engaged in property development business in the PRC.

The 1,345,036,518 Consideration Shares represent approximately 52.52% of the issued share capital of the Company as at the date of this announcement and approximately 34.43% of the issued share capital of the Company as enlarged by the Consideration Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Consideration Shares).

SPECIFIC MANDATE

The Directors will seek a specific mandate from the Independent Shareholders for the allotment and issue of the Consideration Shares to Mr. Shum or his nominee(s). An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

LISTING RULES IMPLICATIONS

Major Transaction

The Acquisition, together with the Shanghai Acquisition and the Property Management Acquisition, constitute a series of transactions made by the Company within a 12-month period and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, when aggregated with the Shanghai Acquisition and the Property Management Acquisition, is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Connected Transaction

As at the date of this announcement, Mr. Shum, being the chairman and a non-executive Director of the Company and, together with Mingyuan Investment, the controlling shareholders (as defined in the Listing Rules) of the Company, is interested in approximately 52.86% of the issued share capital of the Company. Hence, Mr. Shum is a connected person of the Company.

The Acquisition, together with the Shanghai Acquisition and the Property Management Acquisition, constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 25% and the Consideration is more than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Tai Kwok Leung, Alexander, Dr. Cheung Wai Bun, Charles, JP and Mr. Gu Yunchang, has been established to advise the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Acquisition, (ii) the recommendations of the Independent Board Committee in relation to the Acquisition, (iii) a letter of advice from an independent financial adviser in relation to the Acquisition, (iv) the notice convening the EGM, and (v) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched by the Company to the Shareholders on or before 21 May 2019.

Completion of the Acquisition is conditional upon the fulfilment of the conditions set out under the paragraph headed “Conditions precedent” in this announcement, which may or may not be fulfilled. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

INTRODUCTION

Reference is made to the announcement of the Company dated 19 March 2019 regarding the memorandum of understanding in relation to a proposed acquisition of property development projects located in Anhui Province.

The Board is pleased to announce that on 26 April 2019 (after trading hours), the Company entered into the Sale and Purchase Agreement with Mr. Shum, pursuant to which the Company has conditionally agreed to acquire, and Mr. Shum has conditionally agreed to sell, the Sale Shares, representing the entire issued share capital in the Target Company, at the Initial Consideration of RMB4,055,891,237 (equivalent to approximately HK\$4,725,113,291) (subject to adjustment), which will be settled by the allotment and issue of 1,345,036,518 Consideration Shares by the Company to Mr. Shum or his nominee(s) at the Issue Price of HK\$3.513 per Consideration Share.

Principal Terms of the Sale and Purchase Agreement

Date

26 April 2019 (after trading hours).

Parties

- (i) the Company, as the purchaser; and
- (ii) Mr. Shum, as the vendor.

Mr. Shum is the chairman, a non-executive Director of the Company and, together with Mingyuan Investment, the controlling shareholders of the Company and the ultimate controlling shareholder of the Company. Mr. Shum is interested in approximately 52.86% of the issued share capital of the Company. Hence, Mr. Shum is a connected person of the Company.

Subject matter to be acquired

The Company has conditionally agreed to acquire and Mr. Shum has conditionally agreed to sell the Sale Shares, representing the entire issued share capital of the Target Company. The Company has the right to nominate and designate a wholly-owned subsidiary to take up the Sale Shares upon Completion.

Pursuant to the Sale and Purchase Agreement, Mr. Shum agreed to implement the Reorganisation, the completion of which is a condition precedent to the Completion. Upon completion of the Reorganisation, the Target Group will comprise, among others, the Target Company as the investment holding company and all of the property development project companies in Anhui Province, the PRC. Further information of the Reorganisation and the Target Group is set out in the paragraphs headed “Reorgainsation” and “Information of the Target Group and its business”, respectively, in this announcement.

Consideration

The Initial Consideration of RMB4,055,891,237 (equivalent to approximately HK\$4,725,113,291) (subject to adjustment) will be settled by the allotment and issue of the 1,345,036,518 Consideration Shares by the Company to Mr. Shum or his nominee(s) at the Issue Price of HK\$3.513 per Consideration Share.

