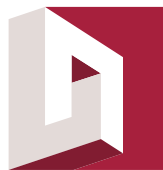


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

LETTER OF INTENT IN RESPECT OF THE POSSIBLE ACQUISITION

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA (as defined in the Listing Rules) of the SFO.

The Board announces that on 14 December 2017 (after trading hours), the Company entered into the non-legally binding LOI with the Sellers in relation to the Possible Acquisition.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA (as defined in the Listing Rules) of the SFO.

The Board announces that on 14 December 2017 (after trading hours), the Company entered into the non-legally binding LOI with the Sellers in relation to the Possible Acquisition.

THE LOI

Date

14 December 2017

Parties

- (i) the Company as the purchaser;
- (ii) Mrs. Choy Ling Lam as one of the Sellers; and
- (iii) Renhe Capital LLC as one of the Sellers.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Sellers and their respective ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Renhe Capital LLC is a New York limited liability company which is principally engaged in real estate investment and asset management. Mrs. Choy Ling Lam and Renhe Capital LLC hold 50% and 50% of the issued and outstanding capital stock of the Target respectively.

Major terms of the LOI

Assets to be acquired

Subject to the parties entering into the Formal Agreement, the Sellers shall sell and the Company shall acquire all of the issued and outstanding capital stock of the Target.

The Target, a New York corporation, is the developer of residential complex (the "**Project**") located at 109-09 15th Avenue, College Point, New York 11356, the United States (the "**Property**").

Consideration

The consideration for the Possible Acquisition is expected to be in the range of US\$15,000,000 to US\$30,000,000, subject to further negotiation between the parties.

The consideration is expected to be satisfied by the Company by way of allotment and issue of Consideration Shares. The issue price per Consideration Share will be subject to further negotiation between the parties to the LOI and will be agreed in accordance with the requirements of the Listing Rules.

Due diligence review

The Company shall conduct the due diligence review on the Target, the Property and the Project during the period from the signing of the LOI until its termination as more particularly described under the paragraph headed "Non-legally binding effect and Termination".

Exclusivity period

Under the LOI, in consideration of the expenses to be incurred by the Company in negotiating the Possible Acquisition and performing due diligence, the Sellers will not, and will cause the Target and their respective affiliates and representatives not to, among other matter, directly or indirectly, for a period of 45 days after the date of the LOI, (i) initiate, solicit or seek any inquiries or the making or implementation of any proposal or offer with respect to the Possible Acquisition; or (ii) engage in any negotiations concerning or have any substantive discussions with, any person or entity with respect to the Possible Acquisition; or (iii) otherwise cooperate in any effort or attempt to encourage, make, implement or accept the Possible Acquisition.

Non-legally binding effect and Termination

Save for the due diligence review, conduct of business, confidentiality, expenses, exclusivity period, termination and governing law, the LOI does not constitute any legally binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement. It is expected that Closing will be subject to customary conditions precedent to be negotiated and agreed between the parties to the LOI.

The LOI will automatically terminate on the first to occur of (i) the execution and delivery of the Formal Agreement; and (ii) 5:00 pm (New York Time) on the date that is 45 days after the date of the LOI.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

The Group is an established property developer of large-scale residential complex projects and integrated commercial complex projects in PRC. The principal activities of the Group include (i) the development and sale of residential and commercial properties; (ii) the provision of development services to government organisations for the development of resettlement properties and development or refurbishment of other types of properties, facilities or infrastructure; and (iii) the leasing of commercial properties owned or developed by the Group.

The Property is located at Queens of New York. Based on the information provided by the Sellers and subject to due diligence review, the Property has a gross floor area of approximately 180,000 square feet. The Project, when completed, is expected to comprise two six-floor residential buildings with car parking spaces, ships berth as well as harbourfront recreation area.

The Group believes that the Project located at Queens of New York is a mature investment opportunity for the Group to enhance the influence of Jiayuan Brand in the overseas as well as expanding its overseas land reserve. This is in line with the Group's strategy and commercial criteria for land development.

Given the aforesaid reasons and benefits, the Directors believe that the Possible Acquisition is on normal commercial terms and fair and reasonable in the interests of the Company and its Shareholders.

GENERAL

The LOI does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to the execution and completion of the Formal Agreement.

If the Formal Agreement is entered into, it is expected that the Possible Acquisition will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or shareholders' approval requirements under the Listing Rules as and when appropriate.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it may constitute a notifiable transaction on the part of the Company. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Possible Acquisition will be made by the Company in the event that any Formal Agreement has been signed.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Closing”	completion of the Possible Acquisition
“Company”	Jiayuan International Group Limited (佳源國際控股有限公司), a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2768)
“connected persons”	has the meaning as ascribed to it under the Listing Rules
“Consideration Shares”	new Shares to be allotted and issued to the Sellers credited as fully paid, for the purpose of settling the consideration for the Possible Acquisition
“Directors”	the directors of the Company
“Formal Agreement”	the formal stock purchase agreement which may or may not be entered into in relation to the Possible Acquisition
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LOI”	the letter of intent dated 14 December 2017 entered into between the Company and the Sellers in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition by the Company from the Sellers of all of the issued and outstanding capital stock of the Target as contemplated under the LOI
“PRC”	the People’s Republic of China, which for the purposes of this announcement only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Project”	has the meaning ascribed thereto under the paragraph headed “The LOI – Major terms of the LOI – Assets to be acquired” in this announcement
“Property”	has the meaning ascribed thereto under the paragraph headed “The LOI – Major terms of the LOI – Assets to be acquired” in this announcement
“Sellers”	Mrs. Choy Ling Lam and Renhe Capital LLC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	Waterfront Resort, Inc., a corporation incorporated in New York of the United States
“US” or “United States”	the United States of America
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

For illustration purposes only, the exchange rate of US\$1.00 = HK\$7.8079 has been adopted for translating US\$ into HK\$ in this announcement. No representation is made that any amounts can be or could have been converted at the relevant dates at the above rate or any other rates at all.

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

Hong Kong, 14 December 2017

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