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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 and Debt Stock Code: 40023, 40406, 40552, 40684, 40779)

INSIDE INFORMATION IN RELATION TO THE FOLLOWING SECURITIES

| Description of Debt Securities | ISIN/Common Code | Stock code |
|---|-------------------------|-------------------|
| 13.75% Senior Notes due February 2023 (the “ February 2023 Notes ”) | XS2066357034/206635703 | 40023 |
| 12.5% Senior Notes due April 2023 (the “ April 2023 Notes ”) | XS2233091359/223309135 | 40406 |
| 12.5% Senior Notes due July 2023 (the “ July 2023 Notes ”) | XS2279822683/227982268 | 40552 |
| 11.0% Senior Notes due February 2024 (the “ February 2024 Notes ”) | XS2333154867/233315486 | 40684 |
| 7.00% Green Convertible Bonds due January 2025 (the “ January 2025 Convertible Bonds ”) | XS2368463779/236846377 | 40779 |
| 11.375% Senior Notes due October 2022 (the “ First October 2022 Notes ”) | XS2475749300/247574930 | Not applicable |
| 12.0% Senior Notes due October 2022 (the “ Second October 2022 Notes ”) | XS2247215283/224721528 | Not applicable |

This announcement is made by Jiayuan International Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2), 13.19, 37.47A, 37.47B and 37.47E of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION

On the date of this announcement, Jiayuan International Group Limited, a company incorporated in the Cayman Islands with limited liability (the “**Company**”) commenced the exchange offer for at least (i) US\$89,325,000, or 90%, of the outstanding principal amount of the First October 2022 Notes (the “**First October 2022 Minimum Acceptance Amount**”), (ii) US\$180,000,000, or 90%, of the outstanding principal amount of the Second October 2022 Notes (the “**Second October 2022 Minimum Acceptance Amount**”), (iii) US\$158,143,500, or 90%, of the outstanding principal amount of the February 2023 Notes (the “**February 2023 Minimum Acceptance Amount**”), (iv) US\$270,000,000, or 90%, of the outstanding principal amount of the April 2023 Notes (the “**April 2023 Minimum Acceptance Amount**”), (v) US\$270,000,000, or 90%, of the outstanding principal amount of the July 2023 Notes (the “**July 2023 Minimum Acceptance Amount**”) and (vi) US\$207,000,000, or 90%, of the outstanding principal amount of the February 2024 Notes (the “**February 2024 Minimum Acceptance Amount**”) and, together with the First October 2022 Minimum Acceptance Amount, the Second October 2022 Minimum Acceptance Amount, the February 2023 Minimum Acceptance Amount, the April 2023 Minimum Acceptance Amount, the July 2023 Minimum Acceptance Amount, the “**Minimum Acceptance Amount**”) and soliciting consents from Eligible Holders to certain proposed waivers and amendments to the indentures governing the Consent Notes (the “**Consent Notes Indentures**”) upon the terms and subject to the conditions (the “**Exchange Offer and Consent Solicitation**”) set forth in the Exchange Offer and Consent Solicitation Memorandum. As mentioned in the “Background and Purpose” of this announcement, the Company believes that the Exchange Offer and Consent Solicitation, if successfully completed, could significantly improve the Company’s financial position, extend its debt maturity, improve its cash flow, better complete its project delivery tasks and enhance its debt performance capability.

To facilitate the implementation of a restructuring of the Existing Notes, we may, in addition to the Exchange Offer and Consent Solicitation, consider launching a scheme of arrangement in Hong Kong (and/or a scheme of arrangement in any other relevant jurisdiction at the sole discretion of the Company) (the “**Scheme**”) to effect a restructuring of the Existing Notes on terms similar to the Exchange Offer and Consent Solicitation but open to all holders of the Existing Notes (including U.S. persons (as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the “**Securities Act**”)), as contemplated in the term sheet attached to the form of the Restructuring Support Agreement (the “**Restructuring Support Agreement**”) set forth in Appendix B to the Exchange Offer and Consent Solicitation Memorandum.

Unless otherwise defined, capitalized terms in this announcement will have the same meaning as those defined in the Exchange Offer and Consent Solicitation Memorandum.

BACKGROUND AND PURPOSE OF THE EXCHANGE OFFER AND CONSENT SOLICITATION

Since the second half of 2021, Chinese property developers and the related capital markets have experienced an inflection point. The Chinese government has continued to take strict measures to stabilize the development of the real estate sector. Reduced bank lending for real estate development has resulted in reduced access by property developers to onshore capital. In addition, real estate sales declined significantly due to a reduction in bank mortgage lending to buyers and concerns about the ability of real estate developers to complete projects as a result of a number of negative credit events. As a result of the dramatic changes in market conditions, the majority of real estate developers in China experienced a contraction in operating and financing cash flows.

