



Jia Group Holdings Limited

佳民集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8519)

Executive Directors:

Ms. Wong Pui Yain (Chairlady)
Ms. Wan Suet Yee Cherry

Independent non-executive Directors:

Mr. Leung Yuk Lun Ulric
Mr. Devin Nijanthan Chanmugam
Mr. Wee Keng Hiong Tony

*Registered address and Address of the
Head Office in the Cayman Islands:*

Windward 3, Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Place of Business in Hong Kong:

Office No. 5 on 22/F
Universal Trade Centre
No. 3 Arbuthnot Road
Central
Hong Kong

19 January 2024

To the Independent Shareholders and Optionholders

Dear Sir/Madam,

**COMPOSITE DOCUMENT RELATING TO
MANDATORY UNCONDITIONAL CASH OFFER BY
BOCOM INTERNATIONAL SECURITIES LIMITED
FOR AND ON BEHALF OF CENTRAL POWER GROUP LIMITED
FOR ALL THE ISSUED SHARES IN JIA GROUP HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY
CENTRAL POWER GROUP LIMITED AND/OR PARTIES
ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the (a) Joint Announcement in relation to, among other things, the Transaction and the Offers; and (b) the Completion Announcement in relation to Completion.

On 4 December 2023, the Company was notified by the chairlady of the Board, Ms. Wong Pui Yain that, on 4 December 2023 (non-trading hours), the Offeror and the Selling Shareholders entered into a Share Purchase Agreement. Pursuant to which, (a) the Controlling Stake Disposal Group and the Founding Shareholders as the vendors conditionally agreed to sell, and the Offeror conditionally agreed to acquire 702,020,000 Shares, representing approximately 60.53% of the total issued share capital of the Company as at the Latest Practicable Date, at a consideration of HK\$54,476,752. The Consideration represents HK\$0.0776 per Sale Share, which was agreed between the Offeror and the Selling Shareholders after arm's length negotiations, taking into account of (i) the historical operating and financial performance of the Group; (ii) the historical and recent trading prices of the Shares; and (iii) the current market conditions; and (b) Mr. Lo Yeung Kit Alan and Miss Wong Pui Yain agreed to surrender a total of 2,400,000 outstanding Share Options (comprising of (i) 550,000 and 1,000,000 Share Options

with an exercise price of HK\$0.1 held by Mr. Lo Yeung Kit Alan and Miss Wong Pui Yain, respectively; and (ii) 850,000 Share Options with an exercise price of HK\$0.13 held by Ms. Wong Pui Yain) at nil consideration for cancellation by the Company upon Completion and before the making of the Option Offer.

As set out in the Completion Announcement, on 13 December 2023, the Company was informed by the Selling Shareholders that Completion had taken place on even date, and that upon the request of Miss Wong Pui Yain (being Selling Shareholder 3) and Mr. Lo Yeung Kit Alan (being Selling Shareholder 2), the Company has cancelled the Surrendered Options on 13 December 2023. As at the Latest Practicable Date, the Company has 1,159,780,000 Shares in issue and 6,050,000 outstanding Share Options. Save for the 6,050,000 outstanding Share Options, the Company has no other outstanding convertible securities, warrants, options or derivatives in issue (as defined in Note 4 to Rule 22 of the Takeovers Code) which may confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date. Immediately following the Completion and as at the Latest Practicable Date, the Offeror was interested in 702,020,000 Shares (approximately 60.53% of the existing issued share capital of the Company), and accordingly, pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make mandatory unconditional general offers in cash for all the issued Shares held by the Independent Shareholders. The Offeror will also make the Option Offer to cancel all the outstanding Share Options pursuant to Rule 13 of the Takeovers Code.

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 each of the Group, the Offeror Concert Group, and the Offers; (ii) the letter from BOCOM Securities containing details of the Offers; (iii) the letter from the Independent Board Committee containing its recommendation and advice to the Independent Shareholders and the Optionholders in respect of the Offers; and (iv) the letter from Pulun International, the Independent Financial Adviser, containing its advice to the Independent Board Committee on whether the Offers are fair and reasonable so far as the Independent Shareholders and the Optionholders are concerned and as to acceptance in respect of the Offers.

