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**Jiayuan Services Holdings Limited**  
**佳源服務控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 1153)**

- (1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO MINGYUAN GROUP DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022;**  
**(2) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO ZHEJIANG SHENCHENG DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2021;**  
**(3) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO ZHEJIANG SHENCHENG DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022;**  
**(4) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO SHANGHAI XIANGYUAN DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2021;**  
**(5) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO SHANGHAI XIANGYUAN DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022;**  
**(6) MAJOR AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO NANJING JIAFENG DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022;**  
**AND**  
**(7) DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO PROVISION OF FINANCIAL ASSISTANCE TO THE THEN ULTIMATE CONTROLLING SHAREHOLDER DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**THE MINGYUAN GROUP FINANCIAL ASSISTANCE**

The Board announces that the Company had made the 2022 Mingyuan Group Fund Transfers in the sum of HK\$178 million to Mingyuan Group during the financial year ended 31 December 2022.

**THE ZHEJIANG SHENCHENG FINANCIAL ASSISTANCES**

The Board announces that the Group had provided the Zhejiang Shencheng Financial Assistances for the benefit of Zhejiang Shencheng (i) in the aggregated sum of RMB695.85 million during the financial year ended 31 December 2021; and (ii) in the aggregated sum of approximately RMB623.43 million during the financial year ended 31 December 2022.

## **THE SHANGHAI XIANGYUAN FINANCIAL ASSISTANCES**

The Board announces that the Group had provided the Shanghai Xiangyuan Financial Assistances for the benefit of Shanghai Xiangyuan (i) in the aggregated sum of approximately RMB190.13 million during the financial year ended 31 December 2021; and (ii) in the aggregated sum of RMB191.54 million during the financial year ended 31 December 2022.

## **THE NANJING JIAFENG FINANCIAL ASSISTANCE**

The Board announces that the Group had made the 2022 Nanjing Jiafeng Fund Transfers for the benefit of Nanjing Jiafeng in the aggregated sum of RMB135 million during the financial year ended 31 December 2022.

## **THE ZHEJIANG JIAYUAN SERVICES SHARE PLEDGE**

During the financial year ended 31 December 2022, Zhejiang Heyuan, an indirect wholly-owned subsidiary of the Company, as the pledgor and Mr. Zang as the pledgee have entered into the Share Pledge Agreement, pursuant to which Zhejiang Heyuan has agreed to pledge its equity interest in Zhejiang Jiayuan Services and all underlying interest thereof (i.e. the Pledged Shares) to secure the repayment obligation of Mr. Shum as borrower in respect of the Loan.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the 2021 Shanghai Xiangyuan Fund Transfers and the Zhejiang Jiayuan Services Share Pledge exceeds 5% but all are less than 25%, each of the 2021 Shanghai Xiangyuan Fund Transfers and the Zhejiang Jiayuan Services Share Pledge (if authorised) would have constituted a discloseable transaction of the Company at the material time and be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of each of the Mingyuan Group Financial Assistance, the 2021 Zhejiang Shencheng Fund Transfers, the 2022 Shanghai Xiangyuan Fund Transfers and the 2022 Nanjing Jiafeng Fund Transfers exceeds 25% but all are less than 100%, the provision of each of the Mingyuan Group Financial Assistance, the 2021 Zhejiang Shencheng Fund Transfers, the 2022 Shanghai Xiangyuan Fund Transfers and the 2022 Nanjing Jiafeng Fund Transfers (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Although the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the 2022 Zhejiang Shencheng Fund Transfers exceeds 100%, the provision of financial assistance does not fall under acquisition of assets and hence, the transaction does not fall into the classification of a very substantial acquisition under Rule 14.06(5). Instead, the 2022 Zhejiang Shencheng Fund Transfers (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that each of Mingyuan Group, Zhejiang Shencheng, Shanghai Xiangyuan and Nanjing Jiafeng is a company ultimately controlled by Mr. Shum, each of the 2021 Financial Assurances and the 2022 Financial Assurances are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2021 Financial Assurances exceeds 25% but all are less than 100%. Although the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the 2022 Financial Assurances exceeds 100%, the provision of financial assistance does not fall under acquisition of assets and hence, the transaction does not fall into the classification of a very substantial acquisition under Rule 14.06(5). Accordingly, each of the 2021 Financial Assurances and the 2022 Financial Assurances (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, given that (1) Mingyuan Group was one of the then indirect holding companies of the Company; (2) each of Zhejiang Shencheng, Shanghai Xiangyuan and Nanjing Jiafeng is ultimately controlled by Mr. Shum; and (3) Mr. Shum was the then controlling shareholder of the Company, each of Mingyuan Group, Zhejiang Shencheng, Shanghai Xiangyuan, Nanjing Jiafeng and Mr. Shum at the material time was a connected person of the Company under Chapter 14A of the Listing Rules, and the provision of the Financial Assurances (if authorised) would have constituted non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules at the material time and be subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as the asset ratio defined under Rule 14.07(1) of the Listing Rules in respect of each of the Financial Assurances (save for the Zhejiang Jiayuan Services Share Pledge) exceeds 8%, the provision of each of the Financial Assurances (save for the Zhejiang Jiayuan Services Share Pledge) constitutes an advance to an entity under Rule 13.13 of the Listing Rules and is subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

The purpose of this announcement is to disclose the required information for the re-compliance with the Listing Rules.