Against the backdrop of the adverse market conditions, in order to provide liquidity and meet its financial commitments, the Company actively implemented various measures to accelerate the pre-sales and sales of properties under development and completed properties, and to accelerate the return of funds from sales and other receivables. However, the Company’s total unaudited contracted sales for the seven months ended 31 July 2022 still decreased significantly by 59.2% as compared to the same period in 2021. The Company expects the market environment of the real estate industry to remain under pressure for a long period of time in the future.

In light of the above, the Company intends to conduct the Exchange Offer and Consent Solicitation for all of its existing US dollar denominated senior notes to:

- exchange the Existing Notes to New Notes that are designed to extend the Company’s debt maturity profile and ease the Company’s liquidity pressure;
- waive any Defaults and potential consequential Events of Default under the Consent Notes arising directly or indirectly from certain non-payment event in relation to interest payment and certain judgment for payment of money;
- amend the terms of the Consent Notes Indentures to substantially eliminate or amend the restrictive covenants and other provisions thereunder to provide greater flexibility for our continued efforts to strengthen our balance sheet and cash flow management.

To further enhance its liquidity position, if the Exchange Offer and Consent Solicitation is consummated, additional covenants will be included in the New Notes Indentures, such that promptly upon the completion of any sale, transfer or other disposition of one or more Specified Assets, net consideration received exceeding a certain amount derived from such sales shall be allocated for the payment of principal or interest of the New Notes or the repurchase of the New Notes. However, there is no assurance that any sale, transfer or other disposition of the Specified Assets will occur or whether the net consideration derived from any sale, transfer or other disposition of the Specified Assets will be sufficient to refinance the New Notes.

To facilitate the overall debt management scheme described above and to be fair to all creditors, the Company has suspended interest payments due on the following securities:

| Notes | ISIN | Stock code |
|--|--------------|-------------------|
| 12.5% Senior Notes Due July 2023 (the “ July 2023 Notes ”) | XS2279822683 | 40552 |
| 11.0% Senior Notes Due February 2024 (the “ February 2024 Notes ”) | XS2333154867 | 40684 |
| 7% Green Convertible Bonds Due January 2025 (the “ January 2025 Convertible Bonds ”) | XS2368463779 | 40779 |

The Company believes that the Exchange Offer and Consent Solicitation, if successfully completed, can improve the Company's financial condition, extend its debt maturity profile, improve its cash flow, better fulfill its project delivery obligations and enhance its ability to satisfy its debt obligations. If the Exchange Offer and Consent Solicitation is not successfully consummated, the suspension of interest on the July 2023 Notes, the January 2025 Convertible Bonds and the February 2024 Notes as described above could lead to acceleration of the July 2023 Notes, the January 2025 Convertible Bonds and/or the February 2024 Notes, which would trigger an event of default under the Consent Notes and other indebtedness. The Company may have to consider alternative debt restructurings, including resorting to a scheme of arrangement to effect a restructuring of the Existing Notes pursuant to the terms of the Restructuring Support Agreement (the form of which is set forth in Appendix B to the Exchange Offer and Consent Solicitation Memorandum).

THE EXCHANGE OFFER AND CONSENT SOLICITATION

The Exchange Offer and Consent Solicitation for the Existing Notes commenced on 24 August 2022 and will expire at 4:00 p.m., London time, on 7 September 2022 (the "**Expiration Deadline**"), unless otherwise extended or earlier terminated by the Company. An appropriate announcement will be made if and when the applicable Expiration Deadline is extended or earlier terminated.

Subject to the terms and conditions set forth in the Exchange Offer and Consent Solicitation Memorandum, the Company is offering to exchange at least the Minimum Acceptance Amount of the Company's outstanding Existing Notes held by Eligible Holders and soliciting Consents from Eligible Holders to certain proposed waivers and amendments to each of the Consent Notes Indentures for the Exchange and Consent Consideration (as defined below). Any tendering Eligible Holders must also execute and agree to be bound by the terms of the Restructuring Support Agreement.

Eligible Holders of the Existing Notes validly accepted and exchanged in the Exchange Offer and Consent Solicitation will, from and including the Settlement Date, waive any and all rights with respect to the Existing Notes (other than the right to receive the relevant components of the applicable Exchange and Consent Consideration) and will release and discharge the Company from any and all claims such Eligible Holder may have, now or in the future, arising out of or related to such Existing Notes, including any and all accrued and unpaid interest thereon.

If you are an Eligible Holder holding the Existing Notes through Euroclear and Clearstream or through a fiduciary holding accounts and you wish to participate in the Exchange Offer and Consent Solicitation, you must tender your Existing Notes pursuant to the procedures described herein by way of an electronic instruction, which must be submitted or delivered through the relevant Clearing System by each Eligible Holder of the Existing Notes who is shown in the records of such Clearing System as a holder of an interest in the Existing Notes, authorizing delivery of your tender to exchange the Existing Notes that are the subject of such electronic instruction (the “**Instruction**”).