The Initial Consideration has been arrived at based on normal commercial terms after arm’s length negotiations between the parties, having taken into account of, among other factors, (i) the preliminary appraised value of the property development projects held by the Target Group as at 28 February 2019 in the amount of RMB14,835,600,000 (equivalent to approximately HK\$17,283,474,000) appraised by an independent property valuer engaged by the Company (“**Properties Preliminary Valuation**”); (ii) the unaudited net asset value of the Target Group as at 31 December 2018; (iii) a 3.00% discount on Adjusted NAV (as defined below), and (iv) the amount of deferred PRC taxes.

The Initial Consideration has been agreed on based on the Adjusted NAV (as defined and calculated in the manner described below) as at 26 April 2019. The Initial Consideration amounts to RMB4,055,891,237 (equivalent to approximately HK\$4,725,113,291) and shall be adjusted to the Final Consideration according to the adjustment mechanism described in the paragraph headed “Adjustment mechanism” below. The Final Consideration shall be payable by the Company to Mr. Shum or his nominee(s) in Consideration Shares upon Completion.

Adjusted NAV and Initial Consideration

The following table demonstrates the calculations of the Adjusted NAV (as defined below) of the Target Group as at 26 April 2019 and the Initial Consideration:

RMB

Appreciated value of the property development projects as at 28 February 2019 based on the Properties Preliminary Valuation and ownership percentage of the property development projects by the Target Group	5,019,012,780 (equivalent to approximately HK\$5,847,149,889)
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Add:

Unaudited net asset value attributable to the owners of the Target Group as at 31 December 2018	1,168,838,000 (equivalent to approximately HK\$1,361,696,270)
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Less:

Deferred PRC taxes	1,254,753,195 (equivalent to approximately HK\$1,461,787,472)
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Less:

Payout of the retained profit of the Target Group as of 31 December 2018 declared and distributed as dividend prior to Completion	751,766,413 (equivalent to approximately HK\$875,807,871)
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Equal to:

Adjusted net asset value attributable to the owners of the Target Group as at 17 April 2019 (the “Adjusted NAV”)	4,181,331,172 (equivalent to approximately HK\$4,871,250,816)
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Less:

3.00% discount to the Adjusted NAV	125,439,935 (equivalent to approximately HK\$146,137,524)
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Initial Consideration

4,055,891,237 (equivalent to approximately HK\$4,725,113,291)

Adjustment mechanism

In the event that the Adjusted NAV of the Target Group at the Completion as shown in the unaudited consolidated management accounts of the Target Group (the “**Management Adjusted NAV at Completion**”) after accounting for 3.00% discount is less than the Initial Consideration, the Initial Consideration shall be adjusted downward by the difference between the amount of Initial Consideration and the amount of Management Adjusted NAV after accounting for 3.00% discount to arrive at the Final Consideration (i.e. the Management Adjusted NAV at Completion after accounting for 3.00% discount equals to the Final Consideration). If the Management Adjusted NAV at Completion after accounting for 3.00% discount equals to or is more than the Initial Consideration, no adjustment will be made (i.e. the Final Consideration shall be the same as the Initial Consideration). In any event, the Final Consideration shall not exceed the Initial Consideration.

Consideration Shares

The 1,345,036,518 Consideration Shares represent approximately 52.52% of the issued share capital of the Company as at the date of this announcement and approximately 34.43% of the issued share capital of the Company as enlarged by the Consideration Shares (assuming there will be no change in the total number of issued Shares of the Company between the date of this announcement and the allotment and issue of the Consideration Shares).

The Issue Price of HK\$3.513 per Consideration Share represents:

- (a) a discount of approximately 3.76% to the closing price per Share of HK\$3.65 as quoted on the Stock Exchange on 26 April 2019, being the date of the Sale and Purchase Agreement;
- (b) a discount of approximately 4.65% to the average closing price per Share of approximately HK\$3.684 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Sale and Purchase Agreement; and
- (c) a discount of approximately 7.00% to the average closing price per Share of approximately HK\$3.777 as quoted on the Stock Exchange for the last ten consecutive trading days immediately preceding the date of the Sale and Purchase Agreement.

The Issue Price was determined at an arm's length basis between the Company and Mr. Shum and was arrived at an approximate 7.00% discount to the average closing price of approximately HK\$3.777 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of the Sale and Purchase Agreement. The Directors (excluding the independent non-executive Directors, who shall provide their views after taking into account the advice of an independent financial adviser) consider that the Issue Price is fair and reasonable.

