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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 TRANSACTIONS  
TENANCY AGREEMENT FOR  
RESTAURANT PREMISES**

**THE TENANCY AGREEMENT**

The Company is pleased to announce that it has received the Tenancy Agreement, countersigned and duly stamped, from Fusun Enterprises on 11 November 2021. The Tenancy Agreement relates to a lease of the Tai Ping Premises with Luck Wealthy, an indirect wholly-owned subsidiary of the Company, as tenant, and Fusun Enterprises, as landlord, for a term of three years commencing on 1 September 2021 and expiring on 31 August 2024 (both days inclusive). The Tai Ping Premises would be used for the operation of the Group's Italian restaurant named "208 Duecento Otto".

**GEM LISTING RULES IMPLICATION**

Pursuant to HKFRS 16, the entering into of Tenancy Agreement will require the Group to recognise the fixed portion of the rent for the Tai Ping Mansion as the right-of-use assets with a cost of approximately HK\$7.9 million at initial recognition and a corresponding lease liability which represented the present value of the future rental payments. Thus, the entering into the Tenancy Agreement and the transactions contemplated thereunder will be regarded as deemed acquisitions of asset by the Group.

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the Tenancy Agreement exceeds 5% but all are less than 25%, each of the transactions contemplated under the Tenancy Agreement constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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

**Date:** 6 October 2021

**Parties:** (1) Luck Wealthy, an indirect wholly-owned subsidiary of the Company (as tenant); and

(2) Fusun Enterprises (as landlord).

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

**Premises:** All those Shop A on ground floor (including the open area and yard thereof) and portion of Shop A on 1/F (including the open area thereof) and Shop B on 1/F of Tai Ping Mansion, Nos. 208-214 Hollywood Road, Nos. 21-27 Tai Ping Shan Street, Hong Kong

**Use:** The Tai Ping Premises are currently used for the operation of the Group's Italian restaurant named "208 Duecento Otto".

**Term:** Three years commencing on 1 September 2021 and expiring on 31 August 2024 (both days inclusive).

**Consideration under the Tenancy Agreement:** **Rent:** The rent (exclusive of government rates, management fee and other outgoings) shall comprise:

- a basic rent of HK\$240,000 for each calendar month; and
- the turnover rent of 10% of the difference between (a) the turnover of the business carried out by Luck Wealthy at the Tai Ping Premises during such calendar month and (b) the monthly basic rent for such calendar month.

Under the Tenancy Agreement, Luck Wealthy shall enjoy a two week's rent free period from 1 November 2021 to 14 November 2021 (both days inclusive).

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

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

The Tai Ping Premises have been rented to Luck Wealthy since 1 December 2013 to operate the Group's restaurant "208 Duecento Otto". As the existing tenancy agreement in relation to the Tai Ping Premises has been terminated since 31 August 2021, the Group renewed the leasing of the Tai Ping Premises for a term of three years under the Tenancy Agreement with a view to continuing the Group's present usage purpose of the Tai Ping Premises.

Due to nature of its restaurant business in Hong Kong, the Group has to enter into tenancy agreements for leasing of premises from time to time. It would be beneficial to lease the Tai Ping Premises as it will enable the Group to secure its stable operation at the Tai Ping Premises without incurring additional costs and expenses in identifying, renovating and relocating to other restaurants and ensure that there will be no disruption to the operations, business and growth of the Group.

The consideration under the Tenancy Agreement was determined after arms' length negotiation between Luck Wealthy and Fusun Enterprises after taking into account the prevailing market rent and lease terms of similar premises in the proximity of the Tai Ping Premises.

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

Based on the above, the Directors are of the view that the entry of the Tenancy Agreement is in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **The Group and Luck Wealthy**

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

Luck Wealthy is an indirect wholly-owned subsidiary of the Company which is the operational entity for the Group's Italian restaurant named "208 Duecento Otto".

### **Fusun Enterprises**

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

- (i) Fusun Enterprises is a company incorporated in British Virgin Islands and principally engaged in property management; and
- (ii) Fusun Enterprises 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 the Tenancy Agreement will require the Group to recognise the fixed portion of the rent for the Tai Ping Premises as the right-of-use assets with a cost of approximately HK\$7.9 million at initial recognition and a corresponding lease liability which represented the present value of the future rental payments. Thus, the entering into the Tenancy Agreement and the transactions contemplated thereunder will be regarded as deemed acquisitions of asset by the Group.

As one or more of the applicable percentage ratios calculated under Chapter 19 of the GEM Listing Rules in respect of the Tenancy Agreement exceeds 5% but all are less than 25%, each of the transactions contemplated under the Tenancy Agreement 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;
“Fusun Enterprises”	Fusun Enterprises Limited, a company incorporated in British Virgin Islands with limited liability;
“GEM”	GEM of The Stock Exchange of Hong Kong Limited;
“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;
“Luck Wealthy”	Luck Wealthy Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Tai Ping Premises”	All those Shop A on ground floor (including the open area and yard thereof) and portion of Shop A on 1/F (including the open area thereof) and Shop B on 1/F of Tai Ping Mansion, Nos. 208-214 Hollywood Road, Nos. 21-27 Tai Ping Shan Street, Hong Kong;
“Tenancy Agreement”	the tenancy agreement dated 6 October 2021 and entered into between Luck Wealthy as tenant and Fusun Enterprises as landlord in respect of the Tai Ping Premises; and
“%”	per cent.

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

Hong Kong, 11 November 2021

*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).*