A separate Instruction (which must include the name of the Consenting Creditor and must match the name of the Consenting Creditor in the Form of Restructuring Support Agreement) needs to be submitted per each beneficial owner of the Existing Notes held through Euroclear and Clearstream. Only direct participants in Euroclear or Clearstream may submit Instructions. If you are not a direct participant in Euroclear or Clearstream, you must contact your broker, dealer, bank, custodian, trust company or other nominee to arrange for its direct participant through which you hold the Existing Notes to submit an Instruction on your behalf to the relevant Clearing System prior to the deadline specified by the relevant Clearing System.

Any tendering Eligible Holder must tender its entire holding of Existing Notes for exchange. We reserve our right not to accept any partial tender of Existing Notes by any Eligible Holders. Any Instructions must be given with respect to Existing Notes in a minimum principal amount of US\$200,000 and integral multiples of US\$1,000 in excess thereof. Each tendering Eligible Holder must also execute (in the case such Eligible Holder is a beneficial owner of the Existing Notes), or cause the beneficial owners on whose behalf such Eligible Holder is holding the Existing Notes to execute (in the case such Holder is not a beneficial owner for all of the Existing Notes it holds), the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof). Each Eligible Holder will need to visit the Exchange Website (<https://projects.morrowsodali.com/jiayuan>) for instructions on how to execute the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof).

Subject to the terms of this exchange offer and consent solicitation memorandum, an Eligible Holder who submits its instruction(s) in respect of the Exchange Offer and Consent Solicitation only without executing the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof) is not entitled to any Exchange and Consent Consideration (or Exchange Consideration in the case of July 2023 Notes), but the consent (if applicable) will be included for the Requisite Consents in respect of Proposed Waivers and Amendments.

By validly tendering Existing Notes in the Exchange Offer, Eligible Holders will be deemed to have given Consent (except for the July 2023 Notes) in the Consent Solicitation. Eligible Holders may not give Consent (except for the July 2023 Notes) in respect of the Existing Notes only without tendering Existing Notes for exchange. All Consents delivered and accepted will be deemed to be Consents to the Proposed Waivers and Amendments as a whole. For the avoidance of doubt, the July 2023 Notes is not subject to the Consent Solicitation as described in this exchange offer and consent solicitation memorandum.

With respect to any Existing Notes tendered for exchange, the tender by its Holder will not be considered valid unless and until the beneficial owner of such Existing Holders has also validly executed the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof) and delivered it to the Information, Exchange and Tabulation Agent. Eligible Holders and beneficial owners may not execute the Restructuring Support Agreement only without tendering Existing Notes for exchange.

Instructions in connection with the Exchange Offer and Consent Solicitation are irrevocable. Eligible Holders may not withdraw instructions at any time once delivered in accordance with the terms in the Exchange Offer and Consent Solicitation Memorandum. Upon giving Instructions with respect to any Existing Notes, those Existing Notes will be blocked and may not be transferred until the earlier of (i) the Settlement Date and (ii) the Exchange Offer and Consent Solicitation is modified or terminated so as to result in a cancellation of such Instructions.

Exchange and Consent Consideration and Instruction Fee

Upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum, the Company is offering to exchange for at least 90% of the outstanding principal amount of each series of the Existing Notes held by Eligible Holders for the following Exchange and Consent Consideration, for each US\$1,000 principal amount of the Existing Notes:

Exchange and Consent Consideration of the First October 2022 Notes:

- (a) US\$1,000 in aggregate principal amount of the 2025A New Notes (rounded down to the nearest US\$1);
- (b) a Deferred Interest Consideration consisting of one semi-annual interest payment under the First October 2022 Notes to be paid in accordance with the Exchange Offer and Consent Solicitation Memorandum; and
- (c) Incentive Fee.

Exchange and Consent Consideration of the Second October 2022 Notes:

- (a) US\$1,000 in aggregate principal amount of the 2025B New Notes (rounded down to the nearest US\$1);
- (b) a Deferred Interest Consideration consisting of one semi-annual interest payment under the Second October 2022 Notes to be paid in accordance with the Exchange Offer and Consent Solicitation Memorandum; and
- (c) Incentive Fee.

Exchange and Consent Consideration of the February 2023 Notes:

- (a) US\$1,000 in aggregate principal amount of the 2025C New Notes (rounded down to the nearest US\$1);
- (b) a Deferred Interest Consideration consisting of one semi-annual interest payment under the February 2023 Notes to be paid in accordance with the Exchange Offer and Consent Solicitation Memorandum; and
- (c) Incentive Fee.

Exchange Consideration of the April 2023 Notes:

- (a) US\$1,000 in aggregate principal amount of the 2025D New Notes (rounded down to the nearest US\$1);
- (b) a Deferred Interest Consideration consisting of one semi-annual interest payment under the April 2023 Notes to be paid in accordance with the Exchange Offer and Consent Solicitation Memorandum; and
- (c) Incentive Fee.

