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Jiayuan Services Holdings Limited Jiayuan International Group Limited

佳源服務控股有限公司

(Incorporated in the Cayman Islands

with limited liability)

(Stock Code: 1153)

佳源國際控股有限公司

(Incorporated in the Cayman Islands

with limited liability)

(Stock Code: 2768)

**JOINT ANNOUNCEMENT FOR
CONTINUING CONNECTED TRANSACTIONS**

Independent financial adviser to Jiayuan Services



Akron Corporate Finance Limited

THE CONTINUING CONNECTED TRANSACTIONS

Reference is made by Jiayuan Services and Jiayuan International to the section headed “Connected Transactions” in the Prospectus in relation to, among others, the entering into of (i) 2020 Chuangsheng Property Management Agreement; (ii) 2020 Jiayuan Property Management Agreement; (iii) 2020 Chuangsheng Value Added Services Agreement; (iv) 2020 Jiayuan Value Added Services Agreement; (v) 2020 Chuangsheng Sales Management Agreement; and (vi) 2020 Jiayuan Sales Management Agreement (collectively, the “**Existing Agreements**”).

On 22 December 2021, (1) Chuangsheng Holdings and Jiayuan Services entered into (i) the Chuangsheng Property Management and Value Added Services Framework Agreement and (ii) the Chuangsheng Sales Management and Other Services Framework Agreement; and (2) Jiayuan International and Jiayuan Services entered into (i) the Jiayuan International Property Management and Value Added Services Framework Agreement and (ii) the Jiayuan International Sales Management and Other Services Framework Agreement to revise the existing annual caps for the Property Management Services, Value Added Services and Sales Management and Other Services for the year ending 31 December 2021, terminate the Existing Agreements on the respective date of commencement of the term under the CCT Services Framework Agreements and to provide the new continuing connected transaction arrangements for the Property Management Services, Value Added Services and Sales Management and Other Services for the three years ending 31 December 2024.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Jiayuan International is a controlling shareholder of Jiayuan Services and indirectly interested in approximately 73.56% of the issued share capital of Jiayuan Services. As such, the transactions contemplated under (1) the Jiayuan International Property Management and Value Added Services Framework Agreement and (2) the Jiayuan International Sales Management and Other Services Framework Agreement constitute continuing connected transactions of Jiayuan Services under Chapter 14A of the Listing Rules.

Mr. Shum, being the non-executive director and the ultimate controlling shareholder of Jiayuan International, is deemed to be interested in approximately 73.56% of the issued share capital of Jiayuan Services. Chuangsheng Holdings is held as to 98.83% by Mr. Shum and is an associate of Mr. Shum. As such, Chuangsheng Holdings is a connected person of Jiayuan International and Jiayuan Services under the Listing Rules. Accordingly, the transactions contemplated under the Chuangsheng Property Management and Value Added Services Framework Agreement and the Chuangsheng Sales Management and Other Services Framework Agreement will constitute continuing connected transactions of Jiayuan International and Jiayuan Services under Chapter 14A of the Listing Rules.

Jiayuan Services

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Revised Caps and Annual Caps for the continuing connected transactions contemplated under the Property Management and Value Added Services Framework Agreements is expected to be more than 0.1% but less than 5%, the transactions contemplated under the Property Management and Value Added Services Framework Agreements are subject to the annual review, reporting and announcement requirements but are exempt from the Independent Shareholders' approval requirements under the Listing Rules.

Since one or more of the applicable percentage ratios calculated with reference to the Revised Caps and the Annual Caps for the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements is expected to be higher than 5% and have an annual consideration of higher than HK\$10,000,000, the Sales Management and Other Services Framework Agreements are subject to the reporting, announcement, independent financial advice, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Jiayuan International

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Revised Caps and the Annual Caps for the continuing connected transactions contemplated under the Chuangsheng Property Management and Value Added Services Framework Agreement and the Chuangsheng Sales Management and Other Services Framework Agreement is expected to be more than 0.1% but less than 5%, the transactions contemplated under the Chuangsheng Property Management and Value Added Services Framework Agreement and the Chuangsheng Sales Management and Other Services Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under the Listing Rules.

GENERAL

Jiayuan Services has established the Independent Board Committee comprising all three independent non-executive directors to advise its Independent Shareholders regarding the terms of, and the Revised Caps and the Annual Caps of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements, and Jiayuan Services has appointed Akron as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same. The Independent Board Committee will formulate its views with respect to the transactions contemplated under the Sales Management and Other Services Framework Agreements after obtaining and considering the advice of the Independent Financial Adviser.

The EGM will be convened by Jiayuan Services for the consideration and approval of the Independent Shareholders regarding the terms of, and the Revised Caps and the Annual Caps of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements. Mr. Shum and his associates will be required to abstain from voting on the shareholders' resolution(s) of Jiayuan Services in respect of the transactions contemplated under the Sales Management and Other Services Framework Agreement.

A circular of Jiayuan Services containing, among other things, (1) particulars of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements; (2) a notice of the EGM; (3) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) a letter of recommendation from the Independent Board Committee to the Independent Shareholders is expected to be despatched to the shareholders of Jiayuan Services on or around 24 December 2021.

INTRODUCTION

On 22 December 2021, (1) Chuangsheng Holdings and Jiayuan Services entered into (i) the Chuangsheng Property Management and Value Added Services Framework Agreement and (ii) the Chuangsheng Sales Management and Other Services Framework Agreement; and (2) Jiayuan International and Jiayuan Services entered into (i) the Jiayuan International Property Management and Value Added Services Framework Agreement and (ii) the Jiayuan International Sales Management and Other Services Framework Agreement to revise the existing annual caps of the Existing Agreements for the year ending 31 December 2021, terminate the Existing Agreements on the respective date of commencement of the term under the CCT Services Framework Agreements and to provide the new continuing connected transaction arrangements for the three years ending 31 December 2024.

(A) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders' Approval Requirement for Jiayuan Services and Jiayuan International

CHUANGSHENG PROPERTY MANAGEMENT AND VALUE ADDED SERVICES FRAMEWORK AGREEMENT

References are made to the sub-sections headed “Connected Transactions – (A) Continuing Connected Transactions which are Fully Exempted from the Reporting, Annual Review, Announcement and Independent Shareholders’ Approval Requirements” and “Connected Transactions – (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders’ Approval Requirement” in the Prospectus in relation to, among others, the entering into of the 2020 Chuangsheng Property Management Agreement and the 2020 Chuangsheng Value Added Services Agreement which shall expire on 31 December 2022.

On 22 December 2021, Jiayuan Services and Chuangsheng Holdings entered into the Chuangsheng Property Management and Value Added Services Framework Agreement to revise the existing annual caps for the year ending 31 December 2021, terminate the 2020 Chuangsheng Property Management Agreement and the 2020 Chuangsheng Value Added Services Agreement with effect from 1 January 2022 and provide the new continuing connected transaction arrangements for the three years ending 31 December 2024.

(i) REVISION OF ANNUAL CAP FOR 2021

Based on the latest unaudited management accounts of Jiayuan Services Group as at 31 October 2021, the aggregate service fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the 2020 Chuangsheng Property Management Agreement for the ten months ended 31 October 2021 is approximately RMB5.0 million and the aggregate service fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the 2020 Chuangsheng Value Added Services Agreement for the ten months ended 31 October 2021 is approximately RMB2.0 million, as compared to their respective existing annual cap of approximately RMB6.5 million and RMB2.2 million, respectively.