## 1. BACKGROUND

References are made to (1) the announcements of the Company dated 12 January 2024, 28 March 2024, 28 June 2024 and 2 September 2024 in relation to, among other things, the quarterly update on suspension of trading and the Independent Investigation and the Independent Internal Control Review; (2) the announcements of the Company dated 22 February 2024 and 17 May 2024 in relation to the additional resumption guidance and further additional resumption guidance; and (3) the Key Findings Announcement.

It was found during the Independent Investigation and/or the Independent Internal Control Review that, among other things, the Group has provided the following Financial Assistances which constituted (i) connected transactions subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) notifiable transaction subject to the reporting, announcement, circular (as the case may be) and Shareholders' approval (as the case may be) requirements under Chapter 14 of the Listing Rules, during the two financial years ended 31 December 2021 and 2022:

<b>Recipient of Financial Assistance(s)</b>	<b>Fund transfers</b>	<b>Guarantee (share pledge)</b>	<b>Total</b>
<b>For the financial year ended 31 December 2021 (i.e. the 2021 Financial Assistances)</b>			
Zhejiang Shencheng	RMB695,850,000	–	RMB695,850,000
Shanghai Xiangyuan	RMB190,125,000	–	RMB190,125,000
			<u>RMB885,975,000</u>
<b>Sub-total for the financial year ended 31 December 2021</b>			
<b>For the financial year ended 31 December 2022 (i.e. the 2022 Financial Assistances)</b>			
Mingyuan Group	HK\$178,000,000	–	HK\$178,000,000
Zhejiang Shencheng	RMB623,434,715	–	RMB623,434,715
Shanghai Xiangyuan	RMB191,540,000	–	RMB191,540,000
Nanjing Jiafeng	RMB135,000,000	–	RMB135,000,000
Mr. Shum	–	RMB80,000,000	RMB80,000,000
			<u>RMB1,029,974,715</u>
<b>Sub-total for the financial year ended 31 December 2022</b>			

The purpose of this announcement is to disclose the required information for the re-compliance with the Listing Rules.

## 2. THE MINGYUAN GROUP FINANCIAL ASSISTANCE

Based on the Independent Investigation and Independent Internal Control Review, on 3 January 2022, the Company has transferred fund in the amount of HK\$178 million to Jinjiang Investment (which was receiving the money on behalf of Evergain) pursuant to the Consultancy Agreement as acquisition deposits for the potential mergers and acquisitions identified under the Consultancy Agreement.

The said HK\$178 million was part of the Prepayments (as defined in the Key Findings Announcement) advanced to Evergain pursuant to the Consultancy Agreement. In or around November 2023, the Company became aware that in or around September 2022, the said HK\$178 million fund has been refunded and transferred to Mingyuan Group, a then connected person of the Company, by Evergain/Jinjiang Investment upon the borrowing request of China Jiayuan, one of the then indirect holding companies of the Company. The Company wishes to clarify that among the Prepayments, only the said HK\$178 million has been refunded and transferred to Mingyuan Group, while the remaining accounts receivables of HK\$8 million remain outstanding from Evergain.

For further details on the Mingyuan Group Financial Assistance, please refer to the Key Findings Announcement.

## 3. THE ZHEJIANG SHENCHENG FINANCIAL ASSISTANCES

Based on the Independent Investigation, during the two financial years ended 31 December 2021 and 2022, the Group has made the 2021 Zhejiang Shencheng Fund Transfers and the 2022 Zhejiang Shencheng Fund Transfers for the benefit of Zhejiang Shencheng. A summary of the 2021 Zhejiang Shencheng Fund Transfers and the 2022 Zhejiang Shencheng Fund Transfers is set out below.

### (I) The 2021 Zhejiang Shencheng Fund Transfers

<b>Transferor</b>	<b>Transferee</b> <i>RMB</i>	<b>Accumulated amount</b> <b>of fund outflows</b> <i>RMB</i>
Zhejiang Jiayuan Services	Jiayuan International Holdings (Zhuhai) Co., Ltd.* (佳源國際控股(珠海)有限公司) (Note 1)	348,000,000 (Note 2)
Zhejiang Jiayuan Services	Hangzhou Heyuan Properties Ltd.* (杭州和源置業有限公司) (Note 1)	52,050,000 (Note 2)
Zhejiang Jiayuan Services	Jiaxing Jiagang (Note 1)	295,800,000 (Note 3)
	<b>Total</b>	<b>695,850,000</b>

Notes:

1. Related party of the Company
2. For repayment of loan(s) owed by Zhejiang Shencheng to the relevant transferee
3. The fund was ultimately utilised by Zhejiang Shencheng

