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## **Jia Group Holdings Limited**

**佳民集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8519)**

### **MAJOR TRANSACTION ENTERING INTO LICENCE AGREEMENT**

#### **THE LICENCE AGREEMENT**

The Board is pleased to announce that Top Glorification has been awarded a licence of the non-exclusive right to use the Premises for the operation of Duddell's Airport (as defined below). In this connection, Top Glorification entered into the Licence Agreement as licensee with the Licensor on 4 April 2019.

#### **GEM LISTING RULES IMPLICATION**

Pursuant to HKFRS 16, the entering into of the Licence Agreement as a licensee will require the Group to recognise the fixed portion of the licence fee for the Premises as the right-of-use assets with a cost of approximately HK\$83.4 million at initial recognition and a corresponding lease liability which represented the present value of the future lease payments. Thus, the entering into the Licence Agreement and the transactions contemplated thereunder will be regarded as deemed acquisition of asset by the Group.

As the assets ratio and the consideration ratio calculated under Chapter 19 of the GEM Listing Rules in respect of the transaction exceeds 25% but less than 100%, the transaction constitutes a major transaction for the Company and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for approving the Licence Agreement. A written shareholder's approval dated 4 April 2019 has been obtained from Giant Mind and Ms. Wong (which as at the date of this announcement held 409,670,000 and 66,816,000 shares in the Company respectively (i.e. in aggregate 476,486,000 shares), representing approximately 47.64% and 7.77% of the issued share capital of the Company respectively (i.e. in aggregate 55.41%) in respect of the Licence Agreement. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Licence Agreement. Therefore, no general meeting of the Company will be convened for approving the Licence Agreement pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, among other matters, further details of the Licence Agreement and other information as required under the GEM Listing Rules is expected to be despatched to the shareholders on or before 30 April 2019. If additional time is required for preparing the circular, the Company may apply for a waiver from strict compliance of Rule 19.41(a) of the GEM Listing Rules.

## THE LICENCE AGREEMENT

The Board is pleased to announce that Top Glorification has been awarded a licence of the non-exclusive right to use the Premises for the operation of an outlet in the food court of the Hong Kong International Airport offering top quality authentic Cantonese cuisine under the "Duddell's" brand at good value prices in an informal and unpretentious kid-friendly atmosphere ("**Duddell's Airport**"). In this connection, Top Glorification entered into the Licence Agreement as licensee with the Licensor on 4 April 2019.

Set out below is a summary of the principal terms of the Licence Agreement:

- Date:** 4 April 2019
- Parties:** (1) Top Glorification, an indirect wholly-owned subsidiary of the Company; and
- (2) the Licensor.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, the Licensor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

- Premises:** Unit 7E161, Level 7, East Hall, Terminal 1, Hong Kong International Airport
- Use:** The Premises is expected to be used for the operation of Duddell's Airport.

**Licence Period:** The licence period of the Premises will be forty eight (48) months from the date immediately following the expiration of the fitting out period (which mean an overall period of 45 days commencing from (and including) the handover date) or the date upon which the Premises is open for business, whichever is earlier (the “**Commencement Date**”).

**Consideration:** The fixed portion of the licence fee payable by the Licensee is HK\$1,850,000 per month (subject to annual increase of 3% and adjustment based on passenger figures of the Hong Kong International Airport) (the “**Fixed Licence Fee**”).

The total licence fee payable shall be the higher of the Fixed Licence Fee or an amount calculated as 23% of the gross revenue attributable to the provision of the catering services at the Premises.

**Deposit:** A performance deposit of HK\$11,100,000 and a works deposit of HK\$50,000 are payable by the Licensee.

**Basis of determining the consideration:** The consideration under the Licence Agreement was determined by way of tender. Top Glorification has prepared the tender mainly with reference to the rent and licence terms in market comparable.

The consideration is expected to be funded through the internal resources of the Group.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LICENCE AGREEMENT**

The Group is principally engaged in operating restaurants and providing membership services for the Group’s restaurants in Hong Kong.

As disclosed in the Company’s prospectus dated 29 January 2018, the Group intends to expand its restaurant network by establishing a new restaurant focusing on tourists and travellers. The Premises located in the Hong Kong International Airport is expected to be used for establishing a restaurant focusing on tourists and travellers. The Group submitted its tender proposal in October 2018 and was awarded a licence of the non-exclusive right to use the Premises on 4 April 2019.