Conditions precedent

Completion is conditional upon the fulfilment or, where applicable, waiver of the following conditions:

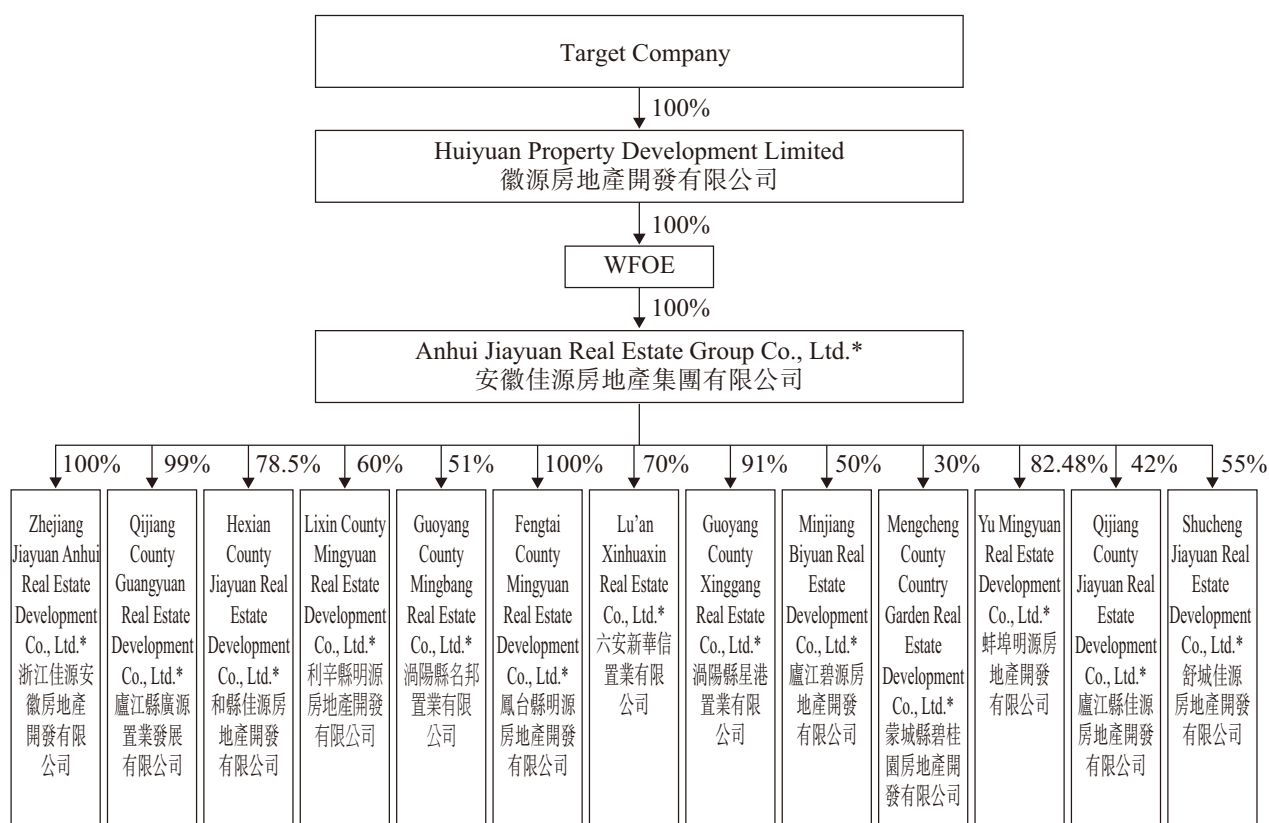
- (a) the Reorganisation having been completed pursuant to the Sale and Purchase Agreement;
- (b) the relevant transactions under the Sale and Purchase Agreement, including but not limited to, the issue of the Consideration Shares, having been approved by the Independent Shareholders at the EGM in accordance with the requirements of the Listing Rules;
- (c) the approval for the listing of, and permission to deal in, the Consideration Shares by the Stock Exchange having been obtained by the Company, and such approval not having been revoked or withdrawn prior to the date of Completion;
- (d) all necessary consents, if any, from any relevant governmental or regulatory authorities or other relevant third parties in connection with the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained; and
- (e) the Company having been satisfied with the due diligence results of the Target Group in all respects;

If any of the conditions set out above has not been satisfied or waived by the Company (other than conditions (a), (b) and (c) which may not be waived) on or before 30 June 2019 or such other date as the parties may agree, the Sale and Purchase Agreement will be terminated unless the parties otherwise agree.