Exchange Consideration of the July 2023 Notes:

- (a) US\$1,000 in aggregate principal amount of the 2025E New Notes (rounded down to the nearest US\$1);
- (b) a Deferred Interest Consideration consisting of one semi-annual interest payment under the July 2023 Notes to be paid in accordance with the Exchange Offer and Consent Solicitation Memorandum; and
- (c) Incentive Fee.

Exchange and Consent Consideration of the February 2024 Notes:

- (a) US\$1,000 in aggregate principal amount of the 2026 New Notes (rounded down to the nearest US\$1);
- (b) a Deferred Interest Consideration consisting of one semi-annual interest payment under the February 2024 Notes to be paid in accordance with the Exchange Offer and Consent Solicitation Memorandum; and
- (c) Incentive Fee.

Such Deferred Interest Considerations will be payable in cash to the Eligible Holders who validly tender such Existing Notes which are accepted for exchange, in accordance with the schedule below (rounded to the nearest US\$0.01, with US\$0.005 rounded upwards):

For the July 2023 Notes, the February 2024 Notes:

- 50% of the Deferred Interest Consideration shall be paid on the date that falls 9 months after the immediately preceding interest payment date of such Existing Notes;
- 30% of the Deferred Interest Consideration shall be paid on the date that falls 12 months after the immediately preceding interest payment date of such Existing Notes; and
- 20% of the Deferred Interest Consideration shall be paid on the date that falls 15 months after the immediately preceding interest payment date of such Existing Notes.

For the First October 2022 Notes, the Second October 2022 Notes, the February 2023 Notes and the April 2023 Notes:

- 50% of the Deferred Interest Consideration shall be paid on the date that falls 9 months after the next upcoming interest payment date of such Existing Notes;
- 30% of the Deferred Interest Consideration shall be paid on the date that falls 12 months after the next upcoming interest payment date of such Existing Notes; and
- 20% of the Deferred Interest Consideration shall be paid on the date that falls 15 months after the next upcoming interest payment date of such Existing Notes.

For the avoidance of any doubt, the Deferred Interest Considerations are not transferable. Payments will be made to the same Direct Participant account through which such Existing Notes were validly tendered and accepted for exchange. Where the Exchange Offer and Consent Solicitation is not consummated and the Scheme is launched and consummated, subject to the terms of the Restructuring Support Agreement, a fee of 0.25% (the “**Instruction Fee**”) will be paid on the Restructuring Effective Date (or as soon as practicable thereafter) on Existing Notes tendered in the Exchange Offer and Consent Solicitation and restricted in the Restructuring Support Agreement (such Scheme Creditor, as such term is defined in the Restructuring Support Agreement, must enter into the Restructuring Support Agreement (“**Consenting Creditor**”)) on or before 4:00 p.m., London time on the date that is, unless extended in accordance with the terms of the Restructuring Support Agreement, 14 calendar days after the date of the public announcement of the Restructuring Support Agreement by the Company (the “**Instruction Fee Deadline**”) (such Existing Notes, “**Eligible Restricted Notes**”).

Application will be made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle for the listing and quotation of the New Notes on the SGX-ST is not to be taken as an indication of the merits of the Exchange Offer, the Company, the Subsidiary Guarantors or any of their respective subsidiaries or associated companies, the New Notes or the Subsidiary Guarantees. For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the New Notes will be traded in a minimum board lot size of US\$150,000.

Minimum Acceptance Amount

The minimum aggregate principal amount of the Existing Notes, being US\$89,325,000, or 90%, of the outstanding principal amount of the First October 2022 Notes, US\$180,000,000, or 90%, of the outstanding principal amount of the Second October 2022 Notes, US\$158,143,500, or 90%, of the outstanding principal amount of the February 2023 Notes, US\$270,000,000, or 90%, of the outstanding principal amount of the April 2023 Notes, being US\$270,000,000, or 90%, of the outstanding principal amount of the July 2023 Notes, and US\$207,000,000, or 90%, of the outstanding principal amount of the February 2024 Notes, for which valid tenders are received and that the Company will determine, in its sole discretion, whether it will accept for exchange pursuant to the Exchange Offer and Consent Solicitation.

The Company reserves the right, in its sole discretion, to accept less than the Minimum Acceptance Amount of each series of the Existing Notes, or to accept none of such Existing Notes, for exchange pursuant to the Exchange Offer.

Conditions to the Exchange Offer and Consent Solicitation

The obligation to consummate the Exchange Offer and Consent Solicitation is conditional upon the following:

- not less than the Minimum Acceptance Amount of each series of Existing Notes shall have been validly tendered and not validly withdrawn prior to the Expiration Deadline;
- there being no material adverse change in the market from the date of the Exchange Offer and Consent Solicitation Memorandum to the Settlement Date;
- an affirmative determination by us that accepting the exchanges, paying the Exchange and Consent Consideration and effecting the transactions contemplated hereby are in our best interests; and
- the satisfaction of the other conditions described in “Description of the Exchange Offer and Consent Solicitation – Conditions to the Exchange Offer and Consent Solicitation” in the Exchange Offer and Consent Solicitation Memorandum.

