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**JOVAN 佳源**  
**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)**

**PROPOSED REFRESHMENT OF  
GENERAL MANDATE  
AND  
SHARE OPTION SCHEME LIMIT**

**PROPOSED REFRESHMENT OF GENERAL MANDATE**

Reference is made to the 2022 AGM, at which the Directors were granted the Existing General Mandate to issue, allot and deal with up to 981,965,829 Shares, representing 20% of the then issued share capital of the Company as at the date of the 2022 AGM.

Reference is also made to the announcements of the Company dated 8 July 2022, 19 July 2022 and 20 July 2022, respectively, in relation to the issue of Convertible Bonds in the aggregate principal amount of HK\$667,080,000, which were convertible into 981,000,000 Conversion Shares upon exercise in full of the conversion rights thereunder. The issue of the Convertible Bonds was completed on 20 July 2022 and upon exercise the Conversion Shares would be issued pursuant to the Existing General Mandate. After the completion of the issue of the Convertible Bonds, the Existing General Mandate has been utilized as to 981,000,000 Shares, representing approximately 99.90% of the Shares which can be allotted and issued under the Existing General Mandate.

As the Existing General Mandate has almost been fully utilized, the Board proposes the Existing General Mandate be refreshed for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the EGM.

Pursuant to Rule 13.36(4) of the Listing Rules, the Proposed Refreshment of General Mandate is subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM.

## **PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT**

Reference is made to the Share Option Scheme adopted by the Company on 12 February 2016. Pursuant to the existing Share Option Scheme Limit, the maximum number of Shares that may be issued upon exercise of all the Share Options granted under the Share Option Scheme shall not exceed 180,000,000 Shares, representing 10% of the then issued share capital of the Company upon listing on the Stock Exchange on 8 March 2016, taking no account of the Shares issued and allotted pursuant to the over-allotment option.

Reference is also made to the announcement of the Company dated 17 June 2022 in relation to the grant of 130,500,000 Share Options to 130 employees of the Group under the Share Option Scheme. After the above grant of Share Options, the existing Share Option Scheme Limit has been utilized as to 130,500,000 Shares, representing approximately 72.5% of the existing Share Option Scheme Limit.

As the the existing Share Option Scheme Limit has been substantially utilized, the Board proposes the existing Share Option Scheme Limit be refreshed for the Company to grant Share Options to selected eligible participants under the Share Option Scheme to subscribe for up to 10% of the issued share capital of the Company as at the date of the EGM.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options to be granted under the Share Option Scheme under the refreshed limit.

### **GENERAL**

An EGM will be convened and held for the purpose of considering, and if thought fit, to approve the Proposed Refreshment of General Mandate and the Proposed Refreshment of Share Option Scheme Limit.

The Independent Board Committee comprising of Dr. Cheung Wai Bun, Charles, JP, Mr. Gu Yunchang, Mr. Lin Shaoyong and Ms. Su Ling, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the Proposed Refreshment of General Mandate. Starlight Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate.

A circular containing, among other things, (i) further information regarding the Proposed Refreshment of General Mandate and the Proposed Refreshment of Share Option Scheme Limit; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Proposed Refreshment of General Mandate; (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Refreshment of General Mandate; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

## **PROPOSED REFRESHMENT OF GENERAL MANDATE**

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the EGM.

### **Existing General Mandate**

Reference is made to the 2022 AGM, at which the Directors were granted the Existing General Mandate to issue, allot and deal with up to 981,965,829 Shares, which was equivalent to 20% of the then issued share capital of the Company as at the date of the 2022 AGM.

Reference is also made to the announcements of the Company dated 8 July 2022, 19 July 2022 and 20 July 2022, respectively, in relation to the issue of convertible bonds in the aggregate principal amount of HK\$667,080,000 (the “**Convertible Bonds**”) which were convertible into 981,000,000 Shares (the “**Conversion Shares**”) upon exercise in full of the conversion rights thereunder. The issue of the Convertible Bonds was completed on 20 July 2022 and upon exercise the Conversion Shares would be issued pursuant to the Existing General Mandate. After the completion of the issue of the Convertible Bonds, the Existing General Mandate has been utilized as to 981,000,000 Shares, representing approximately 99.90% of the Shares which can be allotted and issued under the Existing General Mandate.

### **Proposed Refreshment of General Mandate**

As the Existing General Mandate has almost been fully utilized, the Board proposes to convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders for approving the Proposed Refreshment of General Mandate that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares up to 20% of the issued share capital of the Company as at the date of the EGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the 2022 AGM.

The Company has not refreshed the Existing General Mandate since the 2022 AGM. The New General Mandate will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given to the Directors by passing an ordinary resolution by the Shareholders at a general meeting.

As at the date of this announcement, the Company has 6,827,386,723 Shares in issue. On the basis that there are no changes in the issued share capital of the Company from the date of this announcement and up to the date of the EGM, the Directors will be authorized to allot and issue up to 1,365,477,345 new Shares under the New General Mandate, representing 20% of the issued share capital of the Company as at the date of the EGM.