Revision of existing annual cap for 2021

For Property Management Services to Chuangsheng Holdings Group, the actual transaction amount for the year ending 31 December 2021 is more than expected because the number of newly delivered unsold parking spaces in 2021 has increased significantly more than expected; and for Chuangsheng Value Added services, the actual transaction amount for the year ending 31 December 2021 has increased more than expected mainly because the estimated transaction amount for the year ending 31 December 2021 as estimated in 2020 was based on the actual transaction amount for the year ended 31 December 2019 and the expected growth rate at that time. In 2019, operation of various Value Added Services had just started and the volume of business carried out was relatively small. As the business gradually matures and the property owner’s acceptance has improved, the actual revenue from the household services and sales of products under Chuangsheng Value Added Services in the year ending 31 December 2021 has increased significantly. Therefore, it is expected that the transaction amounts under the 2020 Chuangsheng Property Management Agreement and the 2020 Chuangsheng Value Added Services Agreement for the year ending 31 December 2021 will be (continuously) higher than the existing annual caps of RMB6.5 million and RMB2.2 million, respectively.

On 22 December 2021, Jiayuan Services and Chuangsheng Holdings entered into the Chuangsheng Property Management and Value Added Services Framework Agreement to revise the existing annual caps for Property Management Services and Chuangsheng Value Added Services provided to Chuangsheng Holdings Group for the year ending 31 December 2021 to RMB7.2 million and RMB4.5 million, respectively, and to terminate the 2020 Chuangsheng Property Management Agreement and the 2020 Chuangsheng Value Added Services Agreement with effect from 1 January 2022. Save for the revision of the annual cap for the Property Management Services and the Chuangsheng Value Added Services for the year ending 31 December 2021, the early termination and addition of service scopes to include assistance services for the sales of car parking spaces including marketing and advertising services for the Chuangsheng Holdings Group and sales of household goods and small electrical appliances products to the Chuangsheng Holdings Group for Chuangsheng Value Added Services, all other principal terms and conditions under the 2020 Chuangsheng Property Management Agreement and the 2020 Chuangsheng Value Added Services Agreement remain the same.

(ii) CONTINUING CONNECTED TRANSACTIONS FOR 2022 TO 2024

A summary of the salient terms of the new continuing connected transaction arrangements under the Chuangsheng Property Management and Value Added Services Framework Agreement is set out below:

Principal Terms

Date

22 December 2021

Parties

- (1) Jiayuan Services; and
- (2) Chuangsheng Holdings

Term

From 1 January 2022 to 31 December 2024

Subject Matter

Property Management Services

- (i) Jiayuan Services Group shall, where it is selected by the Chuangsheng Holdings Group following the relevant tender processes or other procedures in accordance with the relevant PRC laws and regulations, provide the Property Management Services according to the tender documents and the individual property management agreements to be entered into between members of Jiayuan Services Group and members of the Chuangsheng Holdings Group from time to time;
- (ii) the management fees payable by the Chuangsheng Holdings Group shall be determined based on the fee quotes to be submitted by Jiayuan Services Group under the relevant tender bids. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by Jiayuan Services Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market and applicable rates recommended by the relevant government authorities, if any; and
- (iii) the individual property management agreements to be entered into between members of Jiayuan Services Group and members of the Chuangsheng Holdings Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Chuangsheng Property Management and Value Added Services Framework Agreement.

Chuangsheng Value Added Services

- (i) Jiayuan Services Group shall, where it is engaged by the Chuangsheng Holdings Group, provide the Chuangsheng Value Added Services according to the individual service agreements to be entered into between members of the Jiayuan Services Group and members of the Chuangsheng Holdings Group from time to time;
- (ii) the service fees payable by the Chuangsheng Holdings Group shall be determined after arm's length negotiations with reference to the rates generally offered by the Jiayuan Services Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and
- (iii) the individual service agreements to be entered into between members of the Jiayuan Services Group and members of the Chuangsheng Holdings Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Chuangsheng Property Management and Value Added Services Framework Agreement.

Historical Transaction Amounts and Original Annual Caps

For each of the three financial years ended 31 December 2018, 2019 and 2020, the aggregate management fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the Property Management Services amounted to approximately RMB1.2 million, RMB1.5 million and RMB2.3 million, respectively. For the ten months ended 31 October 2021, based on the unaudited management accounts of Jiayuan Services Group, the aggregate management fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the Property Management Services amounted to approximately RMB5.0 million.

For each of the three financial years ended 31 December 2018, 2019 and 2020, the aggregate service fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the Chuangsheng Value Added Services amounted to approximately RMB14,000, RMB0.8 million and RMB0.7 million, respectively. For the ten months ended 31 October 2021, based on the unaudited management accounts of Jiayuan Services Group, the aggregate management fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the Chuangsheng Value Added Services amounted to approximately RMB2.0 million.

The original annual caps for the transactions under the 2020 Chuangsheng Property Management Agreement and the 2020 Chuangsheng Value Added Services Agreement are as follows:

	For the year ended 31 December 2020 <i>(RMB: million)</i>	For the year ending 31 December 2021 <i>(RMB: million)</i>	For the year ending 31 December 2022 <i>(RMB: million)</i>
Property Management Services	5.5	6.5	7.2
Chuangsheng Value Added Services	1.1	2.2	2.3

Proposed Annual Caps and the Basis of Determination

The proposed Annual Caps for the transactions under the Chuangsheng Property Management and Value Added Services Framework Agreement are as follows:

	For the year ending 31 December 2022 <i>(RMB: million)</i>	For the year ending 31 December 2023 <i>(RMB: million)</i>	For the year ending 31 December 2024 <i>(RMB: million)</i>
Property Management Services	8.5	10.2	12.3
Chuangsheng Value Added Services	6.0	7.2	8.7

Property Management Services

In arriving the above proposed Annual Caps for the Property Management Services, the parties have primarily considered, in respect of:

- (a) property units, including but not limited to (i) the historical transaction amounts; and (ii) the projected delivered GFA of the Chuangsheng Holdings Group based on the property management contracts on hand entered into between the Chuangsheng Holdings Group and the Jiayuan Services Group and the future property development plan of the Chuangsheng Holdings Group for the three years ending 31 December 2024; and
- (b) car parking spaces, including but not limited to (i) the estimated number of car parking spaces based on the existing number of car parking spaces managed by Jiayuan Services Group; and (ii) the estimated management fee based on the average management fees charged by Jiayuan Services Group under the existing contracts.

The increase in the relevant proposed Annual Caps is primarily due to the continuous growth of the expected delivered GFA for the three years ending 31 December 2024 estimated with reference to the property management contracts on hand entered into between the Chuangsheng Holdings Group and the Jiayuan Services Group and the future property development plan. For the three years ending 31 December 2022, 2023 and 2024, the estimated GFA of the property projects to be delivered by the Chuangsheng Holdings Group and to be managed by Jiayuan Services Group amounts to approximately 0.23 million sq.m., 0.27 million sq.m. and 0.33 million sq.m., respectively, which is estimated based on existing contracts on hand as of 30 June 2021, the delivery schedule of the Chuangsheng Holdings Group, as well as the future property development plan of the Chuangsheng Holdings Group for the three years ending 31 December 2024. It is estimated that the management fee for property units unsold will be around 1.5% of the total property management fee for the whole property project.

Given the increase in the expected delivered GFA of the Chuangsheng Holdings Group as mentioned above and the sales performance of car parking spaces developed by the Chuangsheng Holdings Group, it is expected that the estimated number of car parking spaces developed by the Chuangsheng Holdings Group and to be managed by Jiayuan Services Group will also increase from approximately 6,158 for the year ending 31 December 2021 based on the sales performance of the Chuangsheng Holdings Group in respect of the car parking spaces to approximately 7,390, 8,868 and 10,641 for the years ending 31 December 2022, 2023 and 2024, respectively, based on a year-on-year increase of 20%.

