



## 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)

*Executive Directors:*

Mr. Pang Bo  
Mr. Bao Guojun

*Independent non-executive Directors:*

Ms. Liang Yunxu  
Mr. Wang Huimin  
Mr. Wong Kwok Yin

*Registered office in*

*the Cayman Islands:*

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Principal place of business*

*in Hong Kong:*

Unit 205, 2/F One Vista Summit  
3 San Hop Lane, Tuen Mun  
Hong Kong

10 December 2024

*To the Independent Shareholders:*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY  
VALUABLE CAPITAL LIMITED  
FOR AND ON BEHALF OF THE JOINT OFFERORS  
TO ACQUIRE ALL THE ISSUED SHARES OF  
JIAYUAN SERVICES HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY THE JOINT OFFERORS  
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)**

#### INTRODUCTION

Reference is made to the Joint Announcement.

As disclosed in the Joint Announcement, the Board was notified by the Purchaser that on 5 September 2024, the Purchaser and the Receivers entered into the Sale and Purchase Agreement, pursuant to which the Receivers, acting as receivers and managers of the Sale Shares, agreed to sell, and the Purchaser agreed to acquire, the Sale Shares (representing approximately 73.56% of the issued share capital of the Company as at the Latest Practicable Date), at a total consideration of HK\$99,000,000, being HK\$0.22 per Sale Share, free from all

encumbrances and together with all rights attaching thereto, including the right to receive all and any dividends, distributions and other rights declared, made, distributed or paid in respect of the Sale Shares the record date for which falls on a date which is on or after the Completion Date.

Completion of the Sale and Purchase Agreement took place on 5 September 2024. Immediately before Completion, the Joint Offerors and parties acting in concert with any of them were interested in 450,000,000 Shares in the capacity of holder of a security interest. Immediately upon Completion and as at the Latest Practicable Date, the Joint Offerors and parties acting in concert with any of them were interested in 450,000,000 Shares, representing approximately 73.56% of the total issued share capital of the Company.

As at the Latest Practicable Date, there were 611,709,000 Shares in issue, of which 450,000,000 Shares are held by the Joint Offerors and parties acting in concert with any of them (representing approximately 73.56% of the total issued share capital of the Company), and the Company did not have any outstanding Shares, options, warrants or derivatives which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code), and has not entered into any agreement for the issue of such Shares, options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The purpose of this Composite Document (of which this letter forms part) is to provide you with, among other things, (i) further information relating to the Group, the Joint Offerors and the Offer; (ii) the letter from VCL containing details of the Offer; (iii) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders in relation to the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

## **PRINCIPAL TERMS OF THE OFFER**

As disclosed in the section headed “Letter from VCL” in this Composite Document, VCL is making the Offer for and on behalf of the Joint Offerors on the following basis:

**For each Offer Share . . . . .HK\$0.22 in cash**

The Offer Price of HK\$0.22 per Offer Share is the same as the price per Sale Share payable by the Purchaser under the Sale and Purchase Agreement.

The Offer is unconditional in all respects.

The Offer will be extended to all Shareholders other than the Joint Offerors and parties acting in concert with any of them (i.e. the Independent Shareholders) in accordance with the Takeovers Code. Under the terms of the Offer, the Offer Shares to be acquired under the Offer shall be fully paid and free from all encumbrances and together with all rights and benefits attached thereto, including all right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, that is, the date of despatch of this Composite Document.

The Company confirms that, as at the Latest Practicable Date, (i) it did not have any outstanding dividend or other distribution which has been declared but not yet paid; and (ii) it did not have any intention to make, declare or pay any future dividend or other distributions during the Offer Period.

### **Further details of the Offer**

Further details of the Offer are set out in the section headed “Letter from VCL” in this Composite Document and the additional information contained in the appendices to this Composite Document and the accompanying Form of Acceptance.

### **INFORMATION ON THE GROUP**

The Company is an investment company incorporated in the Cayman Islands with limited liability. The Group principally engages in the provision of property management services in the PRC.

