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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)

12.0% Senior Secured Notes due 2020 issued on 22 October 2018

(Stock Code: 5190)

(the “Notes”)

ANNOUNCEMENT

INSIDE INFORMATION AND RESUMPTION OF TRADING

This announcement is made by **Jiayuan International Group Limited** (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”) and Rule 13.10 of the Listing Rules.

Reference is made to the announcements of the Company dated 17 January 2019, 22 January 2019, 22 January 2019 and 23 January 2019 (the “**Announcements**”), respectively, in relation to: (i) the unusual movements in the trading price and trading volume of the shares of the Company on 17 January 2019; (ii) the trading halt in the shares and the Notes of the Company on the Stock Exchange; (iii) the inside information announcement to clarify certain recent media coverage about the Company; and (iv) the continued trading halt in the shares and the Notes of the Company on the Stock Exchange pending the release of this announcement in relation to further information in respect of the security interest created over the shareholding interest held by Mingyuan Investment (together with Mr. Shum) in the Company. Unless otherwise stated, terms defined in the Announcements shall have the same respective meanings when used herein.

Mr. Shum reported to the Board, for himself and on behalf of Mingyuan Investment, that after having made all reasonable enquiry, Mingyuan Investment (together with Mr. Shum) holds 1,353,851,249 shares in the Company, representing approximately 52.86% of the issued share capital of the Company, as of the date of this announcement, of which:

- (a) 915,032,000 shares in the Company, representing approximately 35.73% of the issued share capital of the Company, are currently subject to share charges or margin financing in respect of borrowings in the aggregate amount of approximately US\$120,000,000, of which: (i) 608,032,000 shares in the Company, representing approximately 23.74% of the issued share capital of the Company, are currently charged to CCB International Overseas Limited (“CCBIOL”) and China International Capital Corporation Hong Kong Securities Limited (“CICC”), respectively; CCBIOL holds a charge over 600,000,000 shares in the Company in respect of borrowings in the amount of approximately US\$100,000,000, whereas CICC with no outstanding borrowing holds a charge over 8,032,000 shares in the Company and pending release; and (ii) 307,000,000 shares in the Company, representing approximately 11.99% of the issued share capital of the Company, are currently subject to a margin financing with Sun Hung Kai Investment Services Limited, being a qualified lender, in respect of borrowings in the aggregate amount of approximately US\$20,000,000; and
- (b) 438,819,249 shares in the Company, representing approximately 17.13% of the issued share capital of the Company, are unencumbered and not subject to any share charge and/or margin financing.

Mr. Shum informed the Board, for himself and on behalf of Mingyuan Investment, that for the sake of clarity for the shareholders and potential investors of the Company, he intends, subject to the dealing restrictions set out under Rule A3 of Appendix 10 to the Listing Rules, to consolidate all or substantially all of the shareholding interest in the Company held by Mingyuan Investment (together with Mr. Shum) and deposit into one securities account with a securities broker in Hong Kong, where the beneficial interest or interests in the relevant shareholding interest in the Company will not change. Negotiations in such connection have commenced, but it is not certain when such intended consolidation may be effected, or whether such intended consolidation may be effected at all.

INSIDE INFORMATION

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiry, save as disclosed in this announcement, the Board is not aware of any inside information that needs to be disclosed under Part XIVA of the SFO.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares and the Notes of the Company on the Stock Exchange was halted with effect from 1:00 p.m. on Tuesday, 22 January 2019 pending release of this announcement.

The Company has applied to the Stock Exchange for a resumption of trading in its shares and the Notes on the Stock Exchange with effect from 1:00 p.m. on Wednesday, 30 January 2019.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

By Order of the Board
Jiayuan International Group Limited
Cheuk Hiu Nam
Executive Director

Hong Kong, 30 January 2019

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