Chuangsheng Value Added Services

In arriving the above proposed Annual Caps for the Chuangsheng Value Added Services, the parties have primarily considered the number of restaurants involved including a new restaurant opened in a new area and the historical transaction amount per restaurant.

(B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders' Approval Requirement for Jiayuan Services

JIAYUAN INTERNATIONAL PROPERTY MANAGEMENT AND VALUE ADDED SERVICES FRAMEWORK AGREEMENT

Reference is made by Jiayuan Services and Jiayuan International to the sub-section headed and "Connected Transactions – (B) Continuing Connected Transactions which are Subject to the Reporting, Annual Review and Announcement Requirements but Exempt from the Independent Shareholders' Approval Requirement" in the Prospectus in relation to, among others, the entering into of the 2020 Jiayuan Property Management Agreement and the 2020 Jiayuan Value Added Services Agreement which shall expire on 31 December 2022.

On 22 December 2021, Jiayuan Services and Jiayuan International entered into the Jiayuan International Property Management and Value Added Services Framework Agreement to terminate the 2020 Jiayuan Property Management Agreement and the 2020 Jiayuan Value Added Services Agreement and provide the new continuing connected transaction arrangements for the three years ending 31 December 2024.

(i) TERMINATION OF THE 2020 JIAYUAN PROPERTY MANAGEMENT AGREEMENT AND THE 2020 JIAYUAN VALUE ADDED SERVICES AGREEMENT

On 22 December 2021, Jiayuan Services and Jiayuan International entered into the Jiayuan International Property Management and Value Added Services Framework Agreement to terminate the 2020 Jiayuan Property Management Agreement and the 2020 Jiayuan Value Added Services Agreement with effect from 1 January 2022. Save for the early termination, all other principal terms and conditions under the 2020 Jiayuan Property Management Agreement and the 2020 Jiayuan Value Added Services Agreement remain the same.

(ii) CONTINUING CONNECTED TRANSACTIONS FOR 2022 TO 2024

A summary of the salient terms of the new continuing connected transaction arrangements under the Jiayuan International Property Management and Value Added Services Framework Agreement is set out below:

Principal Terms

Date

22 December 2021

Parties

- (1) Jiayuan Services; and
- (2) Jiayuan International

Term

From 1 January 2022 to 31 December 2024

Subject Matter

Property Management Services

- (i) Jiayuan Services Group shall, where Jiayuan Services Group is selected by Jiayuan International Group following the relevant tender processes or other procedures in accordance with the relevant PRC laws or regulations, provide the Property Management Services according to the tender documents and the individual property management agreements to be entered into between members of Jiayuan Services Group and members of the Jiayuan International Group from time to time;
- (ii) the management fees payable by the Jiayuan International Group shall be determined based on the fee quotes to be submitted by Jiayuan Services Group under the relevant tender bids. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by Jiayuan Services Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market and applicable rates recommended by the relevant government authorities, if any; and
- (iii) the individual property management agreements to be entered into between members of Jiayuan Services Group and members of the Jiayuan International Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Property Management and Value Added Services Framework Agreement.

Jiayuan International Value Added Services

- (i) Jiayuan Services Group shall, where it is engaged by the Jiayuan International Group, provide the Jiayuan International Value Added Services according to the individual service agreements to be entered into between members of the Jiayuan Services Group and members of the Jiayuan International Group from time to time;
- (ii) the service fees payable by the Jiayuan International Group shall be determined after arm's length negotiations with reference to the rates generally offered by Jiayuan Services Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and
- (iii) the individual service agreements to be entered into between members of the Jiayuan Services Group and members of the Jiayuan International Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Property Management and Value Added Services Framework Agreement.

Historical Transaction Amounts and Original Annual Caps

For each of the three financial years ended 31 December 2018, 2019 and 2020, the aggregate management fees paid by the Jiayuan International Group to the Jiayuan Services Group in respect of the Property Management Services amounted to approximately RMB1.8 million, RMB2.1 million and RMB4.8 million, respectively.

For each of the three financial years ended 31 December 2018, 2019 and 2020, the aggregate service fees paid by the Jiayuan International Group to the Jiayuan Services Group in respect of the Jiayuan International Value Added Services amounted to approximately nil, RMB0.6 million and RMB0.1 million, respectively.

Based on the latest data of Jiayuan Services as at 31 October 2021, the aggregate service fees paid by the Jiayuan International Group to the Jiayuan Services Group in respect of the 2020 Jiayuan Property Management Agreement for the year ending 31 December 2021 is approximately RMB5.5 million and the aggregate service fees paid by the Jiayuan International Group to the Jiayuan Services Group in respect of the 2020 Jiayuan Value Added Services Agreement for the year ending 31 December 2021 is approximately RMB0.2 million, as compared to their respective existing annual cap of approximately RMB9.2 million and RMB1.9 million, respectively.

The original annual caps for the transactions under the 2020 Jiayuan Property Management Agreement and the 2020 Jiayuan Value Added Services Agreement are as follows:

	For the year ended 31 December 2020 (RMB: million)	For the year ending 31 December 2021 (RMB: million)	For the year ending 31 December 2022 (RMB: million)
Property Management Services	7.4	9.2	10.3
Jiayuan International Value Added Services	1.6	1.9	3.1

Proposed Annual Caps and the Basis of Determination

The proposed Annual Caps for the transactions under the Jiayuan International Property Management and Value Added Services Framework Agreement are as follows:

	For the year ending 31 December 2022 <i>(RMB: million)</i>	For the year ending 31 December 2023 <i>(RMB: million)</i>	For the year ending 31 December 2024 <i>(RMB: million)</i>
Property Management Services	12.7	15.3	18.3
Jiayuan International Value Added Services	3.1	3.8	4.5

Property Management Services

In arriving the above Annual Caps for the Property Management Services, the parties have primarily considered, in respect of:

- (a) property units, including but not limited to (i) the historical transaction amounts; and (ii) the projected delivered GFA of the Jiayuan International Group based on the property management contracts on hand entered into between the Jiayuan International Group and Jiayuan Services Group and the future property development plan of the Jiayuan International Group for the three years ending 31 December 2024; and
- (b) car parking spaces, including but not limited to (i) the estimated number of car parking spaces based on the existing number of car parking spaces managed by Jiayuan Services Group; and (ii) the estimated management fee based on the average management fees charged by Jiayuan Services Group under the existing contracts. The increase in the relevant proposed Annual Caps is primarily due to the continuous growth of the expected delivered GFA for the three years ending 31 December 2024 as estimated with reference to the property management contracts on hand entered into between the Jiayuan International Group and Jiayuan Services Group and the future property development plan of the Jiayuan International Group.

For the three years ending 31 December 2022, 2023 and 2024, the estimated GFA of the property projects to be delivered by the Jiayuan International Group and to be managed by the Jiayuan Services Group amounts to approximately 0.51 million sq.m., 0.62 million sq.m. and 0.74 million sq.m., respectively, which is estimated based on existing contracts on hand as of 30 June 2021 and the delivery schedule of the Jiayuan International Group, as well as the future property development plan of the Jiayuan International Group for the three years ending 31 December 2024. It is estimated that the management fee for property units unsold will be around 2.3% of the total property management fee for the whole property project.