### **Reasons for the Proposed Refreshment of General Mandate**

After the completion of the issue of Convertible Bonds, the Existing General Mandate has almost been fully utilized. Taking into consideration that the next annual general meeting of the Company may only be held in June 2023, the Board proposes to seek an ordinary resolution of the Independent Shareholders at the EGM to approve the New General Mandate. The New General Mandate will enable the Company to respond quickly to market conditions and in the event that an equity or equity-related fund raising opportunity arises between now and the next annual general meeting, the Company will have a more efficient process of equity or equity-related fund raising and is able to avoid the uncertainties and the time delay that may result from obtaining a specific mandate at an extraordinary general meeting if and when the Company enters into such transactions.

In light of the current liquidity crisis in the real estate sector of the PRC and in order to provide additional flexibility to allow the Company to grasp appropriate equity or equity-related fund raising opportunities, the Directors (excluding the independent non-executive Directors, who will express their view in the letter from the Independent Board Committee to be included in the circular) are of the view that the Proposed Refreshment of General Mandate is in the best interests of the Company and the Shareholders as a whole.

The Board considers equity or equity-related financing to be an important avenue of funding resource to the Group since it can reduce the reliance on debt financing, which will increase the debt gearing ratio of and create additional interest paying obligations on the Group. The Board will also consider other financing alternatives apart from equity or equity-related financing by utilising the New General Mandate, such as bond offering, debt financing, rights issue, open offer or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into consideration of the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

As at the date of this announcement, the Company has no concrete plan or has not entered or has not proposed to enter into any agreement, arrangement, understanding or undertaking (is not in negotiation whether concluded or not) in respect of any proposed issue of new Shares utilizing the New General Mandate.

### **Listing Rules Implications**

Pursuant to Rule 13.36(4) of the Listing Rules, the Proposed Refreshment of General Mandate will be subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM. Any controlling shareholders and their respective associates, or where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to approve the Proposed Refreshment of General Mandate.

As at the date of this announcement, Mr. Shum, the Chairman and a non-executive Director, together with Mingyuan Investment, holds 3,498,512,173 Shares, representing approximately 51.24% of the issued share capital of the Company. Since each of Mr. Shum and Mingyuan Investment is a controlling shareholder, each of Mr. Shum and Mingyuan Investment shall abstain from voting in favour of the resolution in relation to the Proposed Refreshment of General Mandate at the EGM.

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, save for Mr. Shum and Mingyuan Investment, no Shareholder is required to abstain from voting on the resolution in relation to the Proposed Refreshment of General Mandate at the EGM.

## **PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT**

The Board proposes to refresh the existing Share Option Scheme Limit for the Company to grant Share Options to selected eligible participants up to 10% of the issued share capital of the Company as at the date of the EGM.

### **Existing Share Option Scheme Limit**

Reference is made to the Share Option Scheme adopted by the Company on 12 February 2016. Pursuant to the existing Share Option Scheme Limit, the maximum number of Shares that may be issued upon exercise of all the Share Options granted under the Share Option Scheme shall not exceed 180,000,000 Shares, representing 10% of the then issued share capital of the Company upon listing on the Stock Exchange on 8 March 2016, taking no account of the Shares issued and allotted pursuant to the over-allotment option.

Reference is also made to the announcement of the Company dated 17 June 2022 in relation to the grant of 130,500,000 Share Options to 130 employees of the Group under the Share Option Scheme. After the above grant of Share Options, the existing Share Option Scheme Limit has been utilized as to 130,500,000 Shares, representing approximately 72.5% of the existing Share Option Scheme Limit.

### **Proposed Refreshment of Share Option Scheme Limit**

As the existing Share Option Scheme Limit has been substantially utilized, the Board proposes to convene the EGM at which an ordinary resolution will be proposed to the Shareholders for approving the Proposed Refreshment of Share Option Scheme Limit that the existing Share Option Scheme Limit be refreshed up to 10% of the issued share capital of the Company as at the date of the EGM, which is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options to be granted under the Share Option Scheme under the refreshed limit.

There has not been any refreshment of the Share Option Scheme Limit since the adoption of the Share Option Scheme. Apart from the Share Option Scheme, the Company has no other share option scheme as at the date of this announcement.

As at the date of this announcement, the Company has 6,827,386,723 Shares in issue. On the basis that there are no changes in the issued share capital of the Company from the date of this announcement and up to the date of the EGM, the Company may grant Share Options to selected eligible participants under the Share Option Scheme to subscribe for up to 682,738,672 Shares, representing 10% of the issued share capital of the Company as at the date of the EGM.