## (II) The 2022 Zhejiang Shencheng Fund Transfers

Transferor(s)	Transferee RMB	Accumulated amount of fund outflows RMB
Zhejiang Jiayuan Services	Hangzhou Wahe E-commerce Co., Ltd.* (杭州瓦盒電子商務有限公司) (Note 1)	50,809,150 (Note 5)
Zhejiang Jiayuan Services	Hangzhou Wohu Trading Co., Ltd.* (杭州沃湖商貿有限公司) (Note 1)	4,266,306 (Note 5)
Zhejiang Jiayuan Services	Jiaxing City Nanhu District Nanhu Street Xinjiayuan Food Convenience Store* (嘉興市南湖區南湖街道新佳源食品便利店) (“ <b>Jiaxing Convenience Store</b> ”) (Note 1)	1,850,653 (Note 6)
Zhejiang Jiayuan Services	Hangzhou Pahe Trading Co., Ltd.* (杭州帕赫商貿有限公司) (Note 1)	6,670,673 (Note 5)
Suqian branch of Zhejiang Jiayuan Services	Yu Yehong (Note 2)	473,280 (Note 7)
Tongxiang branch of Zhejiang Jiayuan Services	Jiang Dongdong (Note 2)	57,902 (Note 8)
Zhejiang Jiayuan Services	Hangzhou Qiyu Trading Co., Ltd.* (杭州琦玉商貿有限公司) (Note 2)	137,915,001 (Note 5)
Zhejiang Jiayuan Services	Ningbo Bankema Trading Co., Ltd.* (寧波斑客馬貿易有限公司) (Note 2)	5,000,000 (Note 9)
Zhejiang Jiayuan Services	Shandong Qiju Technology Co., Ltd.* (山東奇居科技有限公司) (Note 2)	2,000,000 (Note 9)
Zhejiang Jiayuan Services	Wenzhou Zhenxin Property Co., Ltd.* (溫州振欣置業有限公司) (Note 2)	79,910,000 (Note 9)
Zhejiang Jiayuan Services	Yingtang Yiheng Investment Co., Ltd.* (鷹潭億恒投資有限公司) (Note 2)	71,110,000 (Note 9)
Zhejiang Jiayuan Services	Hangzhou Mindong Trading Co., Ltd.* (杭州閔東貿易有限公司) (Note 2)	113,001,000 (Note 5)
Suqian branch of Zhejiang Jiayuan Services	Jiang Lijuan (Note 3)	1,024,110 (Note 5)
Nanchang branch of Shanghai Baoji	Lu Yan (Note 3)	210,600 (Note 5)
Zhejiang Jiayuan Services	Rui Ping (Note 4)	100,000 (Note 5)

<b>Transferor(s)</b>	<b>Transferee</b> <i>RMB</i>	<b>Accumulated amount of fund outflows</b> <i>RMB</i>
Zhejiang Jiayuan Services	Chen Xiaoli ( <i>Note 3</i> )	100,000 ( <i>Note 5</i> )
Jiangdu branch of Zhejiang Jiayuan Services	Yu Changhua ( <i>Note 3</i> )	1,550,000 ( <i>Note 5</i> )
Zhejiang Jiayuan Services; Taixing branch of Anhui Chongyuan	Jiaxing Jiagang ( <i>Note 1</i> )	147,386,040 ( <i>Note 10</i> )
	<b>Total</b>	<b>623,434,715</b>

*Notes:*

1. *Related party of the Company*
2. *Independent Third Party*
3. *Former employee of the Group*
4. *Current employee of the Group*
5. *For repayment of loan(s) owed by Zhejiang Shencheng to the relevant transferee*
6. *For repayment of loans owed by Zhejiang Shencheng to Jiaxing Convenience Store and 5 former and current employees of the Group*
7. *For redemption of wealth management product(s) offered by Zhejiang Shencheng*
8. *For redemption of wealth management product(s) offered by Zhejiang Shencheng by way of setting off the amount against the property management fee owed by Jiang Dongdong*
9. *The fund was ultimately utilised by Zhejiang Shencheng*
10. *For repayment of loan(s) owed by Zhejiang Shencheng to the relevant transferee, among which (1) RMB147,296,040 was transferred from Zhejiang Jiayuan Services; and (2) RMB90,000 was transferred from Taixing branch of Anhui Chongyuan*

For further details on the 2021 Zhejiang Shencheng Fund Transfers and the 2022 Zhejiang Shencheng Fund Transfers, please refer to the Key Findings Announcement.

#### 4. THE SHANGHAI XIANGYUAN FINANCIAL ASSISTANCES

Based on the Independent Investigation, during the two financial years ended 31 December 2021 and 2022, Zhejiang Jiayuan Services has made the 2021 Shanghai Xiangyuan Fund Transfers and the 2022 Shanghai Xiangyuan Fund Transfers for the benefit of Shanghai Xiangyuan. A summary of the 2021 Shanghai Xiangyuan Fund Transfers and the 2022 Shanghai Xiangyuan Fund Transfers is set out below.

##### (I) The 2021 Shanghai Xiangyuan Fund Transfers

<b>Transferor</b>	<b>Transferee</b> <i>RMB</i>	<b>Accumulated amount of fund outflows</b> <i>RMB</i>
Zhejiang Jiayuan Services	Wenzhou Xingzhan Trading Co., Ltd.* (溫州星展貿易有限公司) (Note 1)	132,010,000 (Note 2)
Zhejiang Jiayuan Services	Shanghai Binda Enterprise Management Center (Limited Partnership)* (上海濱達企業管理中心(有限合夥)) (Note 1)	58,115,000 (Note 2)
	<b>Total</b>	<b>190,125,000</b>

Notes:

1. Independent Third Party
2. For repayment of loan(s) owed by Shanghai Xiangyuan to the relevant transferee

##### (II) The 2022 Shanghai Xiangyuan Fund Transfers

<b>Transferor</b>	<b>Transferee</b> <i>RMB</i>	<b>Accumulated amount of fund outflows</b> <i>RMB</i>
Zhejiang Jiayuan Services	Hangzhou Xinwanxiang Information Technology Co., Ltd.* (杭州新萬翔信息技術有限公司) (Note 1)	164,000,000 (Note 3)
Zhejiang Jiayuan Services	Jiaxing Jiagang (Note 2)	27,540,000 (Note 3)
	<b>Total</b>	<b>191,540,000</b>

Notes:

1. Independent Third Party
2. Related party of the Company
3. For repayment of loan(s) owed by Shanghai Xiangyuan to the relevant transferee



For further details on the 2021 Shanghai Xiangyuan Fund Transfers and the 2022 Shanghai Xiangyuan Fund Transfers, please refer to the Key Findings Announcement.