Given the increase in the expected delivered GFA of the Jiayuan International Group as mentioned above and the sales performance of the Jiayuan International Group in respect of the car parking spaces, it is expected that the number of car parking spaces developed by the Jiayuan International Group and to be managed by Jiayuan Services Group will also increase to approximately 13,735, 16,482 and 19,779 for the years ending 31 December 2022, 2023 and 2024, respectively, based on a year-on-year increase of 20%.

Jiayuan International Value Added Services

In arriving the above Annual Caps for the Jiayuan International Value Added Services, the parties have primarily considered, in respect of:

- (a) catering services, including but not limited to:
 - (i) two restaurants including an existing restaurant which opened in May 2020 and a new restaurant opened in a new area during the year ending 31 December 2021;
 - (ii) the average monthly revenue of a restaurant operated by Jiayuan Services Group generated from our provision of the catering services to the employees of the Jiayuan International Group, which amounted to approximately RMB56,000 for the year ending 31 December 2021; and
- (b) car parking lots sales assistance services, including but not limited to:
 - (i) the estimated number of car parking spaces based on the historical number of car parking spaces sold through the assistance of Jiayuan Services Group, which amounted to around 466 for the year ending 31 December 2021; and
 - (ii) the estimated service fee based on the service fee charged by Jiayuan Services Group under existing contracts.

The increase in the relevant proposed Annual Caps is mainly due to the following reasons:

- (a) the opening of a new restaurant which provides catering services to employees of Jiayuan International Group in a new area during the year ending 31 December 2021;
- (b) the expected increase in the number of employees of the Jiayuan International Group due to business expansion;

- (c) the continuous increase in the expected number of the car parking spaces to be developed by the Jiayuan International Group and sold through the assistance of Jiayuan Services Group for the three years ending 31 December 2024, which is expected to grow by 10% year on year. The relevant increase is in line with the increase in the expected delivered GFA of the Jiayuan International Group for the three years ending 31 December 2024 based on its future development plan; and
 - (d) the commission for car parking spaces to be developed by the Jiayuan International Group and sold through the assistance of the Jiayuan Services Group is expected to grow by 5% year on year.
- (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements for Jiayuan Services but Exempt from the Independent Shareholders' Approval Requirement for Jiayuan International**

CHUANGSHENG SALES MANAGEMENT AND OTHER SERVICES FRAMEWORK AGREEMENT

Reference is made by Jiayuan Services and Jiayuan International to the sub-section headed "Connected Transactions – (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements" in the Prospectus in relation to, among others, the entering into of the 2020 Chuangsheng Sales Management Agreement which shall expire on 31 December 2022.

On 22 December 2021, Jiayuan Services and Chuangsheng Holdings entered into the Chuangsheng Sales Management and Other Services Framework Agreement to revise the existing annual cap for the Sales Management and Other Services for the year ending 31 December 2021, terminate the 2020 Chuangsheng Sales Management Agreement and provide the new continuing connected transaction arrangements for the Sales Management and Other Services for the three years ending 31 December 2024.

(i) REVISION OF EXISTING ANNUAL CAP FOR 2021

Since the actual number of housing sales office service projects has increased by approximately 20% as compared to previously expected, it is expected that the transaction amount under the 2020 Chuangsheng Sales Management Agreement for the year ending 31 December 2021 will be higher than the existing annual cap of RMB41.0 million. Jiayuan Services proposed to enter into the Chuangsheng Sales Management and Other Services Framework Agreement to revise the existing annual cap for Sale Management and Other Services provided to Chuangsheng Holdings Group for the year ending 31 December 2021 to RMB47.0 million and to terminate the 2020 Chuangsheng Sales Management Agreement with effect from the date of commencement of the term of the Chuangsheng Sales Management and Other Services Framework Agreement. Save for the revision of the annual cap for the Sales Management and Other Services for the year ending 31 December 2021 and the early termination, all other principal terms and conditions of the Chuangsheng Sales Management and Other Services Framework Agreement remain the same as those under the 2020 Chuangsheng Sales Management Agreement. The Revised Cap and the proposed Annual Caps for the Sales Management and Other Services are subject to the approval by the Independent Shareholders at the EGM.

Based on the latest data of Jiayuan Services as at 31 October 2021, the aggregate service fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the 2020 Chuangsheng Sales Management Agreement for the year ending 31 December 2021 is approximately RMB33.9 million and the existing annual cap is approximately RMB41.0 million.

(ii) CONTINUING CONNECTED TRANSACTIONS FROM 2022 TO 2024

A summary of the salient terms of the new continuing connected transaction arrangements under the Chuangsheng Sales Management and Other Services Framework Agreement is set out below:

Principal Terms

Date

22 December 2021

Parties

- (1) Jiayuan Services; and
- (2) Chuangsheng Holdings

Term

The period commencing on the date on which all conditions precedent set out in this announcement have been fulfilled to and including 31 December 2024 (both days inclusive)

Subject Matter

- (i) Jiayuan Services Group shall, where it is selected by the Chuangsheng Holdings Group following the comparison of the fee quotes provided by different independent service providers, provide the Sales Management and Other Services according to the fee quotes and the individual management agreements to be entered into between members of the Jiayuan Services Group and members of the Chuangsheng Holdings Group from time to time;
- (ii) the management fees payable by the Chuangsheng Holdings Group shall be determined based on the fee quotes to be submitted by Jiayuan Services Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by the Jiayuan Services Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and

- (iii) the individual management agreements to be entered into between members of the Jiayuan Services Group and members of the Chuangsheng Holdings Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Chuangsheng Sales Management and Other Services Framework Agreement.

Conditions Precedent

The Chuangsheng Sales Management and Other Services Framework Agreement is conditional upon the following:

- (1) the Independent Shareholders having approved it by way of poll at the EGM to be convened in compliance with the Listing Rules; and
- (2) if applicable, all authorisations, approvals, consents, waivers and permits required from all authorities to give effect to it having been granted, received or obtained and not revoked.

Historical Transaction Amounts and Original Annual Caps

For each of the three financial years ended 31 December 2018, 2019 and 2020 and the ten months ended 31 October 2021, the aggregate service fees paid by the Chuangsheng Holdings Group to the Jiayuan Services Group in respect of the Sales Management and Other Services amounted to approximately RMB27.1 million, RMB34.5 million, RMB38.1 million and RMB33.9 million, respectively.

The original caps for the transactions under the 2020 Chuangsheng Sales Management Agreement are as follows:

	For the year ended 31 December 2020 <i>(RMB: million)</i>	For the year ending 31 December 2021 <i>(RMB: million)</i>	For the year ending 31 December 2022 <i>(RMB: million)</i>
Sales Management and Other Services	38.2	41.0	44.2

Proposed Annual Caps and the Basis of Determination

The proposed Annual Caps for the transactions under the Chuangsheng Sales Management and Other Services Framework Agreement are as follows:

	For the year ending 31 December 2022 <i>(RMB: million)</i>	For the year ending 31 December 2023 <i>(RMB: million)</i>	For the year ending 31 December 2024 <i>(RMB: million)</i>
Sales Management and Other Services	53.0	63.6	76.4

In arriving the above Annual Caps for the Sales Management and Other Services under the Chuangsheng Sales Management and Other Services Framework Agreement, the parties have primarily considered, in respect of the following business sectors:

- (a) the sales management services, including but not limited to the following information:
 - (i) the number of the expected projects which is estimated to be 58, 70 and 84 for each of the three years ending 31 December 2022, 2023 and 2024, respectively. Such number of expected property projects is estimated with reference to the estimated number of 48 property projects for the year ending 31 December 2021 based on the sales management contracts that had been entered into;
 - (ii) the estimated duration of the service period of the expected projects based on the average duration of the existing projects;
 - (iii) the estimated number of staff based on the average number of staff assigned to each existing project;
 - (iv) the estimated service fees based on the average service fee charged per staff for the existing projects; and
 - (v) the estimated property delivery schedule from Chuangsheng Holdings Group for the three years ending 31 December 2024; and
- (b) the other services, including but not limited to the following information:
 - (i) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of Chuangsheng Holdings Group and the historical delivered GFA; and
 - (ii) the estimated management fees based on the management fee charged under the existing contracts.

