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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)

INSIDE INFORMATION

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

References are made to (i) the announcements of the Company dated 13 November 2024 and 13 December 2024 (the “**Announcements**”); and (ii) the annual report of the Company for the year ended 31 December 2024 (the “**Annual Report**”) in relation to, among others, the major and connected transaction in relation to the provision of unauthorised guarantees to the then ultimate controlling shareholder. Unless otherwise defined, terms used herein shall have the same meaning as those defined in the Announcements.

THE ENFORCEMENT SETTLEMENT AGREEMENT

On 15 May 2025, Shanghai Jinyuan and Shanghai Zhijin as applicants and Chaohu Xutong (a company ultimately and beneficially wholly-owned by the former controlling shareholder of the Company), Jiayuan Chuangsheng (a company ultimately and beneficially wholly-owned by the former controlling shareholder of the Company), Zhejiang Heyuan (an indirect wholly-owned subsidiary of the Company) and Zhejiang Zhixiang Dacheng (an indirect wholly-owned subsidiary of the Company) as enforcees (the “**Enforcees**”) entered into an enforcement settlement agreement (the “**Enforcement Settlement Agreement**”), pursuant to which, among others, each of Shanghai Jinyuan and Shanghai Zhijin have agreed to settle all the obligations of the Enforcees under the Equity Transfer Agreement and the Guarantee Agreements (the “**Settlement**”) at the amount of RMB86,000,000 (the “**Settlement Amount**”). The Settlement Amount comprises of (1) RMB43,000,000, which shall be satisfied by Jiayuan Chuangsheng or its related parties by way of assignment of 1,034 car parking spaces (the “**Car Parking Spaces**”) within five business days upon signing of the Enforcement Settlement Agreement; and (2) the remaining RMB43,000,000, which shall be satisfied by Zhejiang Heyuan and Zhejiang Zhixiang Dacheng in cash in the following manner:

- (i) RMB5,000,000 (the “**Initial Settlement Amount**”) shall be payable to Shanghai Jinyuan and Shanghai Zhijin upon signing of the Enforcement Settlement Agreement;
- (ii) RMB10,000,000 shall be payable to Shanghai Jinyuan and Shanghai Zhijin by 30 June 2025;
- (iii) RMB5,000,000 shall be payable to Shanghai Jinyuan and Shanghai Zhijin by 30 September 2025; and
- (iv) the remaining RMB23,000,000 shall be payable to Shanghai Jinyuan and Shanghai Zhijin by 31 December 2025.

Pursuant to the Enforcement Settlement Agreement, Shanghai Jinyuan and Shanghai Zhijin shall apply to the relevant court for the uplift of the frozen bank accounts of of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng, terminate the enforcement actions and remove all relevant restrictions within five business days upon receipt of the Initial Settlement Amount. The payment is expected to be funded by the Group’s internal resources.

Shanghai Jinyuan and Shanghai Zhijin further agree that, upon due performance of the aforesaid obligations by the Enforcees, they shall cease to have any right to claim against the Enforcees in respect of the Arbitration Mediation Statement. However, in the event that any Enforcees fail to fulfil their respective obligations pursuant to the terms of the Enforcement Settlement Agreement, Shanghai Jinyuan and Shanghai Zhijin shall have the right to reinstate the Arbitration Mediation Statement. Having said that, Shanghai Jinyuan and Shanghai Zhijin further undertake that they will not include Zhejiang Heyuan and Zhejiang Zhixiang Dacheng as enforcees in the reinstatement should such reinstatement arise due to a breach of obligations under the Enforcement Settlement Agreement by Chaohu Xutong, Jiayuan Chuangsheng and/or their related parties.

In addition, Shanghai Jinyuan and Shanghai Zhijin have entered into a letter of commitment with Zhejiang Heyuan and Zhejiang Zhixiang Dacheng, pursuant to which, among other things, Shanghai Jinyuan and Shanghai Zhijin undertake that they will not reinstate the Arbitration Mediation Statement against Zhejiang Heyuan and Zhejiang Zhixiang Dacheng nor will they initiate separate legal proceedings to hold Zhejiang Heyuan and Zhejiang Zhixiang Dacheng (including their directors, shareholders, senior management, employees, agents, and representatives) liable for any responsibilities related to the arbitration, provided that Zhejiang Heyuan and Zhejiang Zhixiang Dacheng have fulfilled their obligations under the Enforcement Settlement Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO OF THE ENFORCEMENT SETTLEMENT AGREEMENT

As mentioned in the Announcements and the Annual Report, the Group has taken various measures to defend the Group’s position in relation to the Arbitration Mediation Statement in order to protect and safeguard the legitimate interest of the Group. However, on 21 March 2025, the application for withdrawal of the Arbitration Mediation Statement was dismissed and the application of the non-enforcement of the Arbitration Mediation Statement was dismissed in April 2025 (the “**Dismissals**”).

As set out in the Annual Report, based on the consideration and arbitration and penalty fees stipulated under the Arbitration Mediation Statement, the Group has recognised a provision of approximately RMB152,340,000 for the year ended 31 December 2024. As a result of the Settlement, the Group is expected to record a reversal of loss amounting to approximately RMB109,340,000. This reversal consists of (i) RMB66,340,000, being the difference between the provision of RMB152,340,000 recorded as at 31 December 2024 and the Settlement Amount of RMB86,000,000, and (ii) RMB43,000,000, attributable to the assignment of the Car Parking Spaces, to be satisfied by Jiayuan Chuangsheng or its related parties. As at 31 March 2025, the appraised value of the Car Parking Spaces amounted to approximately RMB44,490,000. The remaining provision of RMB43,000,000, representing the outstanding cash obligation, will be contingent upon compliance with the payment schedule ending 31 December 2025 and may be partially mitigated by potential recoveries or claims against the relevant parties, subject to their repayment capacity. The actual financial effect to be recorded by the Company is subject to review and further audit procedures by the auditors of the Company and may be different from the estimation stated herein.

Having considered that (i) the Dismissals are final and non-appealable; (ii) the Group has already incurred considerable legal expenses in this respect; (iii) the repayment of RMB43,000,000 would release and discharge the Group from all remaining obligations and liabilities under the Arbitration Mediation Statement, and the release of the frozen deposits would enhance the cash flow of the Group and improve the liquidity for its operations; and (iv) as advised by the PRC legal advisers of the Company, Zhejiang Heyuan and Zhejiang Zhixiang Dacheng may recover and claim the amount paid from the relevant parties, the Board considers that the entering into of the Enforcement Settlement Agreement enables the Company to resolve the arbitration in an amicable and efficient manner avoiding further time, effort, and potential adverse impacts on the Group. Thus, the Company is of the view that the Enforcement Settlement Agreement is fair and reasonable and in the interests of the Company and its shareholders as a whole.

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

By order of the Board
Jiayuan Services Holdings Limited
Chairman and Executive Director
Li Meng

Hong Kong, 16 May 2025

As at the date of this announcement, the Board comprises six Directors, of which Mr. Li Meng (Chairman) and Mr. Xin Bing are the executive Directors, Ms. Ruan Hong is the non-executive Director, and Mr. Zhang Chen, Ms. Cui Yan and Mr. Cai Sitao are the independent non-executive Directors.