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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)**

**DISCLOSEABLE TRANSACTION  
ENTERING INTO  
LEASE AGREEMENT**

**THE LEASE AGREEMENT**

The Board is pleased to announce that Top Glorification, an indirect wholly-owned subsidiary of the Company, entered into the Lease Agreement as tenant with Hang Lung as the landlord in respect of the Premises on 20 November 2020, for a term of three years commencing on 1 November 2020 and expiring on 31 October 2023 (both days inclusive) for the operation of our restaurant “Duddell’s”.

**GEM LISTING RULES IMPLICATION**

Pursuant to HKFRS 16, the entering into of the Agreement will require the Group to recognise the fixed portion of the lease payment for the Premises as the right-of-use assets with a cost of approximately HK\$19.0 million at initial recognition and a corresponding lease liability which represented the present value of the future lease payments. Thus, the entering into the Lease 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 transactions exceeds 5% but less than 25%, the transactions constitute discloseable transactions for the Company and are therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

## THE LEASE AGREEMENT

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

Date: 20 November 2020

Parties: (1) Top Glorification, an indirect wholly-owned subsidiary of the Company (as tenant); and  
(2) Hang Lung (as landlord).

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

Premises: Third floor and fourth floor, 1 Duddell Street, Central, Hong Kong.

Use: The Premises is currently used for the operation of the Group’s Chinese restaurant named “Duddell’s”.

Term: Three years commencing on 1 November 2020 and expiring on 31 October 2023 (both days inclusive).

Monthly rental: The monthly rental (exclusive of government rates, management fees and air-conditioning charges, utility and other charges and outgoings) shall comprise:

- (A) the basic rental (the “**Monthly Basic Rental**”) of
- HK\$557,354 (from 1 November 2020 to 31 October 2021, both days inclusive);
  - HK\$570,948 (from 1 November 2021 to 31 October 2022, both days inclusive);
  - HK\$584,542 (from 1 November 2022 to 31 October 2023, both days inclusive); and
- (B) the turnover rent, being an amount by which 12% of the monthly gross receipt(s) of the business at the Premises of that month that exceeds the respective Monthly Basic Rental.

Management fees and air-conditioning charges:	HK\$135,050.00 per calendar month, which is subject to review in accordance with the provisions of the Lease Agreement.
Deposit under the Lease Agreement:	(i) a rent deposit of HK\$2,045,897; (ii) an air-conditioning and management fees deposit of HK\$472,675; and (iii) a government rates deposit of HK\$102,300, are payable by Top Glorification.
Basis of determining the consideration:	The consideration under the Lease Agreement was determined after arms' length negotiation between Top Glorification and Hang Lung after taking into the prevailing market rent and lease terms of similar premises in the proximity of the Premises.  The consideration is expected to be funded through the internal resources of the Group.

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

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

The Premises have been leased to Top Glorification since May 2013 to operate the Group's restaurant "Duddell's". The existing lease agreement for the Premises will expire on 31 October 2020. The Lease Agreement allows "Duddell's" to operate in the same location at Premises after the expiry of the existing lease agreement on 31 October 2020, which will facilitate the long-term success of the restaurant.

Based on the above, the Directors are of the view that the terms and conditions of the Lease 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, French, Spanish, Italian, Thai, and South-east Asian 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 restaurant in Central, Hong Kong.

### **Hang Lung**

Hang Lung is a subsidiary of Hang Lung Properties Limited, a company listed on the Stock Exchange (stock code: 00101), and is principally engaged in property management and agency business.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hang Lung 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 Lease Agreement will require the Group to recognise the fixed portion of the lease payment for the Premises as the right-of-use assets with a cost of approximately HK\$19.0 million at initial recognition and a corresponding lease liability which represented the present value of the future lease payments. Thus, the entering into the Lease 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 transactions exceeds 5% but less than 25%, the transactions constitute discloseable transactions for the Company and are 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;
“Hang Lung”	Hang Lung Real Estate Agency Limited;
“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;
“Lease Agreement”	the lease agreement dated 20 November 2020 entered into between Top Glorification as tenant and Hang Lung as landlord in respect of the Premises;

“Premises”	Third floor and fourth floor, 1 Duddell Street, Central, Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Top Glorification”	Top Glorification Limited, being a company incorporated in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company; and
“%”	per cent.

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

Hong Kong, 20 November 2020

*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).*