Reorganisation

Pursuant to the Reorganisation under the Sale and Purchase Agreement, Mr. Shum shall procure the transfer of the entire equity interest in the PRC operating companies into a PRC limited liability company, the entire equity interest of which will be wholly and ultimately owned by the Target Company. Upon completion of the Reorganisation, the Target Group will comprise, among others, the Target Company as the investment holding company and the PRC operating companies conducting property development business in Anhui Province, the PRC. Upon Completion, the Target Group will be consolidated with the Group.

Set out below is a chart showing the corporate and shareholding structure of the Target Group immediately after Completion:



* for identification purposes only

After completion of the Reorganisation, the Target Group will include property development projects located in the municipalities of Hefei, Maanshan and Bengbu of Anhui Province, the PRC, mainly consisting of large-scale residential complex projects and integrated commercial complex projects, as well as apartments, offices, shopping arcades, hotels and other supporting facilities.

Guarantees

Pursuant to the Reorganisation, the Target Group shall terminate all the corporate guarantees provided by the members of the Target Group to any of the members of the Private Group before the Completion.

Completion

Completion shall take place on the fifth Business Day after the day on which the conditions precedent of the Sale and Purchase Agreement have been satisfied or waived or such other day as the parties may agree.

EFFECT OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE

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

Shareholders	As at the date of this announcement		Immediately after Completion and the allotment and issue of the Consideration Shares in full ⁽²⁾	
	<i>Number of Shares</i>	<i>Approximate %⁽³⁾</i>	<i>Number of Shares</i>	<i>Approximate %⁽³⁾</i>
Mr. Shum and his associates ⁽⁴⁾	1,353,851,249 ⁽¹⁾	52.86	2,698,887,767	69.09
Public Shareholders	<u>1,207,300,742</u>	<u>47.14</u>	<u>1,207,300,742</u>	<u>30.91</u>
Total	<u>2,561,153,991</u>	<u>100.00</u>	<u>3,906,188,509</u>	<u>100.00</u>

Notes:

- (1) 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.
- (2) 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 date of this announcement and up to the date the allotment and issue of the Consideration Shares.
- (3) The percentage figures included in this table are subject to rounding adjustment.
- (4) On 26 April 2019, the Company entered into a Sale and Purchase 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 Initial Consideration of RMB4,055,891,237 (equivalent to approximately HK\$4,725,113,291) (subject to adjustment), which will be settled by the allotment and issue of the 1,345,036,518 Consideration Shares by the Company to Mr. Shum or his nominee(s).

INFORMATION OF THE TARGET COMPANY AND ITS BUSINESS

The following table sets out the unaudited combined pro forma financial information of the Target Group for the two years ended 31 December 2017 and 2018, respectively, based on their respective unaudited management accounts prepared in accordance with the Hong Kong Financial Reporting Standards:

	Year ended 31 December	
	2017 <i>(rounded to nearest hundred) (RMB)</i>	2018 <i>(rounded to nearest hundred) (RMB)</i>
Net profit before taxation and extraordinary items	397,104,000 (equivalent to approximately HK\$462,626,160)	989,316,000 (equivalent to approximately HK\$1,152,553,140)
Net profit after taxation and extraordinary items	169,685,000 (equivalent to approximately HK\$197,683,025)	433,961,000 (equivalent to approximately HK\$505,564,565)

As at 31 December 2018, the unaudited combined pro forma net asset value attributable to the owners of the Target Group was approximately RMB1,168,838,000 (equivalent to approximately HK\$1,361,696,270).

To the best of the Company's knowledge, information and belief having made all reasonable enquiry, as the Target Group companies were established by Mr. Shum, there is no original acquisition cost for the Target Group.

The Target Group and its business

The Target Company is a company newly incorporated in the BVI with limited liability and wholly-owned by Mr. Shum. The Target Company will be the holding company of the Target Group upon completion of the Reorganisation. The Target Group will own equity interests in all of the property development project companies in Anhui Province, the PRC upon completion of the Reorganisation.

After the Reorganisation, the Target Group will include property development projects located in the municipalities of Hefei, Maanshan and Bengbu of Anhui Province, the PRC, mainly consisting of large-scale residential complex projects and integrated commercial complex projects, as well as apartments, offices, shopping arcades, hotels and other supporting facilities.

GENERAL INFORMATION OF THE PARTIES

Information of 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: (a) the development and sale of residential and commercial properties; (b) 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 (c) the leasing of commercial properties owned or developed by the Group.