Your attention is drawn to the financial and general information in relation to the Group as set out in Appendix II and Appendix IV to this Composite Document.

### **Resumption plan and progress**

As disclosed in the announcements of the Company dated 24 March 2023, 28 April 2023, 19 May 2023, 23 June 2023, 14 July 2023, 27 July 2023, 30 August 2023, 31 October 2023, 12 January 2024, 28 March 2024, 28 June 2024 and 2 September 2024, the Company announced that the publication of the annual results of the Group for the years ended 31 December 2022 and 2023 and the interim results for the six months ended 30 June 2023 and 2024 respectively was delayed and additional time was required for the Company to prepare the financial information. Such delay in the publication of the financial results of the Group for the year ended 31 December 2022 (the “**2022 Annual Results**”) and for the year ended 31 December 2023 (the “**2023 Annual Results**”) and for the six months ended 30 June 2023 and 2024 respectively constituted a non-compliance with Rules 13.49(1) and 13.49(6) of the Listing Rules and pursuant to Rule 13.50 of the Listing Rules, the Stock Exchange requires suspension of trading in an issuer’s securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules and the suspension will normally remain in force until the issuer publishes an announcement containing the requisite financial information. Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023, and will remain suspended until further notice.

The Company has been taking appropriate steps to comply with the Resumption Guidance and the Listing Rules as soon as practicable. On 25 September 2024, an application has been made by the Company to the Stock Exchange for an extension of the remedial period prescribed under Rule 6.01A(1) of the Listing Rules (the “**Remedial Period**”). On 1 November 2024, the Company received a letter from the Stock Exchange stating that after considering the Company’s case, the Listing Committee of the Stock Exchange decided to extend the Remedial Period to 31 December 2024. Please refer to the quarterly update announcements of the Company dated 2 September 2024 and 2 October 2024 and the announcement of the Company dated 1 November 2024 for further details. As at the Latest Practicable Date, the Company considered that it has fulfilled the Resumption Guidance in full after publishing its outstanding financial results. The Company will make an application to the Stock Exchange for the resumption of trading in the Shares as soon as practicable and will publish further announcement(s) in due course to inform the Shareholders and potential investors of the Company of the status and development of the Company as and when appropriate.

## SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion and as at the Latest Practicable Date are as follows:

<i>Shareholders</i>	<b>(i) Immediately before Completion</b>		<b>(ii) Immediately after Completion and as at the Latest Practicable Date</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
<b>The Joint Offerors and parties acting in concert</b>				
Linkto	–	–	–	–
VCL	–	–	450,000,000	73.56
<b>Sub-total – the Joint Offerors and parties acting in concert</b>	–	–	450,000,000	73.56
<b>Other Shareholders</b>				
Chuangyuan <i>(Note)</i>	450,000,000	73.56	–	–
Other Public Shareholders	161,709,000	26.44	161,709,000	26.44
<b>Total</b>	<b>611,709,000</b>	<b>100.00</b>	<b>611,709,000</b>	<b>100.00</b>

As at the Latest Practicable Date, none of the Directors had any interests in any Shares.

*Note:* These Shares were held by the Receivers, Mr. Osman Mohammed Arab and Mr. Lai Wing Lun, acting as receivers and managers of the Sale Shares under the Deed of Appointment. Chuangyuan was a controlling shareholder of the Company which was interested in approximately 73.56% of the issued share capital of the Company immediately prior to Completion. On 23 November 2022, Chuangyuan (as the borrower and chargor), being the then controlling shareholder of the Company, by way of a Security Deed, charged the Sale Shares in favour of the Purchaser (as lender and chargee) to secure all the present and future outstanding liabilities to the Purchaser under certain finance documents. Chuangyuan has maintained securities trading accounts with the Purchaser and has borrowed funds or margin financing from the Purchaser in relation thereto. Chuangyuan has since defaulted in making repayments to the Purchaser on or about 9 May 2023, and the Receivers were appointed as joint and several receivers and managers of the Sale Shares by way of the Deed of Appointment.