Subject to applicable law, the Company may terminate or withdraw the Exchange Offer and Consent Solicitation if any of the conditions are not satisfied or waived by the Company by the Settlement Date. The Company may also extend the Exchange Offer and Consent Solicitation from time to time until the conditions are satisfied or waived. Although the Company has no present plans or arrangements to do so, the Company reserves the right to amend, modify or waive, at any time, the terms and conditions of the Exchange Offer and Consent Solicitation, including the Minimum Acceptance Amount, subject to applicable law. The Company will give you notice of any amendments, modifications or waivers as and if required by applicable law.

Summary Timetable

The following summarizes the anticipated timetable for the Exchange Offer and Consent Solicitation and execution of the Restructuring Support Agreement.

| Date | Event |
|----------------|--|
| 24 August 2022 | <p>Commencement of the Exchange Offer and Consent Solicitation and announcement via the Stock Exchange, the Exchange Website and through Euroclear or Clearstream, as applicable.</p> <p>Exchange Offer and Consent Solicitation Memorandum and the Restructuring Support Agreement in the form set forth in Appendix B to the Exchange Offer and Consent Solicitation Memorandum will be made available to Eligible Holders of the Existing Notes on Exchange Website.</p> <p>To facilitate the approval of the Scheme, each Eligible Holder tendering in the Exchange Offer and Consent Solicitation must also execute (in the case such Eligible Holder is a beneficial owner of the Existing Notes), or cause the beneficial owners on whose behalf such Eligible Holder is holding the Existing Notes to execute (in the case such Eligible Holder is not a beneficial owner for all of the Existing Notes it holds), the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof).</p> |

Date**Event**

Eligible Holders and beneficial owners may not execute the Restructuring Support Agreement only without tendering Existing Notes. In other words, an Eligible Holder of Existing Notes who wishes to participate in the Exchange Offer and Consent Solicitation must (i) tender the Existing Notes it holds for exchange, and (ii) validly execute (or cause relevant beneficial owners to validly execute) the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof), each with respect to the entire holding of Existing Notes and in accordance with the terms, and subject to the conditions, of the Exchange Offer and Consent Solicitation.

7 September 2022 (4:00 p.m., London time)

Expiration Deadline. This being the last date and time on which Eligible Holders of the Existing Notes who validly tender Existing Notes (and as such, are deemed to have provided a Consent (except for the July 2023 Notes) under the Consent Solicitation) are eligible to receive the Exchange and Consent Consideration, as this is the last date and time for Eligible Holders of the Existing Notes to participate in the Exchange Offer and Consent Solicitation.

8 September 2022 (4:00 p.m., London time)

Instruction Fee Deadline. See “Summary of the Exchange Offer and Consent Solicitation – Instruction Fee” in the Exchange Offer and Consent Solicitation Memorandum for further details.

With respect to any tendered Existing Notes, the tender by its Holder will not be considered valid unless and until the beneficial owner of such Existing Holders has also validly executed the Restructuring Support Agreement (or an accession to the Restructuring Support Agreement pursuant to the terms thereof) and delivered it to the Information, Exchange and Tabulation Agent.

| Date | Event |
|--|---|
| As soon as practicable after the Expiration Deadline | <p data-bbox="528 304 1449 528">Announcement of the amount of tenders for exchange received by or prior to the Expiration Deadline, whether Requisite Consents have been received, and the final total aggregate principal amount of the New Notes to be issued to Eligible Holders in exchange for the Existing Notes validly tendered, accepted and exchanged.</p> <p data-bbox="528 591 1449 719">The Information, Exchange and Tabulation Agent will also inform us on the beneficial owners who have executed the Restructuring Support Agreement.</p> |
| On or about 14 September 2022 | Subject to satisfaction of the conditions as set forth under “Description of the Exchange Offer and Consent Solicitation – Conditions to the Exchange Offer and Consent Solicitation,” settlement of the New Notes, delivery of the Exchange and Consent Consideration to Eligible Holders whose Existing Notes have been validly tendered and accepted for exchange, and execution of the Supplemental Indentures. |
| On or about 15 September 2022 | Listing of the New Notes on the SGX-ST. |

Further Details

The Company has appointed Guotai Junan Capital Limited as its financial adviser and Sidley Austin as its legal adviser. Furthermore, the Company has appointed Morrow Sodali Limited, as the Information, Exchange and Tabulation Agent with respect to the Exchange Offer and Consent Solicitation (as stipulated in the Exchange Offer and Consent Solicitation Memorandum and its respective related documents). The Exchange Offer and Consent Solicitation Memorandum, this announcement and all documents related to the Exchange Offer and Consent Solicitation can be found on the Exchange Website: <https://projects.morrowsodali.com/jiayuan>.