## **5. THE NANJING JIAFENG FINANCIAL ASSISTANCE**

Based on the Independent Investigation, during the financial year ended 31 December 2022, Zhejiang Jiayuan Services has made the Nanjing Jiafeng Financial Assistance in the aggregate amount of RMB135,000,000 to Jiaxing Jiagang for repayment of debt owed to Jiaxing Jiagang by Nanjing Jiafeng.

For further details on the Nanjing Jiafeng Financial Assistance, please refer to the Key Findings Announcement.

## **6. THE ZHEJIANG JIAYUAN SERVICES SHARE PLEDGE**

During the Independent Internal Control Review, it was found out that during the financial year ended 31 December 2022, Zhejiang Heyuan, an indirect wholly-owned subsidiary of the Company, as the pledgor and Mr. Zang as the pledgee have entered into the Share Pledge Agreement, pursuant to which Zhejiang Heyuan has agreed to pledge its equity interest in Zhejiang Jiayuan Services and all underlying interest thereof (i.e. the Pledged Shares) to secure the repayment obligation of Mr. Shum as borrower in respect of the Loan.

### **The Share Pledge Agreement**

Principal terms of the Share Pledge Agreement are as follows:

Parties:	(i) Zhejiang Heyuan, as the pledgor; and (ii) Mr. Zang, as the pledgee
Subject matter:	Pursuant to the Share Pledge Agreement, Zhejiang Heyuan agreed to pledge the Pledged Shares to secure the repayment obligation of Mr. Shum as borrower in respect of the Loan
Pledged Shares:	Being all equity interest in Zhejiang Jiayuan Services with registered capital of RMB500,000,000 and all underlying interest thereof (inclusive of dividends and other benefits) owned by Zhejiang Heyuan. Within ten (10) days after the date of the Share Pledge Agreement, Zhejiang Heyuan shall register the Pledged Shares on the register of members of Zhejiang Jiayuan Services and deliver the share certificate(s) to Mr. Zang for custody.

Enforcement: If any of the following events occurs, Mr. Zang shall be entitled to dispose of the Pledged Shares, and the proceeds of which shall first be used for the repayment of the outstanding principal of the Loan:

- (a) Zhejiang Heyuan having failed to repay the outstanding principal, interests and fees within the prescribed timeline, in breach of the terms of the Share Pledge Agreement;
- (b) Zhejiang Heyuan having been dissolved or declared bankrupt.

To the best knowledge, information and belief of the Directors having made reasonable enquiries, Mr. Zang is an Independent Third Party not connected with the Company and its subsidiaries and its connected persons (as defined in the Listing Rules).

### **The Loan Agreement**

Based on the information available to the Group, the principal terms of the Loan Agreement are as follows:

Parties: (i) Mr. Zang, as the lender;

(ii) Mr. Shum, as the borrower; and

(iii) Jiayuan Chuangsheng, as the guarantor

Principal amount of the Loan: RMB80,000,000

Term: From 31 March 2022 to 31 May 2022

Interest rate: 18% per annum, where the interest shall be repayable in a lump sum together with the principal upon maturity

Guarantee: Jiayuan Chuangsheng shall be jointly and severally liable for all debts of Mr. Shum under the Loan Agreement for a period of 3 years from the maturity date

Conditions: The Loan may only be drawn down after Mr. Shum has pledged 100% equity interest in Zhejiang Jiayuan Services and other specific assets to the entity nominated by Mr. Zang

## **7. INFORMATION ON THE PARTIES INVOLVED IN THE FINANCIAL ASSISTANCES**

The Group is principally engaged in the provision of property management services, value-added services to property developers and community value-added services in the PRC. Each of Zhejiang Jiayuan Services, Shanghai Baoji and Anhui Chongyuan is a limited liability company established in the PRC and is principally engaged in property management in the PRC. Zhejiang Heyuan is a wholly foreign owned enterprise established and registered in the PRC and is principally engaged in investment holding in the PRC.

To the best knowledge, information and belief of the Directors having made reasonable enquiries:

1. Mingyuan Group is a company incorporated under the laws of the BVI with limited liability which is mainly engaged in investment holding and is ultimately controlled by Mr. Shum. At the material time of provision of the Mingyuan Group Financial Assistance, Mingyuan Group was one of the then holding companies of the Company through its direct and indirect interest in the Company;
2. Zhejiang Shencheng a limited liability company established in the PRC which is a subsidiary of Zhejiang Jiayuan Property and is ultimately controlled by Mr. Shum and accordingly, a then connected person of the Company. Zhejiang Shencheng is mainly engaged in investment holding;
3. Shanghai Xiangyuan a limited liability company established in the PRC which is ultimately controlled by Mr. Shum and accordingly, a then connected person of the Company. Shanghai Xiangyuan is mainly engaged in property development and investment;
4. Nanjing Jiafeng a limited liability company established in the PRC which is ultimately controlled by Mr. Shum and accordingly, a then connected person of the Company. Nanjing Jiafeng is mainly engaged in investment holding;
5. Mr. Shum is a PRC resident and the founder of the Company. At the material time of entering into of the Share Pledge Agreement and the provision of the Zhejiang Jiayuan Services Share Pledge, he was the then ultimate controlling shareholder of the Company through his indirect interest in the Company and accordingly, a then connected person of the Company;
6. Jiayuan Chuangsheng is a company established in the PRC with limited liability and beneficially wholly-owned by Mr. Shum, and accordingly, a then connected person of the Company. Jiayuan Chuangsheng is mainly engaged in investment holding; and
7. Mr. Zang is a PRC resident and an Independent Third Party.

## **8. REASONS FOR THE FINANCIAL ASSISTANCES AND THE LATEST DEVELOPMENTS**

The Board would like to stress that the provision of the Financial Assistances was mainly caused by China Jiayuan's wrongdoing in bypassing the Group's then existing corporate governance and internal controls and exerting influence on the Finance Resources Centre which had led to the provision of the Financial Assistances which were not approved by the Shareholders or the Board. As the Company was unable to locate the complete corroborating documents to substantiate the reasons for and the commercial substance and business rationale, if any, of the provision of the Financial Assistances and the entering into of the Share Pledge Agreement, the Directors (including the independent non-executive Directors) are unable to opine on whether the Financial Assistances and the Share Pledge Agreement were on normal commercial terms after arm's length negotiation, whether the Financial Assistances and the terms of the Share Pledge Agreement fair and reasonable, and whether the transactions contemplated thereunder were in the interests of the Company and the Shareholders as a whole.

### ***The Mingyuan Group Financial Assistance***

As stated in the Key Findings Announcement, the Company has issued a demand letter to Evergain on 5 September 2023 requesting for immediate refund of the aggregate amount of HK\$186 million, being the amount of funds transferred to Mingyuan Group under the Mingyuan Group Financial Assistance and accounts receivables of HK\$8 million due from Evergain.

The Company has also been proactively seeking advice from its legal advisers on the possible follow up actions to be taken in order to retrieve the relevant funds and safeguard its interests. On 20 September 2024, the Company has filed an arbitration notice with the Hong Kong International Arbitration Centre ("HKIAC") against Evergain, Jinjiang Investment and Mingyuan Group requesting for an arbitration, where the Company intends to seek recovery of the said funds and any loss and/or damage suffered by the Company with respect to the Consultancy Agreement. The Company will publish further announcement(s) as and when appropriate if there is any material development to keep Shareholders and potential investors of the Company informed of the latest status.

### ***The Zhejiang Shencheng Financial Assistances, the Shanghai Xiangyuan Financial Assistances and the Nanjing Jiafeng Financial Assistance***

As stated in the Key Findings Announcement, the Company has filed civil complaints (民事起訴狀) with the Jiaxing City People's Intermediate Court in August 2024 to claim for the outstanding amounts under the said financial assistances against each of Shanghai Xiangyuan, Nanjing Jiafeng and Zhejiang Shencheng, respectively. The Company will publish further announcement(s) as and when appropriate if there is any material development to keep Shareholders and potential investors of the Company informed of the latest status.

## *The Zhejiang Jiayuan Services Share Pledge*

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, Mr. Zang had brought a legal proceeding in the PRC against Mr. Shum and Jiayuan Chuangsheng in July 2022 and the People's Court of Qinhuai Area, Nanjing City (the "**Qinhuai Court**") has issued a civil mediation paper in September 2022 (the "**Civil Mediation Paper**"). According to the Civil Mediation Paper, if Mr. Shum fails to fulfil his obligations under the agreed terms, Mr. Zang shall be entitled to, among other things, (1) apply to the court for enforcement in respect of the outstanding principal and interests of the Loan; (2) the preferential rights to be paid off with the proceeds from the auction or sale of (i) the 13 properties pledged by Jiayuan Chuangsheng; (ii) the 6 properties pledged by Zhejiang Jiayuan Property; and (iii) the Pledged Shares. Further, Jiayuan Chuangsheng shall be jointly and severally liable for the repayment obligations of Mr. Shum. In March 2023, the Qinhuai Court placed the application for enforcement order by Mr. Zang on file and subsequently in March 2024, the Qinhuai Court ordered for the resumption for the execution of such case.

According to the PRC legal advisers of the Company, during the process of auction or sale of pledged property, the initial auction price is usually an amount not less than 70% of the valuation of the property, which will be further discounted for up to an additional 20% in the second-round auction if the initial auction was not successful or in the sale if the property cannot be auctioned; and if the property cannot be sold, the court may order payment-in-kind to offset the debt by the pledged property which value, in general, should not be less than the auction price of the second-round auction. Given that Mr. Zang has been dealing with the properties pledged by Jiayuan Chuangsheng and Zhejiang Jiayuan Property instead of the Pledged Shares, if the Loan can be repaid in full with the proceeds from the auction or sale of the properties pledged by Jiayuan Chuangsheng and/or Zhejiang Jiayuan Property and/or the damages that may be claimed from Jiayuan Chuangsheng, it is possible for the Pledged Shares to be discharged. Even if the Loan cannot be repaid in full and Mr. Zang then seeks to put the Pledged Shares on auction or sale, it is possible for the Group (including Zhejiang Heyuan) to participate in the auction or to liaise with Mr. Zang in respect of the settlement of the debt to discharge the Pledged Shares, after assessing the ability of the Group and the sources of funds available (such as internal fundings, bank borrowings, future cash flows and/or borrowings or undertakings from controlling Shareholders). Further, the Group may also object to the arrangement of auctioning the Pledged Shares by applying to the court for ruling. In the event that the Pledged Shares are eventually auctioned or sold, Mr. Zang will only be entitled to an amount equivalent to the unpaid portion of the Loan, while Zhejiang Heyuan could claim damages from Mr. Shum for recovery of the relevant amount.