## **INFORMATION ON THE JOINT OFFERORS**

Your attention is drawn to the section headed “Letter from VCL – Information on the Joint Offerors” in this Composite Document and Appendices I and III to this Composite Document.

## **INTENTIONS OF THE JOINT OFFERORS IN RELATION TO THE GROUP**

Your attention is drawn to the section headed “Letter from VCL – Intentions of the Joint Offerors in relation to the Group” in this Composite Document.

The Board is aware of the Joint Offerors’ intentions in relation to the Group set out in the section headed “Letter from VCL – Intentions of the Joint Offerors in relation to the Group” in this Composite Document. The Board is willing to render reasonable cooperation with the Joint Offerors and continue to act in the best interests of the Company and the Shareholders as a whole.

## **CHANGES TO THE COMPOSITION OF THE BOARD**

As at the Latest Practicable Date, the Board comprised two executive Directors, namely Mr. Bao Guojun and Mr. Pang Bo, and three independent non-executive Directors, namely Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin.

The Board is aware that the Joint Offerors intended that all of the five Directors will resign with effect from (1) the earliest time permitted under the Listing Rules and Rule 7 of the Takeovers Code; or (2) the publication of all outstanding financial results (i.e. the annual results of the Group for the financial years ended 31 December 2022 and 2023 and the interim results of the Group for the six months ended 30 June 2023 and 30 June 2024), whichever is later. The Board is also aware that the Joint Offerors intended to nominate new Directors to the Board in compliance with Rule 26.4 of the Takeovers Code and/or the Listing Rules immediately after the publication of the Composite Document and before the resumption of trading in the Shares. Further announcement(s) will be made as and when appropriate.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Board is aware that the Joint Offerors intend the issued Shares to remain listed on the Stock Exchange after the close of the Offer.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

In order to ensure that within a reasonable period after the close of the Offer, there will be not less than 25% of the Company's total number of issued Shares held by the public, the Joint Offerors, the new Director(s) (if any) proposed by the Joint Offeror and the Directors of the Company have undertaken to the Stock Exchange to take appropriate steps within a reasonable period following the close of the Offer to ensure that at least 25% of the total number of issued Shares will be held by the public, which may include but not limited to placing down of sufficient number of accepted Shares held by the Joint Offerors or issue of additional Shares by the Company for this purpose. No arrangements have been confirmed or put in place as at the Latest Practicable Date. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Under Rule 2.1 of the Takeovers Code, a board which receives an offer or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable; and (ii) as to acceptance.

The Company has established the Independent Board Committee, comprising all independent non-executive Directors, namely Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin, all of whom have no direct or indirect interest in the Offer, to advise the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

As announced in the Joint Announcement, with the approval of the Independent Board Committee and pursuant to Rule 2.1 of the Takeovers Code, TC Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee and the Independent Shareholders are set out in this Composite Document.

**You are advised to read both letters and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Offer.**

## **RECOMMENDATION**

Your attention is drawn to (i) the section headed “Letter from the Independent Board Committee” as set out on pages 27 to 28 of this Composite Document, which contains its advice and recommendations to the Independent Shareholders in relation to the Offer and in particular as to whether the Offer is fair and reasonable and as to acceptance of the Offer; and (ii) the section headed “Letter from the Independent Financial Adviser” set out on pages 29 to 48 of this Composite Document, which contains its advice and recommendations to the Independent Board Committee and the Independent Shareholders in connection with the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to the acceptance of the Offer, and the principal factors considered by it in arriving at its advice and recommendation.

The Independent Shareholders are urged to read those letters carefully before taking any action in respect of the Offer.

## ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to this Composite Document. You are also recommended to read carefully Appendix I to this Composite Document and the accompanying Form of Acceptance for further details in respect of the procedures for acceptance of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

By order of the Board of  
**Jiayuan Services Holdings Limited**

A handwritten signature in black ink, appearing to be 'Pang Bo', written in a cursive style.

**Pang Bo**  
*Director*