Information of the vendor

Mr. Shum is the chairman and a non-executive Director of the Company and, together with Mingyuan Investment, the controlling shareholders of the Company and the ultimate controlling shareholder of the Company. Mr. Shum is interested in approximately 52.86% of the issued share capital of the Company.

REASONS FOR THE TRANSACTIONS

As the property development projects of the Target Group are largely located in China's second and third tier cities in Anhui Province, the Group expects that the property market of Anhui Province will continue to grow steadily in future, which will boost the Group's sales expectations. The Group believes that by way of and upon completion of the Acquisition, cities located in the Anhui Province will be redesignated from non-Target Cities to Target Cities, laying a solid foundation for the Group to establish its presence in the property market of Anhui Province.

Furthermore, the Group considers that the Acquisition represents the performance of the commitment of Mr. Shum to continually inject non-listed businesses to the listed vehicle. Completion of the Acquisition will further raise the shareholding percentage of Mr. Shum to 69.09% and hence the controlling stake will be more solid. Meanwhile, the Group expects that the increase in net assets will continue to optimise the structure of the Company's assets and liabilities and enable healthier financial position of the Group.

The Group achieved stable sales growth in the first quarter of 2019, which was benefited from a regional coordinated development strategy of the PRC and precise capture of the housing demand in second-tier and third-tier cities. The Group believes that establishing presence in Anhui Province will lay a solid foundation for the future development of the Company and play a positive role in further boosting the influence of the "Jiayuan" brand in the Yangtze River Delta Economic Region, which encompasses Shanghai, Jiangsu Province, Anhui Province and Zhejiang Province. It will help in expanding the strategic layout of the Group in key regions across the PRC.

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is aligned with the Group's strategic goal of "expansion and strengthening" and, taking the opportunities from the merger and acquisition project, it will fully enhance its core competitiveness in each segment of the property value chain; and that the Acquisition is fair and reasonable and in line with the interests of the Company and its shareholders as a whole.

THE SPECIFIC MANDATE

The Consideration Shares will be allotted and issued pursuant to the Specific Mandate proposed to be sought from the Independent Shareholders at the EGM.

APPLICATION FOR LISTING

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares, when allotted and issued on Completion, will rank pari passu in all respects with the existing Shares in issue.

LISTING RULES IMPLICATIONS

Major Transaction

The Acquisition, together with the Shanghai Acquisition and the Property Management Acquisition constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, when aggregated with the Shanghai Acquisition and the Property Management Acquisition, is more than 25% but less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules.

Connected Transaction

As at the date of this announcement, Mr. Shum, being the chairman, a non-executive Director and, together with Mingyuan Investment, the controlling shareholders of the Company, is interested in approximately 52.86% of the issued share capital of the Company. Hence, Mr. Shum is a connected person of the Company.

The Acquisition, together with the Shanghai Acquisition and the Property Management Acquisition, constitute a series of transactions made within a 12-month period and shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 25% and the Consideration is more than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder. Voting at the EGM will be conducted by poll, and Mr. Shum and his associates shall abstain from voting on the proposed resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

Mr. Shum, being the chairman and a non-executive Director, is the vendor of the Acquisition and the ultimate beneficial owner of the Private Group. Mr. Shum has abstained from voting on the Board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder. Save as disclosed above, (a) no other Director has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder or is required to abstain from voting on the Board resolutions in relation to the aforesaid matters, and (b) to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has any material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and therefore no other Shareholder is required to abstain from voting at the EGM in respect of the resolutions approving the aforesaid matters.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Tai Kwok Leung, Alexander, Dr. Cheung Wai Bun, Charles, JP and Mr. Gu Yunchang, has been established to advise the Independent Shareholders in relation to the Sale and Purchase Agreement and the transactions contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further details of the Acquisition, (ii) the recommendations of the Independent Board Committee in relation to the Acquisition, (iii) a letter of advice from an independent financial adviser in relation to the Acquisition, (iv) the notice convening the EGM, and (v) other information as required under the Listing Rules, will be despatched by the Company to the Shareholders in accordance with the requirements of the Listing Rules. The circular is expected to be despatched by the Company to the Shareholders by 21 May 2019.