### **Reasons for the Proposed Refreshment of Share Option Scheme Limit**

After the grant of the above Share Options on 17 June 2022, the existing Share Option Scheme Limit has been substantially utilized. The Board considers that the Proposed Refreshment of Share Option Scheme Limit will allow the Company to have sufficient reserve of Share Options to grant to selected eligible participants under the Share Option Scheme and that the grant of Share Options enables the selected eligible participants to obtain equity holdings in the Company, which will motivate such selected eligible participants to remain with the Group and contribute to its success. On the above premises, the Directors are of the view that the Proposed Refreshment of Share Option Scheme Limit is in the best interests of the Company and the Shareholders as a whole.

### **Listing Rules Implications**

Pursuant to Chapter 17 of the Listing Rules and the terms of the Share Option Scheme, Share Options previously granted under the Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshment of the Share Option Scheme Limit. The aggregate number of Shares which may be issued upon exercise of all outstanding Share Options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time. No Share Options may be granted under the Share Option Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options to be granted under the Share Option Scheme under the refreshed limit.

As at the date of this announcement, the Company has no concrete plan or intention to grant any Share Options under the Share Option Scheme immediately after obtaining the Shareholders' approval for the Proposed Refreshment of the Share Option Scheme Limit. However, the Board does not rule out the possibility that the Company will grant any Share Options under the Share Option Scheme in future when such need arises in order to incentivize the selected eligible participants under the Share Option Scheme. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

### **GENERAL**

An EGM will be convened and held for the purpose of considering, and if thought fit, to approve the Proposed Refreshment of General Mandate and the Proposed Refreshment of Share Option Scheme Limit.



The Independent Board Committee comprising of Dr. Cheung Wai Bun, Charles, JP, Mr. Gu Yunchang, Mr. Lin Shaoyong and Ms. Su Ling, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the Proposed Refreshment of General Mandate. Starlight Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate.

A circular containing, among other things, (i) further information regarding the Proposed Refreshment of General Mandate and the Proposed Refreshment of Share Option Scheme Limit; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the Proposed Refreshment of General Mandate; (iii) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Refreshment of General Mandate; and (iv) a notice convening the EGM, will be despatched to the Shareholders as soon as practicable.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“associates”; “controlling shareholder(s)”; and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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)
“Conversion Shares”	has the meaning as defined in the section headed “Proposed Refreshment of General Mandate – Existing General Mandate”
“Convertible Bonds”	has the meaning as defined in the section headed “Proposed Refreshment of General Mandate – Existing General Mandate”
“Director(s)”	the director(s) of the Company
“EGM”	an extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving the Proposed Refreshment of General Mandate and the Proposed Refreshment of Share Option Scheme Limit

“Existing General Mandate”	the general mandate granted by the Shareholders at the 2022 AGM to the Directors to allot, issue and deal with up to 981,965,829 Shares
“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”	an independent committee of the Board comprising of all the independent non-executive Directors to advise the Independent Shareholders in respect of the Proposed Refreshment of General Mandate
“Independent Financial Adviser” or “Starlight Capital”	Starlight Capital Limited, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Proposed Refreshment of General Mandate
“Independent Shareholder(s)”	Shareholder(s) other than the controlling shareholders and their respective associates, or, if there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mingyuan Investment”	Mingyuan Group Investment Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and is ultimately 70% owned by Mr. Shum
“Mr. Shum”	Mr. Shum Tin Ching, the Chairman and a non-executive Director
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of the EGM
“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
“Proposed Refreshment of General Mandate”	the proposed refreshment of the Existing General Mandate by way of granting of the New General Mandate



“Proposed Refreshment of Share Option Scheme Limit”	the proposed refreshment of the Share Option Scheme Limit so that the Company may grant new Share Options under the Share Option Scheme to subscribe for new Shares up to 10% of the issued share capital as at the date of the EGM
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Share Option(s)”	share options to subscribe for the Shares granted and to be granted under the Share Option Scheme
“Share Option Scheme”	the share option scheme adopted by the Company on 12 February 2016, constituted by the rules thereof, in its present form or as amended from time to time in accordance with the provisions thereof
“Share Option Scheme Limit”	the maximum number of Shares which may be allotted and issued upon exercise of all Share Options granted under the Share Option Scheme, representing 10% of the then issued share capital of the Company upon listing on the Stock Exchange on 8 March 2016, taking no account of the Shares issued and allotted pursuant to the over-allotment option, if refreshed shall not exceed 10% of the issued share capital of the Company as at the date of approval of the refreshed limit by the Shareholders
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2022 AGM”	the annual general meeting of the Company held on 9 June 2022, at which the Shareholders approved, among other things, the Existing General Mandate
“%”	per cent.

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

Hong Kong, 19 August 2022

*As at the date of this announcement, the executive Directors are Mr. Zhang Yi, Mr. Huang Fuqing and Ms. Cheuk Hiu Nam, the non-executive Directors are Mr. Shum Tin Ching, Mr. Shen Xiaodong and Mr. Yu Anqi, and the independent non-executive Directors are Dr. Cheung Wai Bun, Charles, JP, Mr. Gu Yunchang, Mr. Lin Shaoyong and Ms. Su Ling.*