Requests for copies of the Exchange Offer and Consent Solicitation Memorandum and its related documents may be directed to Morrow Sodali Limited, at the address and telephone number as set forth below. The contact information of Morrow Sodali Limited, is set out as follows:

Morrow Sodali Limited

In London:

103 Wigmore Street
W1U 1QS
London
United Kingdom
Tel: +44 20 4513 6933

In Hong Kong:

The Hive
33–35 Hillier Street
Sheung Wan
Hong Kong
Tel: +852 2319 4130

Email: jiayuan@investor.morrowsodali.com

Exchange Website: <https://projects.morrowsodali.com/jiayuan>

THIS ANNOUNCEMENT IS NOT AN OFFER TO PURCHASE, A SOLICITATION OF AN OFFER TO PURCHASE, OR A SOLICITATION OF AN OFFER TO SELL, THE EXISTING NOTES. AN OFFER MAY ONLY BE MADE PURSUANT TO THE TERMS OF THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM.

SHAREHOLDERS, ELIGIBLE HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD NOTE THAT COMPLETION OF THE EXCHANGE OFFER AND CONSENT SOLICITATION IS SUBJECT TO THE FULFILLMENT OR WAIVER OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND CONSENT SOLICITATION AS SET FORTH IN THE EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM AND SUMMARIZED IN THE ANNOUNCEMENT. NO ASSURANCE CAN BE GIVEN THAT THE EXCHANGE OFFER AND CONSENT SOLICITATION WILL BE COMPLETED AND THE COMPANY RESERVES THE RIGHT TO AMEND, WITHDRAW OR TERMINATE THE EXCHANGE OFFER AND CONSENT SOLICITATION WITH OR WITHOUT CONDITIONS.

THE COMPANY MAY, IN ITS SOLE DISCRETION, AMEND OR WAIVE CERTAIN OF THE CONDITIONS PRECEDENT TO THE EXCHANGE OFFER AND CONSENT SOLICITATION. AS THE EXCHANGE OFFER AND CONSENT SOLICITATION MAY OR MAY NOT PROCEED, SHAREHOLDERS, HOLDERS OF THE EXISTING NOTES AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN DEALING IN THE SECURITIES OF THE COMPANY OR THE EXISTING NOTES.

The Exchange Offer and Consent Solicitation are not being made to (nor will the tender of the Existing Notes be accepted from or on behalf of) Holders in any jurisdiction where the making or acceptance of the Exchange Offer and Consent Solicitation would not comply with the laws of such jurisdiction. If the Company becomes aware of any jurisdiction in which the making of the Exchange Offer and Consent Solicitation would not be in compliance with applicable laws, the Company may or may not, in its sole discretion, make an effort to comply with any such law. If, after such effort, if any, the Company cannot comply with any such law, the Exchange Offer and Consent Solicitation will not be made to (nor will tenders be accepted from or on behalf of) any Holder residing in such jurisdiction.

FORWARD LOOKING STATEMENTS

Forward-looking statements in this announcement, including those statements relating to the Exchange Offer and Consent Solicitation, are based on current expectations, assumptions, estimates and projections about the Company and its industry. These statements are not guarantees of future performance and that the Company's actual results of operations, financial condition and liquidity, and the development of the industry in which the Company operates may differ materially from those made in, or suggested by, the forward-looking statements in this announcement. Future events and results involve some risks, uncertainties and assumptions that are difficult to predict. Important factors that could cause those differences include, but are not limited to, changes in the competitive environment and regulatory environment of the industry in the PRC relevant to the business of the Company, changes in the business and financial condition of the Company and its subsidiaries and changes in the general economic trend in the PRC.

UPDATE IN RELATION TO THE JULY 2023 NOTES, THE JANUARY 2025 CONVERTIBLE BONDS AND THE FEBRUARY 2024 NOTES

The interest payment in the amount of US\$18,750,000 under the July 2023 Notes became due and payable on 21 July 2022. Under the terms of the July 2023 Notes, the Company has a grace period of 30 days to pay the interest and the last day of the grace period is 20 August 2022. To facilitate the overall debt management scheme and to be fair to all creditors, the Company has suspended the payments of the aforesaid note interest (the “**Non-Payment of the July 2023 Notes**”). Furthermore, as of the date of this announcement, as a result of the aforementioned circumstances, the Company expects that it may not be in position to pay interest in the respective amount of US\$3,500,000 and US\$12,650,000 before expiry of grace period for the January 2025 Convertible Bonds and the February 2024 Notes (the “**Expected Non-Payment of the January 2025 Convertible Bonds and the February 2024 Notes**”). The interest payment date for the January 2025 Convertible Bonds and the February 2024 Notes are 27 July 2022 and 17 August 2022, respectively and the last day of grace period for the January 2025 Convertible Bonds and the February 2024 Notes are 26 August 2022 and 16 September 2022, respectively. The Expected Non-Payment of the January 2025 Convertible Bonds and the February 2024 Notes will constitute event of default under the January 2025 Convertible Bonds and the February 2024 Notes, respectively, upon expiration of the relevant grace period. As of the date of this announcement, such event of default has not occurred.