The Directors believe that the Hong Kong International Airport is well recognised for its culinary offers. It was voted as the World’s Best Airport For Dining for the Skytrax World Airport Awards 2018, and it is the ninth time for the Hog Kong International Airport to gain this recognition since 2007. The Directors believe that the opening of Duddell’s Airport will offer a valuable opportunity for us to strengthen Group’s restaurant’s brand name among international travellers and generate steady revenue for the Group.

Based on the above, the Directors are of the view that the terms and conditions of the Licence Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group and Top Glorification**

The Group is a well-established restaurant group in Hong Kong with award-winning restaurants serving a variety of cuisines including Chinese, Spanish, Thai, British, Italian and Southern Californian dishes under different brands and themes.

Top Glorification is an indirect wholly-owned subsidiary of the Company engaged in the operation of Duddell's, a Michelin-starred Chinese-style restaurant in Central, Hong Kong.

### **The Licensor**

The Licensor is a statutory body of the government of Hong Kong that is responsible for the operations of the Hong Kong International Airport.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Licensor and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

## **IMPLICATIONS OF THE GEM LISTING RULES**

Pursuant to HKFRS 16, the entering into of the Licence Agreement as a licensee will require the Group to recognise the fixed portion of the licence fee for the Premises as the right-of-use assets with a cost of approximately HK\$83.4 million at initial recognition and a corresponding lease liability which represented the present value of the future lease payments. Thus the entering into the Licence Agreement and the transactions contemplated thereunder will be regarded as deemed acquisition of asset by the Group.

As the assets ratio and the consideration ratio calculated under Chapter 19 of the GEM Listing Rules in respect of the Licence Agreement exceeds 25% but less than 100%, the Licence Agreement constitutes a major transaction for the Company and is therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no shareholder of the Company is required to abstain from voting if the Company were to convene a general meeting for approving the Licence Agreement. A written shareholder's approval dated 4 April 2019 has been obtained from Giant Mind and Ms. Wong (which as at the date of this announcement held 409,670,000 and 66,816,000 shares in the Company respectively (i.e. in aggregate 476,486,000 shares), representing approximately 47.64% and 7.77% of the issued share capital of the Company respectively (i.e. in aggregate 55.41%) in respect of the Licence Agreement. Such written approval has been accepted in lieu of holding a general meeting of the Company for approving the Licence Agreement. Therefore, no general meeting of the Company will be convened for approving the Licence Agreement pursuant to Rule 19.44 of the GEM Listing Rules.

A circular containing, among other matters, further details of the Licence Agreement and other information as required under the GEM Listing Rules is expected to be despatched to the shareholders on or before 30 April 2019. If additional time is required for preparing the circular, the Company may apply for a waiver from strict compliance of Rule 19.41(a) of the GEM Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors;
“Company”	Jia Group Holdings Limited (佳民集團有限公司), an exempted company incorporated in the Cayman Islands, the shares of which are listed on GEM (Stock Code: 8519);
“Director(s)”	the director(s) of the Company;
“GEM”	GEM of the Stock Exchange;
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time;
“Group”	collectively, the Company and its subsidiaries from time to time;
“Giant Mind”	Giant Mind International Limited, being a company incorporated in the BVI with limited liability on 15 June 2015, solely-owned by Ms. Wong and a controlling shareholder (as defined in the GEM Listing Rules) of the Company;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRS 16”	Hong Kong Financial Reporting Standard 16 “Leases” which include standards and interpretations promulgated by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Licensor”	the Airport Authority Hong Kong;
“Licence Agreement”	the licence agreement dated 4 April 2019 entered into between the Licensor and Top Glorification;
“Ms. Wong”	Ms. Wong Pui Yain (黃佩茵女士), being the chairperson, chief executive officer, executive Director and a controlling shareholder (as defined in the GEM Listing Rules) of the Company;
“Top Glorification” or “Licensee”	Top Glorification Limited, being a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company;
“Premises”	Unit 7E161, Level 7, East Hall, Terminal 1, Hong Kong International Airport;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“%”	per cent.

By the Order of the Board of  
**Jia Group Holdings Limited**  
**Wong Pui Yain**  
*Chairperson, Chief Executive Officer,  
and Executive Director*

Hong Kong, 4 April 2019

*As at the date of this announcement, the Board comprises Ms. Wong Pui Yain and Ms. Wan Suet Yee Cherry as executive Directors; Mr. Leung Yuk Lun Ulric, Mr. Devin Nijanthan Chanmugam and Mr. Wee Keng Hiong Tony as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at [www.hkgem.com](http://www.hkgem.com) on the “Latest Company Announcements” page for seven days from the day of its posting and on the website of the Company at [www.jiagroup.co](http://www.jiagroup.co).*