Upon enquiries with the Qinhuai Court, the Company was given to understand that (i) one (1) of the properties pledged by Zhejiang Jiayuan Property has been auctioned successfully in late July 2024, at the auction price RMB12.4 million; (ii) one (1) of the properties pledged by Jiayuan Chuangsheng is pending public auction after the Qinhuai Court has conducted online request for quotations in March 2024; and (iii) the Qinhuai Court currently does not have any plan to dispose of the Pledged Shares. As such, the Company is of the view that the possibility of the Pledged Shares being disposed of is relatively remote while the Group has reasonable chance for recovering the Pledged Shares, and that the Civil Mediation Paper does not affect the normal business and operations of the Group. The Company will publish further announcement(s) as and when appropriate if there is any material development to keep Shareholders and potential investors of the Company informed of the latest status.

## 9. IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Mingyuan Group Financial Assistance exceeds 25% but all are less than 100%, the provision of the Mingyuan Group Financial Assistance (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that the 2021 Zhejiang Shencheng Fund Transfers were all financial assistances provided within a 12-month period, the 2021 Zhejiang Shencheng Fund Transfers are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2021 Zhejiang Shencheng Fund Transfers exceeds 25% but all are less than 100%, the 2021 Zhejiang Shencheng Fund Transfers (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that the 2022 Zhejiang Shencheng Fund Transfers were all financial assistances provided within a 12-month period, the 2022 Zhejiang Shencheng Fund Transfers are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

Although the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the 2022 Zhejiang Shencheng Fund Transfers exceeds 100%, the provision of financial assistance does not fall under acquisition of assets and hence, the transaction does not fall into the classification of a very substantial acquisition under Rule 14.06(5). Instead, the 2022 Zhejiang Shencheng Fund Transfers (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that the 2021 Shanghai Xiangyuan Fund Transfers were all financial assistances provided within a 12-month period, the 2021 Shanghai Xiangyuan Fund Transfers are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2021 Shanghai Xiangyuan Fund Transfers exceeds 5% but all are less than 25%, the 2021 Shanghai Xiangyuan Fund Transfers (if authorised) would have constituted a discloseable transaction of the Company at the material time and be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Given that the 2022 Shanghai Xiangyuan Fund Transfers were all financial assistances provided within a 12-month period, the 2022 Shanghai Xiangyuan Fund Transfers are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2022 Shanghai Xiangyuan Fund Transfers exceeds 25% but all are less than 100%, the 2022 Shanghai Xiangyuan Fund Transfers (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Given that the 2022 Nanjing Jiafeng Fund Transfers were all financial assistances provided within a 12-month period, the 2022 Nanjing Jiafeng Fund Transfers are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2022 Nanjing Jiafeng Fund Transfers exceeds 25% but all are less than 100%, the 2022 Nanjing Jiafeng Fund Transfers (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Assuming that the Share Pledge Agreement was entered into on 1 May 2022, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Zhejiang Jiayuan Services Share Pledge exceeds 5% but all are less than 25%, the provision of the Zhejiang Jiayuan Services Share Pledge (if authorised) would have constituted a discloseable transaction of the Company at the material time and be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Further, given that each of Mingyuan Group, Zhejiang Shencheng, Shanghai Xiangyuan and Nanjing Jiafeng is a company ultimately controlled by Mr. Shum, each of the 2021 Financial Assistances and the 2022 Financial Assistances are required to be aggregated pursuant to Rules 14.22 and 14A.81 of the Listing Rules.

One or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2021 Financial Assistances exceeds 25% but all are less than 100%. Although the highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the 2022 Financial Assistances exceeds 100%, the provision of financial assistance does not fall under acquisition of assets and hence, the transaction does not fall into the classification of a very substantial acquisition under Rule 14.06(5). Accordingly, each of the 2021 Financial Assistances and the 2022 Financial Assistances (if authorised) would have constituted a major transaction of the Company at the material time and be subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, given that (1) Mingyuan Group was one of the then indirect holding companies of the Company; (2) each of Zhejiang Shencheng, Shanghai Xiangyuan and Nanjing Jiafeng is ultimately controlled by Mr. Shum; and (3) Mr. Shum was the then controlling shareholder of the Company, each of Mingyuan Group, Zhejiang Shencheng, Shanghai Xiangyuan, Nanjing Jiafeng and Mr. Shum at the material time was a connected person of the Company under Chapter 14A of the Listing Rules, and the provision of each of the Financial Assistances (if authorised) would have constituted non-exempt connected transaction of the Company under Chapter 14A of the Listing Rules at the material time and be subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as the asset ratio defined under Rule 14.07(1) of the Listing Rules in respect of each of the Financial Assistances (save for the Zhejiang Jiayuan Services Share Pledge) exceeds 8%, the provision of each of the Financial Assistances (save for the Zhejiang Jiayuan Services Share Pledge) constitutes an advance to an entity under Rule 13.13 of the Listing Rules and is subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

