

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



Jia Group Holdings Limited

佳民集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8519)

DISCLOSEABLE TRANSACTION OFFER TO LEASE

THE OFFER TO LEASE

On 2 September 2019, Loyal Talent, an indirect wholly-owned subsidiary of the Company, offered to lease as tenant and the Landlords accepted the Offer to Lease in respect of the Leased Premises which will house the Group's new modern French restaurant tentatively named "Mono" for a term of three years commencing on 23 September 2019 and expiring on 22 September 2022 (both days inclusive). The Offer to Lease is legally binding. Pursuant to the Offer to Lease, Loyal Tenant and the Landlords will enter into a formal tenancy agreement on or before 23 September 2019.

GEM LISTING RULES IMPLICATION

Pursuant to HKFRS 16, the entering into of the Offer to Lease will require the Group to recognise the fixed portion of the lease fee for the Leased Premises as the right-of-use assets with a cost of approximately HK\$4.7 million at initial recognition and a corresponding lease liability which represented the present value of the future lease payments. Thus, the entering into the Offer to Lease and the transactions contemplated thereunder will be regarded as deemed acquisition of asset by the Group.

As one of the percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the transaction exceeds 5% but less than 25%, the transaction constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

THE OFFER TO LEASE

On 2 September 2019, Loyal Talent, an indirect wholly-owned subsidiary of the Company, offered to lease as tenant and the Landlords accepted the Offer to Lease in respect of the Leased Premises which will house the Group's new modern French restaurant tentatively named "Mono" for a term of three years commencing on 23 September 2019 and expiring on 22 September 2022 (both days inclusive). The Offer to Lease is legally binding. Pursuant to the Offer to Lease, Loyal Tenant and the Landlords will enter into a formal tenancy agreement on or before 23 September 2019.

Set out below is a summary of the principal terms of the Offer to Lease:

- Date:** 2 September 2019
- Parties:**
- (1) Loyal Talent, an indirect wholly-owned subsidiary of the Company; and
 - (2) The Landlords (as landlords).

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

Leased Premises: All that area on 5th floor of 18 On Lan Street, Hong Kong.

Use: The Lease Premises are expected to house the Group's new modern French restaurant tentatively named "Mono".

Term: Fixed term of three years commencing on 23 September 2019 and expiring on 22 September 2022 (both days inclusive) (the "**Fixed Term**") with an option to renew for a further term of three years commencing on 23 September 2022 and expiring on 22 September 2025 (both days inclusive) (the "**Option Term**").

Consideration under the Offer to Lease:

The monthly rent (exclusive of government rates and management fee) shall comprise:

- (A) the monthly basic rental (the “**Monthly Basic Rent**”) of
- HK\$160,160 per month during the Fixed Term;
 - an open market rent which is not less than HK\$160,160 per month and no more than HK\$200,200 per month during the Option Term; and
- (B) the additional turnover rent, being an amount by which 10% of the monthly gross turnover of Loyal Talent’s business carried out at the Leased Premises less the Monthly Basic Rent.

Basis of determining the consideration:

The consideration under the Offer to Lease was determined after arm’s length negotiation between the Company and the Landlords taking into account the prevailing market rent and lease terms of similar premises in the proximity of the Leased Premises.

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

REASONS FOR AND BENEFITS OF ENTERING INTO THE OFFER TO LEASE

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

The Leased Premises, which are located in the heart of Central, will house the Group’s new restaurant tentatively named “Mono”, which will feature modern French cuisine with South American influences. “Mono” will offer tasting menu experiences that will reflect seasonality sourced from daily markets with exotic flight-in ingredients from South America. The Directors believe that the addition of “Mono” to the Group’s restaurant network will enrich the fine dining experience of its patrons, reinforce the Group’s multibrand strategy, and strengthening the Group’s position as a well-established restaurant group in Hong Kong.

Based on the above, the Directors are of the view that the terms and conditions of the Offer to Lease are fair and reasonable, and the leasing of the Leased Premises is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Group and Loyal Talent

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, French, Italian and Southern Californian dishes under different brands and themes.

Loyal Talent is an indirect wholly-owned subsidiary of the Company which will be the operational entity for the Group's new modern French restaurant tentatively named "Mono".

The Landlords

The Landlords are companies incorporated in Hong Kong with limited liabilities.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries:

- (i) the Landlords are principally engaged in investment holding and property investment; and
- (ii) the Landlords and their respective 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 Offer to Lease will require the Group to recognise the fixed portion of the lease fee for the Leased Premises as the right-of-use assets with a cost of approximately HK\$4.7 million at initial recognition and a corresponding lease liability which represented the present value of the future lease payments. Thus, the entering into the Offer to Lease and the transactions contemplated thereunder will be regarded as deemed acquisition of asset by the Group.

As one of the percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the transaction exceeds 5% but less than 25%, the transaction constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 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;
“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;
“Landlords”	Smart Ease Development Limited and Gain Sheen Investment Limited;
“Leased Premises”	all that area on 5th floor of 18 On Lan Street, Hong Kong;
“Loyal Talent”	Loyal Talent International Limited (朗駿國際有限公司), being a company incorporated in Hong Kong with limited liability and an indirect wholly owned subsidiary of the Company;
“Offer to Lease”	the offer to lease dated 2 September 2019 and signed by Loyal Talent as tenant and the Landlords as landlords in respect of the Leased Premises;

“Stock Exchange”

The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

By order of the Board
Jia Group Holdings Limited
Wong Pui Yain
Chairperson and Executive Director

Hong Kong, 2 September 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 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.