Pursuant to the indenture of the July 2023 Notes, if an event of default has occurred (such as 30-day grace period lapses) and is continuing, the trustee or holders of at least 25% in aggregate principal amount of the July 2023 Notes then outstanding may, by written notice to the Company and to the trustee, declare the principal of, premium, if any, and accrued and unpaid interest on the July 2023 Notes to be immediately due and payable. As of the date of this announcement, the Company has not received such acceleration notice as a result of the Non-Payment of the July 2023 Notes. As such, as of the date of this announcement, (i) the Non-Payment of the July 2023 Notes and (ii) the Expected Non-Payment of the January 2025 Convertible Bonds and the February 2024 Notes have not triggered any cross default under the terms of each of the February 2023 Notes, the April 2023 Notes, the First October 2022 Notes and the Second October 2022 Notes resulting in such securities becoming immediately due and payable.

FURTHER DELAY IN DESPATCH OF CIRCULAR IN RELATION TO THE DISPOSAL

References are made to the announcement of the Company dated 1 June 2022 (the “**Disposal Announcement**”) in relation to, among other matters, the major transaction in respect of the Disposal and the announcement of the Company dated 27 June 2022 (the “**Delay Announcement**”) in relation to the delay in despatch of the circular in relation to the Disposal. Unless otherwise stated, terms defined in the Disposal Announcement and the Delay Announcement shall have the same meanings when used herein.

As disclosed in the Disposal Announcement and the Delay Announcement, a circular (the “**Circular**”) containing, among other things, (i) further details of the Disposal under the Equity Transfer Agreement; (ii) further information on the Target Group and the Property Development Project; (iii) a property valuation report of the property interests under the Property Development Project; and (iv) other information as required under the Listing Rules, was expected to be despatched to the Shareholders on or before 19 August 2022.

As additional time is required to finalise certain financial information for inclusion in the Circular, it is currently expected that the Circular will be despatched to the Shareholders on or before 9 September 2022.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, save as disclosed in this announcement, the Directors are not aware of any inside information relating to the short suspension of trading on Monday, 22 August 2022 which is required to be disclosed under Part XIVA of the Securities and Futures Ordinance.

RESUMPTION OF TRADING

Reference is made to the announcement of the Company dated 22 August 2022 in relation to the trading halt of the shares of the Company (the “**Shares**”) and the February 2023 Notes, the April 2023 Notes, the July 2023 Notes, the February 2024 Notes and the January 2025 Convertible Bonds (collectively, the “**Listed Debt Securities**”) on the Stock Exchange. At the request of the Company, trading in the Shares and the Listed Debt Securities on the Stock Exchange was halted with effect from 9:00 a.m. on Monday, 22 August 2022, pending release of this announcement. The Company has applied to the Stock Exchange for a resumption of trading in the Shares on the Stock Exchange with effect from 9 a.m. on Thursday, 25 August 2022. Trading of the February 2023 Notes, April 2023 Notes, July 2023 Notes, February 2024 Notes and January 2025 Convertible Bonds of the Company on the Stock Exchange will remain suspended until further notice.

DEFINITIONS

Unless the context requires otherwise, terms used in this announcement shall have the following respective meanings:

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| “2025A New Notes” | 6.5% senior notes due 29 January 2025; |
| “2025B New Notes” | 6.5% senior notes due 30 January 2025; |
| “2025C New Notes” | 6.5% senior notes due 18 May 2025; |
| “2025D New Notes” | 6.5% senior notes due 8 July 2025; |
| “2025E New Notes “ | 6.5% senior notes due 21 October 2025; |
| “2026 New Notes” | 6.5% senior notes due 17 May 2026; |
| “April 2023 Notes” | 12.5% Senior Notes due April 2023 with an aggregate principal amount of US\$300,000,000. The ISIN and Common Code are XS2233091359 and 223309135, respectively, for the April 2023 Notes; |
| “Clearstream” | Clearstream Banking S.A.; |

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| “Consents” | the consent of a Holder to the applicable Proposed Waivers and Amendment; |
| “Consent Notes” | the First October 2022 Notes, the Second October 2022 Notes, the February 2023 Notes, the April 2023 Notes and the February 2024 Notes; |
| “Consent Notes Indentures” | the indentures governing each series of the Consent Notes; |
| “Company” | Jiayuan International Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability and whose Shares are listed and traded on the Main Board of the Stock Exchange (stock code: 2768); |
| “Default” | shall have the meaning in the Existing Notes Indentures; |
| “Deferred Interest Consideration” | deferred interest consideration of one semi-annual interest payment of the relevant Existing Notes payable in cash to the Eligible Holders who validly tender their Existing Notes which are accepted for exchange. For the avoidance of any doubt, the Deferred Interest Considerations are not transferable. Payments will be made to the same Direct Participant account through which such Existing Notes were validly tendered and accepted for exchange. |
| “Eligible Holders” | holders who are non-U.S. persons located outside the United States (as those terms are defined in Regulation S under the Securities Act) in exchange for their Existing Notes through Euroclear and Clearstream or certain fiduciaries holding accounts for the benefit of non-U.S. persons outside the United States (as those terms are defined in Regulation S under the Securities Act) with the Existing Notes held through Euroclear and Clearstream; |
| “Euroclear” | Euroclear Bank SA/NV; |