The full texts of the letter from the Independent Board Committee addressed to the Independent Shareholders and the Optionholders and the letter from Pulun International, the Independent Financial Adviser addressed to the Independent Board Committee 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 Offers.

THE OFFERS

The Offers are unconditional in all aspects and are not subject to any minimum level of acceptances being received or any other conditions.

The “Letter from BOCOM Securities” in this Composite Document contains the information in respect of the Offers and the principal terms of the Offers are extracted below.

You are recommended to refer to the “Letter from BOCOM Securities”, Appendix I to this Composite Document and the accompanying Form(s) of Acceptance for further details.

BOCOM Securities, on behalf of the Offeror and BOCOM (Asia) and in compliance with the Takeovers Code, is making the Offers to (i) acquire all the Offer Shares; and (ii) cancel all the outstanding Share Options, on the terms set out in this Composite Document issued in accordance with the Takeovers Code on the following basis:

The Share Offer

For each Offer Share

HK\$0.0776 in cash

The Share Offer Price of HK\$0.0776 per Offer Share under the Share Offer is equivalent to the acquisition price per Share of the acquisition of 702,020,000 Shares by the Offeror.

The Share Offer is extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offers are made, being the Despatch Date.

The Company confirmed that as at the Latest Practicable Date, the Company does not have any declared and unpaid dividend and does not have any intention to make, declare or pay any future dividend or make other distributions or any return of capital until the close of the Offers.

The Option Offer

As at the Latest Practicable Date, there were 6,050,000 outstanding Share Options granted under the Share Option Scheme with the exercise price of HK\$0.1. As at the Latest Practicable Date, none of the members of the Offeror Concert Group holds any Share Options.

BOCOM Securities, on behalf of the Offeror and BOCOM (Asia), are making the Option Offer to the Optionholders to cancel all outstanding Share Options in accordance with Rule 13 of the Takeovers Code. Under the Option Offer, BOCOM Securities, on behalf of the Offeror and BOCOM (Asia), are offering the Optionholders the Option Offer Price, which in general should be the “see-through” price (being the Share Offer Price minus the relevant exercise price in the case of the outstanding Share Options) for each outstanding Share Option (excluding the Surrendered Options for the reasons set out above) they hold for the cancellation of every Share Option in accordance with Rule 13 of the Takeovers Code. As the exercise price of the Share Options is above the Share Offer Price, the Option Offer Price for cancellation of each of those Share Options is a nominal amount of HK\$0.0001.

For cancellation of each Option with an exercise price of:

HK\$0.10 (6,050,000 Options in total)^(Note)

HK\$0.0001 in cash

Note: The 6,050,000 Options with the exercise price of HK\$0.10 were granted on 19 January 2022 and are exercisable from 19 January 2022 to 18 January 2032.

The Option Offer is extended to all Optionholders (whether their respective Share Options vested or not) who holds Share Options in issue on the date on which the Option Offer is made, being the Despatch Date.

Following acceptance of the Option Offer, the relevant Share Options together with all rights attaching thereto will be cancelled and renounced in their entirety. The latest time for the Optionholders to exercise any outstanding Share Options is by 4:00 p.m. on the Closing Date. Share Options in respect of which the Option Offer is not accepted will (to the extent not exercised) automatically lapse upon the close of the Offers.

Further terms of the Option Offer and the procedures for acceptances are set out in Appendix I to this Composite Document and the accompanying **PINK** Form of Acceptance.

The Offers are unconditional in all aspects and are not subject to any minimum level of acceptances or any other conditions.

Value of the Offers

As at the Latest Practicable Date, the Company has a total of 1,159,780,000 Shares in issue and 6,050,000 outstanding Share Options. On the basis that there is no other change in the issued share capital of the Company from the Latest Practicable Date up to the close of Offers:

- (i) Assuming no outstanding Share Options are exercised, and the Share Offer and Option Offer are accepted in full:
 - (a) the value of the Share Offer will be approximately HK\$35,522,176; and
 - (b) the total amount to satisfy the cancellation of all outstanding Share Options will be approximately HK\$605.

Therefore, the total cash consideration payable by the Offeror under the Offers would be approximately HK\$35,522,781.