The increase in the relevant proposed Annual Caps is mainly due to (a) the expected year-on-year increase of staff cost for the provision of sales management services by approximately 5% for each of the three years ending 31 December 2022, 2023 and 2024, respectively; and (b) the continuous growth of the expected delivered GFA of the properties to be completed by Chuangsheng Holdings Group in the three years ending 31 December 2024.

The increase in the proposed Annual Caps as compared to the historical transaction amounts is primarily due to the following reasons:

- (a) the increase of staff cost per year from approximately RMB90,000 for the year ended 31 December 2019 to approximately RMB105,000 for the year ended 31 December 2020; and

- (b) the increase in the number of expected projects of the Chuangsheng Holdings Group to 58, 70 and 84 for each of the three years ending 31 December 2022, 2023 and 2024, respectively, as compared to the number of projects of the Chuangsheng Holdings Group to which Jiayuan Services Group provided sales management services for each of the years ended or ending 31 December 2019, 2020 and 2021, which amounted to 41, 40 and 48, respectively.

The number of expected projects of the Chuangsheng Holdings Group for the year ending 31 December 2021 is expected to increase to 48, as compared to the 40 projects of the Chuangsheng Holdings Group to which Jiayuan Services Group provided sales management services for the year ended 31 December 2020. The estimated GFA of the properties to be delivered by the Chuangsheng Holdings Group is expected to grow by 20% in average year on year.

(D) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements for Jiayuan Services

JIAYUAN INTERNATIONAL SALES MANAGEMENT AND OTHER SERVICES FRAMEWORK AGREEMENT

Reference is made to the sub-section headed and “Connected Transactions – (C) Continuing Connected Transactions which are Subject to the Reporting, Annual Review, Announcement and Independent Shareholders' Approval Requirements” in the Prospectus in relation to, among others, the entering into of the 2020 Jiayuan Sales Management Agreement which shall expire on 31 December 2022.

On 22 December 2021, Jiayuan Services and Jiayuan International entered into the Jiayuan International Sales Management and Other Services Framework Agreement to revise the existing annual caps for the year ending 31 December 2021, terminate the 2020 Jiayuan Sales Management Agreement and provide the new continuing connected transaction arrangements for the three years ending 31 December 2024.

(i) REVISION OF EXISTING ANNUAL CAP FOR 2021

Since the actual number of housing sales office service projects has increased by approximately 26% as compared to previously expected, it is expected that the transaction amount under the 2020 Jiayuan Sales Management Agreement for the year ending 31 December 2021 will be higher than the existing annual cap of RMB36.8 million. Jiayuan Services proposed to revise the existing annual cap for Sale Management and Other Services provided to the Jiayuan International Group for the year ending 31 December 2021 to RMB48.0 million and to terminate the 2020 Jiayuan Sales Management Agreement with effect from the date of commencement of the term of the Jiayuan International Sales Management and Other Services Framework Agreement. Save for the revision of the annual cap for the year ending 31 December 2021 and the early termination, all other principal terms and conditions of the Jiayuan International Sales Management and Other Services Framework Agreement remain the same as those under the 2020 Jiayuan Sales Management Agreement. The Revised Cap and the proposed Annual Caps are subject to the approval by the Independent Shareholders at the EGM.

Based on the latest data of Jiayuan Services as at 31 October 2021, the aggregate service fees paid by the Jiayuan International Group to the Jiayuan Services Group in respect of the 2020 Jiayuan Sales Management Agreement for the year ending 31 December 2021 is approximately RMB31.8 million, as compared to its existing annual caps of approximately RMB36.8 million. Based on the latest data of Jiayuan Services as at the date of this announcement, the transaction amount in December 2021 has not been confirmed and audited, there is a probability that the existing annual cap for the year ending 31 December 2021 could be exceeded.

Reasons for the Proposed Increase of the Annual Caps

The estimated transaction amount for the year ending 31 December 2021 was based on the actual transaction amount in 2019 and the expected growth rate at that time. The actual GFA of the properties and actual number of projects delivered by the Jiayuan International Group in 2021 was more than expected resulting in there being a probability that the existing annual cap for the year ending 31 December 2021 could be exceeded.

(ii) CONTINUING CONNECTED TRANSACTIONS FROM 2022 TO 2024

A summary of the salient terms of the new continuing connected transaction arrangements under the Jiayuan International Sales Management and Other Services Framework Agreement is set out below:

Principal Terms

Date

22 December 2021

Parties

- (1) Jiayuan Services; and
- (2) Jiayuan International

Term

The period commencing on the date on which all conditions precedent set out in this announcement have been fulfilled to and including 31 December 2024 (both days inclusive)

Subject Matter

- (i) Jiayuan Services Group shall, where it is selected by the Jiayuan International Group following the comparison of the fee quotes provided by different independent service providers, provide the Sales Management and Other Services according to the fee quotes and the individual management agreements to be entered into between members of the Jiayuan Services Group and members of the Jiayuan International Group from time to time;
- (ii) the management fees payable by the Jiayuan International Group shall be determined based on the fee quotes to be submitted by the Jiayuan Services Group. The fee quotes shall take into account the nature, age, infrastructure features, geographical location and neighborhood profile of the relevant properties, with reference to the rates generally offered by the Jiayuan Services Group to Independent Third Parties in respect of comparable services, the fees for similar services and types of projects in the market; and
- (iii) the individual management agreements to be entered into between members of Jiayuan Services Group and members of the Jiayuan International Group shall only contain provisions which are, in all material aspects, consistent with the binding principles, guidelines, terms and conditions set out in the Jiayuan International Sales Management and Other Services Framework Agreement.

Conditions Precedent

The Jiayuan International Sales Management and Other Services Framework Agreement is conditional upon the following:

- (1) the Independent Shareholders having approved it by way of poll at the EGM to be convened in compliance with the Listing Rules; and
- (2) if applicable, all authorisations, approvals, consents, waivers and permits required from all authorities to give effect to it having been granted, received or obtained and not revoked.

Historical Transaction Amounts and Original Annual Caps

For each of the three financial years ended 31 December 2018, 2019 and 2020 and the ten months ended 31 October 2021, the aggregate service fees paid by the Jiayuan International Group to the Jiayuan Services Group in respect of the sales management and other services amounted to approximately RMB26.5 million, RMB30.7 million, RMB30.7 million and RMB31.8 million, respectively.