Completion of the Acquisition is conditional upon the fulfilment of the conditions set out under the paragraph headed "Conditions precedent" in this announcement, which may or may not be fulfilled. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by the Company from Mr. Shum pursuant to the terms and conditions set out in the Sale and Purchase Agreement
“associates”; “connected person(s)”; “continuing connected transaction”; “controlling shareholder(s)”; and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday and a Sunday) on which banks in Hong Kong are normally open for banking business to the public
“BVI”	the British Virgin Islands
“Chuangsheng Holdings”	佳源創盛控股集團有限公司 (Jiayuan Chuangsheng Holdings Group Co., Ltd.*), a company established under the laws of the PRC with limited liability
“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)
“Completion”	the completion of the Acquisition (i.e. all the conditions precedent set out in the Sale and the Purchase agreement have been fulfilled or waived, when applicable)
“Completion Date”	the 5th Business Day upon Completion
“Consideration Shares”	1,345,036,518 new Shares to be allotted and issued by the Company to Mr. Shum or his nominee(s)
“Deed of Non-competition”	the deed of non-competition dated 12 February 2016 and entered into by Mingyuan Investment and Mr. Shum with and in favour of the Company (for itself and on behalf of its subsidiaries), further details of which are set out in the Prospectus

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, to approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Final Consideration”	the final consideration after making the adjustment as described in the paragraph headed “Adjustment mechanism” under the section headed “Principal Terms of the Sale and Purchase Agreement” in this announcement
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board, comprising all independent non-executive Directors, namely Mr. Tai Kwok Leung, Alexander, Dr. Cheung Wai Bun, Charles, JP and Mr. Gu Yunchang, which has been established to make recommendations to the Independent Shareholders in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required to abstain under the Listing Rules from voting at the EGM for the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder
“Initial Consideration”	the initial consideration of RMB4,055,891,237 (equivalent to approximately HK\$4,725,113,291) for the Sale Shares set out in the paragraph headed “Consideration” under the section headed “Principal Terms of the Sale and Purchase Agreement” in this announcement (subject to adjustment)
“Issue Price”	HK\$3.513 per Consideration Share
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mingyuan Investment”	Mingyuan Group Investment Limited (明源集團投資有限公司), a company incorporated under the laws of the BVI with limited liability, and together with Mr. Shum, is interested in approximately 52.86% of the issued share capital of the Company as at the date of this announcement

“Mr. Shum”	Mr. Shum Tin Ching, the chairman, a non-executive Director, the ultimate controlling shareholder of the Company and the ultimate beneficial owner of the Private Group
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“property development projects”	the property development projects located in Anhui Province, the PRC, and owned by the Target Group through its subsidiaries after Reorganisation
"Property Management Acquisition"	the acquisition of the entire issued share capital of Chuangyuan Holdings Limited (創源控股有限公司) by the Company from Mr. Shum pursuant to a sale and purchase agreement dated 19 September 2018, the details of which are set out in the announcement of the Company dated 19 September 2018 and the circular of the Company dated 24 December 2018
"Prospectus"	the prospectus of the Company dated 26 February 2016
“Private Group”	Chuangsheng Holdings and its subsidiaries from time to time
“Reorganisation”	such arrangement and restructuring of companies comprising the Target Group in accordance with the terms of the Sale and Purchase Agreement, further details of which are set out in the paragraph headed “Reorganisation” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 April 2019 and entered into between the Company and Mr. Shum in relation to the Acquisition
“ Sale Shares”	one (1) share of the Target Company, representing the entire issued share capital of the Target Company
"Shanghai Acquisition"	the acquisition of the entire issued share capital of Huyuan Holdings Limited (滙源控股有限公司) by the Company from Mr. Shum pursuant to a sale and purchase agreement dated 5 June 2018, the details of which are set out in the announcement of the Company dated 5 June 2018 and the circular of the Company dated 26 July 2018
“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 Shares
“Specific Mandate”	the specific mandate proposed to be granted to the Directors by the Independent Shareholders at the EGM to allot and issue the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Huiyuan Investment Holdings Limited (徽源投資控股有限公司), a company incorporated under the laws of the BVI with limited liability, which owned, through its direct and/or indirect subsidiaries, equity interests in all the property development project companies in Anhui Province, the PRC
“Target Group”	the Target Company and its subsidiaries upon completion of the Reorganisation
“WFOE”	a company to be established under the laws of the PRC as it will be indirectly wholly-owned by the Target Company after the Reorganisation
“%”	per cent.

* for identification purposes only

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1: HK\$1.165. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

By Order of the Board
Jiayuan International Group Limited
Zhang Yi
Vice Chairman, President and Executive Director

Hong Kong, 26 April 2019

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.