In light of the fact that (i) the Financial Assistances have already been made and therefore Shareholders' consideration for the approval of the Financial Assistances no longer serves its purpose; and (ii) all material information relating to the Financial Assistances made available to the Company has been set forth in this announcement, no circular (including independent financial advice) will be issued by the Company to the Shareholders and no extraordinary general meeting of the Company will be convened for the purposes of considering, approving and ratifying the provision of the Financial Assistances. Hence, the Company is not in full compliance with Rules 14.34, 14A.35, 14A.36, 14A.39, 14A.44 and 14A.46 of the Listing Rules in this regard.

## **10. REMEDIAL MEASURES**

The Company deeply regrets that it had not duly complied with the Listing Rules in these regards. As immediate remedial action, the Group has diligently, sought advices from the professional advisers on, among other things, the possible and necessary follow up actions to be taken by the Group to recover the outstanding amounts under the Financial Assistances as well as the enforceability of the share pledge under the Share Pledge Agreement, and the Company hereby publishes this announcement to disclose all material information in respect of the Financial Assistances. As stated in the Key Findings Announcement, the Company has also engaged Zhonghui Anda Risk Services Limited to conduct the Independent Internal Control Review and make appropriate recommendations to improve and strengthen the Company's and the Group's internal control systems, procedures and policies, and the Group has taken a series of remedial actions in this regard. Going forward, the Company has strengthened its internal control system and implemented measures to avoid the recurrence of similar issues.

## **11. CONTINUED SUSPENSION OF TRADING**

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023, and will remain suspended until further notice.

## **12. DEFINITIONS**

“2021 Financial Assistances”	collectively, 2021 Zhejiang Shencheng Fund Transfers and the 2021 Shanghai Xiangyuan Fund Transfers
“2021 Shanghai Xiangyuan Fund Transfers”	the transfer of funds from Zhejiang Jiayuan Services to various parties for the benefit of Shanghai Xiangyuan during the financial year ended 31 December 2021 in the aggregate amount of RMB190,125,000, details of which are set out in “The Shanghai Xiangyuan Financial Assistances” section of this announcement and the Key Findings Announcement
“2021 Zhejiang Shencheng Fund Transfers”	the transfer of funds from the Group to various parties for the benefit of Zhejiang Shencheng during the financial year ended 31 December 2021 in the aggregate amount of RMB695,850,000, details of which are set out in “The Zhejiang Shencheng Financial Assistances” section of this announcement and the Key Findings Announcement
“2022 Financial Assistances”	collectively, the Mingyuan Group Financial Assistance, the 2022 Zhejiang Shencheng Fund Transfers, the 2022 Shanghai Xiangyuan Fund Transfers, the Nanjing Jiafeng Financial Assistance and the Zhejiang Jiayuan Services Share Pledge



“2022 Shanghai Xiangyuan Fund Transfers”	the transfer of funds from Zhejiang Jiayuan Services to various parties for the benefit of Shanghai Xiangyuan during the financial year ended 31 December 2022 in the aggregate amount of RMB191,540,000, details of which are set out in “The Shanghai Xiangyuan Financial Assistancess” section of this announcement and the Key Findings Announcement
“2022 Zhejiang Shencheng Fund Transfers”	the transfer of funds from the Group to various parties for the benefit of Zhejiang Shencheng during the financial year ended 31 December 2022 in the aggregate amount of RMB623,434,715, details of which are set out in “The Zhejiang Shencheng Financial Assistancess” section of this announcement and the Key Findings Announcement
“Anhui Chongyuan”	Anhui Chongyuan Property Management Co., Ltd.* (安徽崇源物業管理有限公司), an indirect wholly-owned subsidiary of the Company and a limited liability company established in the PRC
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“China Jiayuan”	China Jiayuan Group Limited, a limited liability company established in the PRC which is indirectly wholly owned by Mr. Shum and one of the then indirect holding companies of the Company
“Company”	Jiayuan Services Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1153)
“Consultancy Agreement”	an acquisition consultancy service agreement dated 1 January 2021 entered into between the Company and Evergain in relation to provision of services by Evergain to the Company (and/or its subsidiaries), such as advising on mergers and acquisitions and arranging for payment of acquisition deposits for potential mergers and acquisitions
“controlling shareholder”	has meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Evergain”	Evergain Zhiyuan International Trading Limited (永得利智元國際貿易有限公司), a company incorporated in Hong Kong
“Financial Assistancess”	collectively, the 2021 Financial Assistancess and the 2022 Financial Assistancess
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Internal Control Review”	the independent internal control review conducted by Zhonghui Anda Risk Services Limited on the Company’s and the Group’s internal control systems, procedures and policies
“Independent Investigation”	the independent investigation conducted by the Independent Investigation Agency in relation to certain abnormal transactions, which include overriding arrangements bypassing the Board and senior management and instructing the finance resources center of the Company to make unauthorized and undisclosed fund transfers or for settlement of debts or payables of companies owned or controlled by Mr. Shum
“Independent Investigation Agency”	Grant Thornton Advisory Services Limited
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Jiaxing Jiagang”	Jiaxing Jiagang Corporate Management Co., Ltd.* (嘉興市嘉港企業管理有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Hong Kong Jia Yuan Holdings Limited and a related party of the Company
“Jiayuan Chuangsheng”	Jiayuan Chuangsheng Holding Group Co., Ltd.* (佳源創盛控股集團有限公司), a limited liability company established in the PRC which is ultimately and beneficially wholly-owned by Mr. Shum
“Jinjiang Investment”	Jin Jiang Investment Limited (錦江投資管理有限公司), a company incorporated in Hong Kong and an Independent Third Party
“Key Findings Announcement”	the announcement of the Company dated 25 September 2024 in relation to, among other things, the key findings of the Independent Investigation and the Independent Internal Control Review
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan with a principal amount of RMB80,000,000 made available by Mr. Zang to Mr. Shum pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 31 March 2022 entered into between (1) Mr. Zang as the lender; (2) Mr. Shum as the borrower; and (3) Jiayuan Chuangsheng as the guarantor in respect of the Loan
“Mingyuan Group”	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 which is ultimately controlled by Mr. Shum, and is one of the then holding companies of the Company as at the material time of the provision of the Mingyuan Group Financial Assistance