The original caps for the transactions under the 2020 Jiayuan Sales Management Agreement are as follows:

	For the year ended 31 December 2020 <i>(RMB: million)</i>	For the year ending 31 December 2021 <i>(RMB: million)</i>	For the year ending 31 December 2022 <i>(RMB: million)</i>
Sales Management and Other Services	34.2	36.8	39.8

Proposed Annual Caps and the Basis of Determination

The proposed Annual Caps for the transactions under the Jiayuan International Sales Management and Other Services Framework Agreement are as follows:

	For the year ending 31 December 2022 <i>(RMB: million)</i>	For the year ending 31 December 2023 <i>(RMB: million)</i>	For the year ending 31 December 2024 <i>(RMB: million)</i>
Sales Management and Other Services	58.0	69.6	83.6

In arriving the above Annual Caps for the Sales Management and Other Services under the Jiayuan International Sales Management and Other Services Agreement, the parties have primarily considered, in respect of the following business sectors:

- (a) the sales management services, including but not limited to the following information:
 - (i) the number of the expected projects which is estimated to be 59, 71 and 85 for each of the three years ending 31 December 2022, 2023 and 2024. Such numbers of expected property projects are estimated with reference to the estimated number of 49 property projects for the year ending 31 December 2021 based on the sales management contracts that had been entered into;
 - (ii) the estimated duration of the service period of the expected projects based on the average duration of the existing projects;
 - (iii) the estimated number of staff based on the average number of staff assigned to each existing project;
 - (iv) the estimated service fees based on the average service fee charged per staff for the existing projects; and
 - (v) the estimated property delivery schedule from Jiayuan International Group for the years ending 31 December 2024; and

- (b) the other services, including but not limited to the following information:
 - (i) the estimated GFA of the properties to be delivered based on the existing signed contracts, the delivery schedule of Jiayuan International Group and the historical delivered GFA; and
 - (ii) the estimated management fees based on the management fees charged under the existing contracts.

The increase in the relevant proposed Annual Caps is mainly due to (a) the expected year-on-year increase of staff cost for the provision of sales management services by approximately 5% for each of the three years ending 31 December 2022, 2023 and 2024, respectively; and (b) the continuous growth of the expected delivered GFA of the properties to be completed by the Jiayuan International Group in the three years ending 31 December 2024. The estimated GFA of the properties to be delivered by the Jiayuan International Group is expected to grow by 20% in average year on year.

The increase in the proposed Annual Caps as compared to the historical transaction amounts is primarily due to (i) the increase in the number of expected projects of the Jiayuan International Group to 59, 71 and 85 for each of the three years ending 31 December 2022, 2023 and 2024, respectively, as compared to the number of projects of the Jiayuan International Group to which Jiayuan Services Group provided sales management services for each of the three years ended 31 December 2019, 2020 and 2021, which amounted to 35, 39 and 49, respectively; and (ii) the increase of staff cost per year from approximately RMB101,000 for the year ended 31 December 2020 to approximately RMB106,000 for the year ending 31 December 2021.

PRICING PRINCIPLES

As a general principle, the price and terms of contracts with the Chuangsheng Holdings Group and the Jiayuan International Group shall be determined (1) in the ordinary course of business on normal commercial terms, (2) negotiated on an arm's length basis and (3) at prices and on terms no less favourable to the Jiayuan Services Group than those provided to the Independent Third Party customers of the Jiayuan Services Group.

The management fees to be charged for the property management services shall be determined after arm's length negotiations taking into account the total GFA of the property development projects requiring such property management services, the anticipated operational costs (including labour costs, material costs and administrative costs) and the guidance rate set by the relevant government authorities (if any) or the prevailing market price for similar services and similar type of projects.

In accordance with the relevant property management laws and regulations of the PRC, Jiayuan Services Group shall participate in and go through a tender process before being selected and appointed as a property manager for certain property management services. The price and terms of tenders submitted by the Jiayuan Services Group are subject to the standard tender submission procedures maintained by the Jiayuan Services Group, which apply to tenders submitted to all the Chuangsheng Holdings Group, the Jiayuan International Group and the Independent Third Party customers.

For those property management services, value added services and sales management and other services which are not subject to aforementioned tender process according to the prevailing property management laws and regulations of the PRC, Jiayuan Services Group will compare the price quotes and terms of the relevant services with those offered to the Independent Third Party customers from time to time, so as to ensure that the offer price to the Chuangsheng Holdings Group and the Jiayuan International Group and the terms are no less favourable to the Jiayuan Services Group than those offered to the Independent Third Party customers for the Jiayuan Services Group. Similarly, the Jiayuan International Group and the Chuangsheng Holdings Group will compare the price quotes and terms of the relevant Property Management Services and Value Added Services with those offered from the Independent Third Party providers from time to time, in order to ensure that the offer price from the Jiayuan Services Group and terms are on terms no less favourable to the Jiayuan International Group than those offered from Independent Third Party service providers for the Jiayuan International Group.

GENERAL INFORMATION OF THE PARTIES

Information of the Jiayuan International Group

Jiayuan International Group is an established property developer of large-scale residential complex projects and integrated commercial complex projects in the PRC. The principal activities of Jiayuan International Group include (a) the development and sale of residential and commercial properties; (b) 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 (c) the leasing of commercial properties owned or developed by the Jiayuan International Group.

Information of the Jiayuan Services Group

Jiayuan Services Group is a leading comprehensive property management service provider in Zhejiang province, headquartered in Jiaxing and deeply rooted in the Yangtze River Delta Region. The principal activities of Jiayuan Services Group are provision of property management services, value-added services to property developers and community value-added services in the PRC.

Information of Chuangsheng Holdings

Chuangsheng Holdings is a company established under the laws of the PRC with limited liability. It is held as to 98.83% by Mr. Shum and principally engaged in property development, equity investment, enterprise investment and enterprise management consulting services.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The provision and receipt of the Property Management Services is consistent with the commercial objectives of the Jiayuan Services Group and the Jiayuan International Group and fall within the ordinary and usual course of business of the Jiayuan Services Group and the Jiayuan International Group.

The directors of Jiayuan Services consider that the provision of the Property Management Services, Value Added Services and Sales Management and Other Services to the Chuangsheng Holdings Group and the Jiayuan International Group under the CCT Services Framework Agreements will provide the Jiayuan Services Group with stable income and allow it to maximise the profits and to enhance its economies of scale.

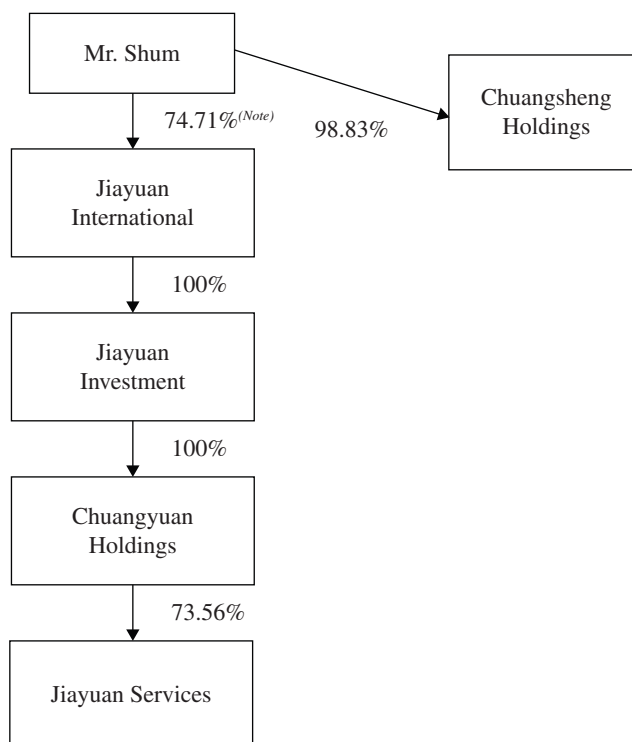
The directors (in respect of the Sales Management and Other Services Framework Agreements, excluding the independent non-executive directors whose views will be given after taking into account the advice from the Independent Financial Adviser) of Jiayuan Services consider that the CCT Services Framework Agreements are entered into on an arm's length basis and are on normal commercial terms, and the terms of the CCT Services Framework Agreements (including the Revised Caps and the Annual Caps) and the transactions contemplated thereunder are fair and reasonable, and in the interests of Jiayuan Services and its shareholders as a whole.