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| “Exchange Offer and Consent Solicitation” | the exchange offer and consent solicitation made by the Company upon the terms and subject to the conditions set forth in the Exchange Offer and Consent Solicitation Memorandum; |
| “Exchange Offer and Consent Solicitation Memorandum” | the Exchange Offer and Consent Solicitation Memorandum dated 24 August, 2022 in relation to the Exchange Offer and Consent Solicitation; |
| “Event of Default” | shall have the meaning in the Existing Notes Indentures; |
| “Existing Notes” | the First October 2022 Notes, the Second October 2022 Notes, the February 2023 Notes, the April 2023 Notes, the July 2023 Notes and the February 2024 Notes; |
| “Existing Notes Indentures” | the indentures governing each series of the Existing Notes; |
| “February 2023 Notes” | 13.75% Senior Notes due February 2023 with an aggregate principal amount of US\$175,715,000. The ISIN and Common Code are XS2066357034 and 206635703, respectively, for the February 2023 Notes; |
| “February 2024 Notes” | 11.0% Senior Notes due February 2024 with an aggregate principal amount of US\$230,000,000. The ISIN and Common Code are XS2333154867 and 233315486, respectively, for the February 2024 Notes; |
| “First October 2022 Notes” | 11.375% Senior Notes due October 2022 with an aggregate principal amount of US\$99,250,000. The ISIN and Common Code are XS2475749300 and 247574930, respectively, for the First October 2022 Notes; |
| “Group” | the Company and its subsidiaries from time to time; |
| “Holder(s)” | the holder of the Existing Notes; |

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| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC; |
| “July 2023 Notes” | 12.5% Senior Notes due July 2023 with an aggregate principal amount of US\$300,000,000. The ISIN and Common Code are XS2279822683 and 227982268, respectively, for the July 2023 Notes; |
| “PRC” | the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, Taiwan and Macau; |
| “Proposed Waivers and Amendments” | certain proposed waivers and amendments in respect of the Consent Notes as mentioned and defined in the Exchange Offer and Consent Solicitation Memorandum; |
| “Regulation S” | Regulation S under the U.S. Securities Act; |
| “Restructuring Support Agreement” | the Restructuring Support Agreement set forth in Appendix B to the Exchange Offer and Consent Solicitation Memorandum; |
| “Second October 2022 Notes” | 12.0% Senior Notes due October 2022 with an aggregate principal amount of US\$200,000,000. The ISIN and Common Code are XS2247215283 and 224721528, respectively, for the Second October 2022 Notes; |
| “Scheme” | scheme of arrangement in Hong Kong (and/or a scheme of arrangement in any other relevant jurisdiction at the sole discretion of the Company); |
| “Settlement Date” | on or about 14 September 2022, unless the Exchange Offer and Consent Solicitation is extended or earlier terminated; |

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| “Specified Assets” | the land lots in Enping, PRC, held by Enping Empire Resort and Spa Development Limited (恩平市帝都溫泉旅遊區發展有限公司), being the available portion (after deducting pre-sold but not yet delivered portions) (the “ Available Portion ”) of (1) land grant contract no. (2018) 0000823, (2) land grant contract no. (2018) 0000825, (3) land grant contract no. (2018) 0000820, (4) land grant contract no. (2018) 0000822, (5) land grant contract no. (2018) 0000819, (6) land grant contract no. (2018) 0000830, (7) land grant contract no. (2018) 0000829, (8) land grant contract no. (2018) 0000831, (9) land grant contract no. (2018) 0000824, (10) land grant contract no. (2018) 0000827, (11) land grant contract no. (2018) 0000826, (12) land grant contract no. (2018) 0000828, and (13) land grant contract no. (2018) 0000821, which in aggregate has a remaining saleable gross floor area of approximately 700,000 square meters as of June 30, 2022, as well as any buildings and work-in-progress construction on such Available Portion; |
| “Subsidiary Guarantors” | certain subsidiaries of the Company which provide unconditional and irrevocable guarantees to secure the Company’s obligations under the Existing Notes; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “SGX-ST” | Singapore Exchange Securities Trading Limited; |
| “U.S.” or “United States” | the United States of America; |
| “U.S. Securities Act” | the United States Securities Act of 1933, as amended; |

“US\$” United States dollars, the lawful currency of the United States; and

“%” per cent.

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

Hong Kong, 24 August 2022

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