“Mingyuan Group Financial Assistance”	the transfer of fund of HK\$178 million to Mingyuan Group by Evergain/Jinjiang Investment in the financial year ended 31 December 2022
“Mr. Shum”	Mr. Shen Yuxing (沈玉興), also known as Mr. Shum Tin Ching (沈天晴), the then ultimate controlling shareholder of the Company as at the material time of entering into of the Share Pledge Agreement
“Mr. Zang”	Mr. Zang Ping (臧平), a PRC individual who is an Independent Third Party
“Nanjing Jiafeng”	Nanjing Jiafeng Consultancy Management Co., Ltd. * (南京嘉豐諮詢管理有限公司), a limited liability company established in the PRC which is indirectly owned by Mr. Shum
“Nanjing Jiafeng Financial Assistance”	the transfer of fund in the aggregate amount of RMB135,000,000 by Zhejiang Jiayuan Services to Jiaxing Jiagang in the financial year ended 31 December 2022 for repayment of debt owed to Jiaxing Jiagang by Nanjing Jiafeng
“Pledged Shares”	all equity interest in Zhejiang Jiayuan Services in the principal amount of RMB500,000,000 and all underlying interest thereof (inclusive of dividends and other benefits) owned by Zhejiang Heyuan and pledged pursuant to the Share Pledge Agreement
“PRC”	The People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Baoji”	Shanghai Jiayuan Baoji Property Service Co., Ltd.* (上海佳源保集物業服務有限公司), formerly known as Shanghai Baoji Property Management Co., Ltd.* (上海保集物業管理有限公司), an indirect wholly-owned subsidiary of the Company and a limited liability company established in the PRC
“Shanghai Xiangyuan”	Shanghai Xiangyuan Real Estate Development Co., Ltd.* (上海祥源房地產開發有限公司), a limited liability company established in the PRC which is indirectly owned by Mr. Shum
“Shanghai Xiangyuan Financial Assurances”	collectively, the 2021 Shanghai Xiangyuan Fund Transfers and the 2022 Shanghai Xiangyuan Fund Transfers
“Share(s)”	Share(s) at par value of HK\$0.01 each in the share capital of the Company
“Share Pledge Agreement”	the share pledge agreement entered into between Zhejiang Heyuan as pledgor and Mr. Zang as pledgee, pursuant to which Zhejiang Heyuan has agreed to pledge the Pledged Shares as security under the Loan Agreement

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zhejiang Heyuan”	Zhejiang Heyuan Property Services Co., Ltd.* (浙江禾源物業服務有限公司), an indirect wholly-owned subsidiary of the Company and a wholly foreign owned enterprise established in the PRC
“Zhejiang Jiayuan Property”	Zhejiang Jiayuan Property Group Co., Ltd.* (浙江佳源房地產集團有限公司), a limited liability company established in the PRC and a subsidiary of Jiayuan Chuangsheng
“Zhejiang Jiayuan Services”	Zhejiang Jiayuan Property Services Group Co., Ltd.* (浙江佳源物業服務集團有限公司), currently known as Zhejiang Zhixiang Dacheng Property Services Group Co., Ltd.* (浙江智想大成物業服務集團有限公司), an indirect wholly-owned subsidiary of the Company and a limited liability company established in the PRC
“Zhejiang Jiayuan Services Share Pledge”	the provision of security by way of pledge on the Pledged Shares by Zhejiang Heyuan pursuant to the Share Pledge Agreement
“Zhejiang Shencheng”	Zhejiang Jiayuan Shencheng Real Estate Group Co., Ltd.* (浙江佳源申城房地產集團有限公司), a limited liability company established in the PRC and a subsidiary of Zhejiang Jiayuan Property
“Zhejiang Shencheng Financial Assurances”	collectively, the 2021 Zhejiang Shencheng Fund Transfers and the 2022 Zhejiang Shencheng Fund Transfers
“%”	per cent

By order of the Board  
**Jiayuan Services Holdings Limited**  
**Pang Bo**  
*Executive Director*

Hong Kong, 30 September 2024

*As at the date of this announcement, the Board comprises five Directors, of which Mr. Pang Bo and Mr. Bao Guojun are the executive Directors, and Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin are the independent non-executive Directors.*

\* *For identification purposes only*