The directors of Jiayuan International (including the independent non-executive directors and excluding Mr. Shum who has abstained from voting on the resolutions of the board of directors) consider that Chuangsheng Property Management and Value Added Services Framework Agreement and Chuangsheng Sales Management and Other Services Framework Agreement have been negotiated on an arm's length basis and are on normal commercial terms, and the terms of the Chuangsheng Property Management and Value Added Services Framework Agreement and Chuangsheng Sales Management and Other Services Framework Agreement (including the Revised Caps and the Annual Caps) and the transactions contemplated thereunder are fair and reasonable, and in the interests of Jiayuan International and its shareholders as a whole.

Mr. Shum, being the non-executive director and the ultimate controlling shareholder of Jiayuan International, is deemed to be interested in approximately 73.56% of Jiayuan Services and has abstained from voting on the relevant board resolutions of Jiayuan International. Save as disclosed, to the best of the knowledge, information and belief of the directors of Jiayuan International and having made all reasonable enquiries, no other directors of Jiayuan International had any material interest in the CCT Services Framework Agreements and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

The relationship among Mr. Shum, Jiayuan Services, Jiayuan International and Chuangsheng Holdings are set out in the structural chart below:



Note: As at the date of this announcement, Jiayuan International is owned as to approximately 1.87% by Mr. Shum in his own personal capacity, and approximately 72.84% by Mingyuan Group Investment. Mingyuan Group Investment is directly owned as to 70% by China Jiayuan, which is directly wholly-owned by Galaxy Emperor. Galaxy Emperor is directly wholly-owned by Mr. Shum. Therefore, Mr. Shum is entitled to exercise or control the exercise of 74.71% of the voting power at any general meeting of Jiayuan International.

As at the date of this announcement, Jiayuan International is a controlling shareholder of Jiayuan Services and indirectly interested in approximately 73.56% of the issued share capital of Jiayuan Services. As such, the transactions contemplated under the Jiayuan International Property Management and Value Added Services Framework Agreement and the Jiayuan International Sales Management and Other Services Framework Agreement constitute continuing connected transactions of Jiayuan Services under Chapter 14A of the Listing Rules.

Mr. Shum, being the non-executive director and the ultimate controlling shareholder of Jiayuan International, is deemed to be interested in approximately 73.56% of Jiayuan Services. Chuangsheng Holdings is held as to 98.83% by Mr. Shum and is an associate of Mr. Shum. As such, Chuangsheng Holdings is a connected person of Jiayuan International and Jiayuan Services under the Listing Rules. Accordingly, the transactions contemplated under the Chuangsheng Property Management and Value Added Services Framework Agreement and the Chuangsheng Sales Management and Other Services Framework Agreement will constitute continuing connected transactions of Jiayuan International and Jiayuan Services under Chapter 14A of the Listing Rules.

Jiayuan Services

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Revised Caps and the Annual Caps contemplated under the Property Management and Value Added Services Framework Agreements are more than 0.1% but less than 5%, the transactions contemplated under the Property Management and Value Added Services Framework Agreements are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirements of Jiayuan Services under the Listing Rules.

Since one or more of the applicable percentage ratios calculated with reference to the Revised Caps and the Annual Caps for those continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements is expected to be higher than 5% and have an annual consideration of higher than HK\$10,000,000, the Sales Management and Other Services Framework Agreements are subject to the reporting, announcement, independent financial advice, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Jiayuan International

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) calculated with reference to the Revised Caps and the Annual Caps contemplated under the Chuangsheng Property Management and Value Added Services Framework Agreement and the Chuangsheng Sales Management and Other Services Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Chuangsheng Property Management and Value Added Services Framework Agreement and the Chuangsheng Sales Management and Other Services Framework Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the independent shareholders' approval requirements under the Listing Rules.

GENERAL

Jiayuan Services has established the Independent Board Committee comprising all three independent non-executive directors to advise its Independent Shareholders regarding the terms of and the Revised Caps and the Annual Caps of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements, and Jiayuan Services has appointed Akron as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the same. The Independent Board Committee will formulate its views with respect to the transactions contemplated under the Sales Management and Other Services Framework Agreements after obtaining and considering the advice of the Independent Financial Adviser.

The EGM will be convened by Jiayuan Services for the consideration and approval of the Independent Shareholders regarding the terms of, and the Revised Caps and the Annual Caps of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements. Mr. Shum and his associates will be required to abstain from voting on the shareholders' resolution(s) of Jiayuan Services in respect of the transactions contemplated under the Sales Management and Other Services Framework Agreement.

A circular of Jiayuan Services containing, among other things, (1) particulars of each of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements; (2) a notice of the EGM; (3) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) a letter of recommendation from the Independent Board Committee of to the Independent Shareholders is expected to be despatched to the shareholders of Jiayuan Services on or around 24 December 2021, taking into consideration the detailed information to be included in the circular.

DEFINITIONS

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

“2020 Chuangsheng Property Management Agreement”	the agreement dated 21 November 2020 entered into between Chuangsheng Holdings and Jiayuan Services in relation to the provision of Property Management Services
“2020 Chuangsheng Sales Management Agreement”	the agreement dated 21 November 2020 entered into between Chuangsheng Holdings and Jiayuan Services in relation to the provision of Sales Management and Other Services

“2020 Chuangsheng Value Added Services Agreement”	the agreement dated 21 November 2020 entered into between Chuangsheng Holdings and Jiayuan Services in relation to the provision of Chuangsheng Value Added Services
“2020 Jiayuan Property Management Agreement”	the agreement dated 21 November 2020 entered into between Jiayuan International and Jiayuan Services in relation to the provision of Property Management Services
“2020 Jiayuan Sales Management Agreement”	the agreement dated 21 November 2020 entered into between Jiayuan International and Jiayuan Services in relation to the provision of Sales Management and Other Services
“2020 Jiayuan Value Added Services Agreement”	the agreement dated 21 November 2020 entered into between Jiayuan International and Jiayuan Services in relation to the provision of Jiayuan International Value Added Services
“Annual Cap”	each of the proposed annual cap amounts for service fees payable by Chuangsheng Holdings Group and Jiayuan International Group to Jiayuan Services Group in respect of the Property Management Services, Value Added Services and Sales Management and Other Services under the terms of the CCT Services Framework Agreements
“associates”; “connected person(s)”; “continuing connected transaction”; “controlling shareholder(s)”; and “subsidiary(ies)”	each has the meaning ascribed to it under the Listing Rules
“CCT Services Framework Agreements”	collectively, (1) Chuangsheng Property Management and Value Added Services Framework Agreement, (2) Jiayuan International Property Management and Value Added Services Framework Agreement, (3) Chuangsheng Sales Management and Other Services Framework Agreement and (4) Jiayuan International Sales Management and Other Services Framework Agreement
“China Jiayuan”	China Jiayuan Group Limited (中國佳源控股集團有限公司), a company incorporated in Hong Kong with limited liability on 15 August 2016
“Chuangsheng Holdings”	Jiayuan Chuangsheng Holding Group Company Limited* (佳源創盛控股集團有限公司), a company established in the PRC with limited liability and held as to 98.83% by Mr. Shum
“Chuangsheng Holdings Group”	Chuangsheng Holdings and its subsidiaries from time to time

