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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  
TENANCY AGREEMENT FOR RESTAURANT PREMISES**

**THE TENANCY AGREEMENT**

On 23 March 2020, Champ Winner, an indirect wholly-owned subsidiary of the Company, entered into the Tenancy Agreement as tenant with Meridian International as landlord in respect of the lease of the Premises for a term of three years commencing on 20 April 2020 and expiring on 19 April 2023 (both days inclusive) for the operation of the Group's European restaurant under the trade name of "REN".

**GEM LISTING RULES IMPLICATION**

Pursuant to HKFRS 16, the entering into of the Tenancy Agreement will require the Group to recognise the fixed portion of the rent for the Premises as the right-of-use assets with a cost of approximately HK\$5.0 million at initial recognition and a corresponding lease liability which represents the present value of the future lease payments. Thus, the entering into the Tenancy Agreement and the transaction contemplated thereunder will be regarded as a deemed acquisition 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%, the transaction 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.

## THE TENANCY AGREEMENT

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

- Date:** 23 March 2020
- Parties:**
- (1) Champ Winner, an indirect wholly-owned subsidiary of the Company (as tenant); and
  - (2) Meridian International (as landlord).

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

**Premises:** The entire first floor of No. 52 (formerly known as Nos. 52-54) Wellington Street, Central, Hong Kong.

**Use:** The Premises is expected to house the Group's new European restaurant named "REN".

**Term:** Three years commencing on 20 April 2020 and expiring on 19 April 2023 (both days inclusive).

**Consideration under the Tenancy Agreement:** **Rent:** The rent shall be HK\$165,000 per calendar month (exclusive of management fees, government rates, utilities and all outgoings) to be paid in advance on the 1st day of each and every calendar month without deduction.

Under the Tenancy Agreement, Champ Winner shall enjoy a four months' rent free period at the beginning of the term.

**Management fee:** HK\$9,890 per calendar month, subject to review.

**Basis of determining  
the consideration:**

The consideration under the Tenancy Agreement was determined after arms' length negotiation between Champ Winner and Meridian International 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 TENANCY AGREEMENT**

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

The food and beverage business in Hong Kong is facing a very challenging period amid the outbreak of covid-19 since January 2020, which has seriously affected consumers' sentiment and the number of both local customers and tourists. That said, the Directors are of the view that the challenges also presented an opportunity to the Group to introduce new dining concepts at a relatively lower cost, and lay the foundation for future growth in the medium to long term.

The Premises, located in the heart of Central, will house the Group's new restaurant tentatively named "REN", which is expected to feature European cuisine merged with Japanese influences. "REN" will offer a fine dining menu that will reflect the chefs' extensive international cooking experiences while paying homage to their core roots. The Directors believe that the addition of "REN" to the Group's restaurant network will enrich the fine dining experience of its patrons, reinforce the Group's multibrand strategy, and strengthen 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 entry of the Tenancy Agreement 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 Champ Winner**

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.

Champ Winner is an indirect wholly-owned subsidiary of the Company which will be the operational entity for the Group's European restaurant tentatively named "REN".

## **Meridian International**

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

- (i) Meridian International is a company incorporated in the British Virgin Islands and principally engaged in investment holding and property investment; and
- (ii) Meridian International 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 Tenancy Agreement will require the Group to recognise the fixed portion of the rent for the Premises as the right-of-use assets with a cost of approximately HK\$5.0 million at initial recognition and a corresponding lease liability which represents the present value of the future lease payments. Thus, the entering into the Tenancy Agreement and the transaction contemplated thereunder will be regarded as a deemed acquisition 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%, the transaction 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;
“Champ Winner”	Champ Winner Limited, a company incorporated in Hong Kong with limited liability;
“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 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;
“Meridian International”	Meridian International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Premises”	the entire first floor of No. 52 (formerly known as Nos. 52-54) Wellington Street, Central, Hong Kong;
“Tenancy Agreement”	the tenancy agreement dated 23 March 2020 and entered into between Champ Winner as tenant and Meridian International as landlord in respect of the Premises; and
“%”	per cent.

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

Hong Kong, 23 March 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).*