- (ii) Assuming all outstanding Share Options are exercised in full, and the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Share Options):
 - (a) the value of the Share Offer will be approximately HK\$35,991,656; and
 - (b) no amount will be payable by the Offeror under the Option Offer.

Therefore, the total cash consideration payable by the Offeror under the Offers would be approximately HK\$35,991,656.

Using the highest figure from the above scenarios, the maximum total consideration to be paid by the Offeror under the Offers is approximately HK\$35,991,656.

INFORMATION OF THE COMPANY

The Company is an investment holding company. The Group is a well-known hospitality group which is principally engaged in the operation of restaurants in Hong Kong, brands managed by the Company includes “Duddell’s”, “Louise”, “MONO”, “Ando”, “Estro”, “22 Ships”, “MakMak” and “Chachawan”.

Your attention is drawn to Appendices II and III to this Composite Document which contain further financial and general information of the Company.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) before Completion; (ii) immediately after Completion and as at the Latest Practicable Date (assuming none of the outstanding Share Options have been exercised); and (iii) immediately after Completion and as at the Latest Practicable Date (assuming all the outstanding Share Options exercised before the Offers):

	Before Completion			Immediately after Completion and as at the Latest Practicable Date (where none of the outstanding Share Options have been exercised) (Notes 2 and 3)		Immediately after Completion and as at the Latest Practicable Date (assuming all the outstanding Share Options exercised before the Offers) (Notes 2 and 3)	
	Number of Shares held	% of Shares in issue (Note 1)	Number of Share Options held	Number of Shares held	% of Shares in issue (Note 1)	Number of Shares held	% of Shares in issue (Note 1)
Selling Shareholders							
Selling Shareholder 1	409,670,000	35.32	–	–	–	–	–
			550,000				
Selling Shareholder 2	51,610,000	4.45	(Note 3)	–	–	–	–
			1,850,000				
Selling Shareholder 3	79,766,000	6.88	(Note 3)	–	–	–	–
Selling Shareholder 4	51,280,000	4.42	–	–	–	–	–
Selling Shareholder 5	34,140,000	2.94	–	–	–	–	–
Selling Shareholder 6	31,864,000	2.75	–	–	–	–	–
Selling Shareholder 7	16,510,000	1.42	–	–	–	–	–
Selling Shareholder 8	15,790,000	1.36	–	–	–	–	–
Selling Shareholder 9	9,300,000	0.80	–	–	–	–	–
Selling Shareholder 10	2,090,000	0.18	–	–	–	–	–
Subtotal	702,020,000	60.53	2,400,000	–	–	–	–
Executive Directors							
Wan Suet Yee Cherry							
(Note 4)	–	–	1,850,000	–	–	1,000,000	0.09
Independent non-executive Directors							
Devin Nijanthan							
Chanmugam (Note 4)	–	–	750,000	–	–	400,000	0.03
Leung Yuk Lun Ulric	–	–	750,000	–	–	400,000	0.03
Wee Keng Hiong Tony							
(Notes 4 and 5)	1,000,000	0.09	750,000	1,000,000	0.09	1,400,000	0.12
Subtotal	1,000,000	0.09	4,100,000	1,000,000	0.09	3,200,000	0.27
Offeror	–	–	–	702,020,000	60.53	702,020,000	60.22
Subtotal	–	–	–	702,020,000	60.53	702,020,000	60.22
Other Shareholders (Note 6)	456,760,000	39.38	4,850,000	456,760,000	39.38	460,610,000	39.51
Total	1,159,780,000	100.00	11,350,000	1,159,780,000	100.00	1,165,830,000	100.00

Notes:

1. The above percentage figures are subject to rounding adjustments. Accordingly, figures shown as total may not be an arithmetic aggregation of the figures preceding it.
2. Pursuant to the Share Option Scheme, if the Share Options granted to the Optionholders are not exercised within one month (or any other period agreed upon by the Board) or the expiry of the term of such Share Option as set forth in the Share Option agreement (whichever is earlier) after the mandatory general offer becomes or is declared unconditional, the Share Options will lapse.
3. All of the Surrendered Options held by Selling Shareholder 1 and Selling Shareholder 2 have been surrendered and cancelled upon Completion, which took place on 13 December 2023.
4. The 850,000, 350,000, 350,000 and 350,000 Share Options with the exercise price of HK\$0.13 held by Ms. Wan Suet Yee Cherry, Mr. Devin Nijanthan Chanmugam, Mr. Leung Yuk Lun Ulric and Mr. Wee Keng Hiong Tony, respectively, had all lapsed on 10 January 2024.
5. As at the Latest Practicable Date, Mr. Wee Keng Hiong Tony has indicated that he does not intend to accept the Share Offer, as he, with the view of maximising his investment returns and taking into account the Shares held by him were acquired at the price of HK\$0.106 per Share on 22 June 2020, wishes to wait and monitor the market price and liquidity of the Shares and consider selling the Shares in the future when he considers appropriate; however, no irrevocable undertaking regarding whether to accept or reject the Share Offer was provided by Mr. Wee Keng Hiong Tony.
6. A total of 1,000,000 Share Options with the exercise price of HK\$0.13 held by an employee and a consultant of the Group had lapsed on 10 January 2024.

OFFEROR'S INTENTION ON THE COMPANY

The Board is pleased to learn that, as at the Latest Practicable Date, it is the intention of the Offeror that the Group will continue to operate its business in substantially its current state (except for the Proposed Change of Company Name and proposed changes to the members of the Board as detailed in the paragraph headed “4. Proposed Change of Company Name” and “5. Proposed change to the Board composition of the Company” in the “Letter from BOCOM Securities” as set out in pages 9 to 23 of this Composite Document).

It is the intention of the Offeror that the Company will continue to focus on the development of its existing catering related businesses. Upon close of the Offers, the Offeror will conduct a detailed review of the business operations and financial position of the Group for the purpose of formulating a sustainable business plan or strategy for the Group's long-term development and will explore other business opportunities for the Group. Subject to the results of the aforesaid review, the Offeror may explore other business opportunities and consider whether any asset disposals, asset acquisitions, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company.

Notwithstanding the above, as at the Latest Practicable Date, no investment or business opportunity has been identified nor has the Offeror had any intention or entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group or downsizing or change of scale of the Group's existing business, and the Offeror has no intention to discontinue the employment of the employees or to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business.

COMPULSORY ACQUISITION

The Board is aware that the Offeror does not intend to exercise any power of compulsory acquisition of any outstanding Offer Shares not acquired under the Offer after the close of the Offers.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

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

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

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

The Offeror intends the Company to remain listed on the Stock Exchange. The director of the Offeror and the new directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

Independent Shareholders, Optionholders and potential investors are advised to exercise caution when dealing in the Shares.

As stated in the “Letter from BOCOM Securities” contained in this Composite Document, the Offeror intends to maintain the listing status of the Company. The Offeror and the new Directors to be appointed will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offers.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors (other than Mr. Wee Keng Hiong Tony), namely Mr. Devin Nijanthan Chanmugam and Mr. Leung Yuk Lun Ulric, has been established to advise the Independent Shareholders and the Optionholders as to whether the terms of the Offers are fair and reasonable, and as to acceptance of the Offers.

As at the Latest Practicable Date, Mr. Wee Keng Hiong Tony has indicated that he does not intend to accept the Share Offer. As such, he is not a member of the Independent Board Committee.

Pulun International has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers, and in particular, as to whether the terms of the Offers are fair and reasonable and as to acceptance of the Offers. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

The full text of the letter from the Independent Board Committee addressed to the Independent Shareholders and the Optionholders and the letter from the Independent Financial Adviser addressed to the Independent Board Committee are set out in the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” of this Composite Document.

RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 33 to 34 of this Composite Document, which contains its recommendation to the Independent Shareholders and the Optionholders in respect of the Offers, and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 35 to 65 of this Composite Document, which contains, among other things, its advice in relation to the Offers and the principal factors considered by it before arriving at its recommendation.

ADDITIONAL INFORMATION

Your attention is also drawn to the “Letter from BOCOM Securities” and the additional information contained in the appendices to this Composite Document and the accompanying Form(s) of Acceptance.

Yours faithfully,
By order of the Board of
Jia Group Holdings Limited

A handwritten signature in black ink, appearing to be 'Wong Pui Yin', is written over a horizontal line.

Wong Pui Yin
Chairlady and Executive Director