“Chuangsheng Property Management and Value Added Services Framework Agreement”	the framework agreement entered into between Chuangsheng Holdings and Jiayuan Services on 22 December 2021 in respect of the engagement of members of the Jiayuan Services Group by members of the Chuangsheng Holdings Group for the provision of the Property Management Services and Chuangsheng Value Added Services
“Chuangsheng Sales Management and Other Services Framework Agreement”	the framework agreement entered into between Chuangsheng Holdings and Jiayuan Services on 22 December 2021 in respect of the engagement of members of the Jiayuan Services Group by members of the Chuangsheng Holdings Group for the provision of the Sales Management Services and Other Services
“Chuangsheng Value Added Services”	the following services provided by Jiayuan Services Group: (a) catering services for employees of the Chuangsheng Holdings Group provided by the Jiayuan Services Group, and upon the entering into of Chuangsheng Property Management and Value Added Services Framework Agreement, (b) assistance services for the sales of car parking spaces including marketing and advertising services for the Chuangsheng Holdings Group and (c) sales of household goods and small electrical appliances products to the Chuangsheng Holdings Group
“Chuangyuan Holdings”	Chuangyuan Holdings Limited* (創源控股有限公司), a company incorporated in the British Virgin Islands with limited liability on 22 June 2018
“EGM”	an extraordinary general meeting of Jiayuan Services to be convened for considering, and, if thought fit, approving, among other things, the continuing connected transactions to be carried out pursuant to the terms of, the Revised Caps and the Annual Caps for each of the continuing connected transactions contemplated under (1) the Chuangsheng Sales Management and Other Services Framework Agreement and (2) Jiayuan International Sales Management and Other Services Framework Agreement
“Galaxy Emperor”	Galaxy Emperor Limited, a company incorporated in the British Virgin Islands with limited liability on 9 October 2019
“GFA”	gross floor area
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	the independent board committee of Jiayuan Services comprising all the independent non-executive directors respectively formed for advising the Independent Shareholders in respect of the terms of, the Revised Caps and the Annual Caps for each of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements
“Independent Financial Adviser” or “Akron”	Akron Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Independent Shareholders”	the shareholders of Jiayuan Services who are not required to abstain from voting on resolutions to approve the terms of, the Revised Caps and the Annual Caps for each of the continuing connected transactions contemplated under the Sales Management and Other Services Framework Agreements at the EGM pursuant to the Listing Rules
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s), who/which, to the best of knowledge, information and belief of the directors of Jiayuan Services and/or Jiayuan International, having made all reasonable enquiries, is/are not connected with Jiayuan Services and/or Jiayuan International or their respective connected persons as defined under the Listing Rules
“Jiayuan International”	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)
“Jiayuan International Group”	Jiayuan International and its subsidiaries from time to time
“Jiayuan International Property Management and Value Added Services Framework Agreement”	the framework agreement entered into between Jiayuan International and Jiayuan Services on 22 December 2021 in respect of the engagement of members of the Jiayuan Services Group by members of the Jiayuan International Group for the provision of the Property Management Services and Jiayuan International Value Added Services
“Jiayuan International Sales Management and Other Services Framework Agreement”	the framework agreement entered into between Jiayuan International and Jiayuan Services on 22 December 2021 in respect of the engagement of members of the Jiayuan Services Group by members of the Jiayuan International Group for the provision of the Sales Management Services and Other Services

“Jiayuan International Value Added Services”	The following services provided by Jiayuan Services Group: (a) catering services for employees of Jiayuan International Group; and (b) assistance services for the sales of car parking spaces including marketing and advertising services for the Jiayuan International Group
“Jiayuan Investment”	Jiayuan Investment Management Limited (佳源投資管理有限公司), a company incorporated in the British Virgin Islands with limited liability on 8 May 2015
“Jiayuan Services”	Jiayuan Services Holdings Limited (佳源服務控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1153)
“Jiayuan Services Group”	Jiayuan Services and its subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mingyuan Group Investment”	Mingyuan Group Investment Limited (明源集團投資有限公司), a company incorporated in the British Virgin Islands with limited liability on 4 May 2015
“Mr. Shum”	Mr. Shum Tin Ching (沈天晴), the chairman and the non-executive director of Jiayuan International, and the ultimate controlling shareholder of Jiayuan International and Jiayuan Services
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Property Management and Value Added Services Framework Agreements”	collectively, (1) Chuangsheng Property Management Services Framework Agreement and (2) Jiayuan International Property Management and Value Added Services Framework Agreement
“Property Management Services”	the following services provided by Jiayuan Services Group: (a) property management services for completed property units which are unsold or sold but prior to the delivery date as agreed between the Chuangsheng Holdings Group or Jiayuan International Group (as the case may be) and the purchasers, including security, cleaning, greening, and repair and maintenance services; and (b) management services for completed car parking spaces which are unsold or sold but prior to the delivery date as agreed between the Chuangsheng Holdings Group or Jiayuan International Group (as the case may be) and the purchasers, including cleaning, maintenance and lighting services, for property projects developed by the Chuangsheng Holdings Group or Jiayuan International Group (as the case may be)

“Prospectus”	prospectus of Jiayuan Services dated 27 November 2020
“Revised Cap(s)”	the proposed revised annual cap amounts for service fees payable by the Chuangsheng Holdings Group and/or the Jiayuan International Group to the Jiayuan Services Group in respect of the Property Management Services, Value Added Services and Sales Management and Other Services for the year ending 31 December 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Management and Other Services”	the sales management and other services, including but not limited to (a) management of the on-site sales office for the sales of properties, including but not limited to cleaning and security services; (b) preliminary planning and design consultancy services in the planning, design, construction and completion phases of property development projects; and (c) cleaning services on an one-off basis for the properties before delivery to homeowners, for property projects developed by Chuangsheng Holdings Group or Jiayuan International Group (as the case may be)
“Sales Management and Other Services Framework Agreements”	collectively, (1) the Chuangsheng Sales Management and Other Services Framework Agreement and (2) the Jiayuan International Sales Management and Other Services Framework Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Value Added Services”	collectively, Chuangsheng Value Added Services and Jiayuan International Value Added Services
“%”	per cent.

* *for identification purposes only*

By Order of the Board
Jiayuan Services Holdings Limited
Zhu Hongge
Chairman

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

Hong Kong, 22 December 2021

As at the date of this announcement, the board of directors of Jiayuan Services comprises: (i) Mr. Zhu Hongge, the chairman, chief executive officer and an executive director; (ii) Mr. Bao Guojun, an executive director; (iii) Mr. Pang Bo, an executive director; (iv) Mr. Huang Fuqing, a non-executive director; (v) Ms. Liang Yunxu, an independent non-executive director; (vi) Mr. Wang Huimin, an independent non-executive director; and (vii) Mr. Wong Kwok Yin, an independent non-executive director.

As at the date of this announcement, the board of directors of Jiayuan International comprises: (i) Mr. Shum Tin Ching, the chairman and a non-executive director; (ii) Mr. Zhang Yi, a vice chairman and an executive director; (iii) Mr. Huang Fuqing, a vice chairman and an executive director; (iv) Mr. Wang Jianfeng, a vice president and an executive director; (v) Ms. Cheuk Hiu Nam, a joint company secretary and an executive director; (vi) Mr. Tai Kwok Leung, Alexander, an independent non-executive director; (vii) Dr. Cheung Wai Bun, Charles, JP, an independent non-executive director; (viii) Mr. Gu Yunchang, an independent non-executive director; and (ix) Mr. Shen Xiaodong, a non-executive director.